

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 28, 2023
Rough Draft

McKINNEY: All right. Good afternoon. Welcome to your Urban Affairs Committee. Today is February 28, 2023. I am Senator Tyrrell McKinney, Chairman of the Urban Affairs Committee. Also, I represent District 11 in the Legislature, north Omaha. Before we start, I'll ask each senator on the committee to introduce themselves, starting on my right.

HARDIN: Senator Brian Hardin, District 48: Scotts Bluff, Banner, Kimball Counties.

DAY: Good afternoon. Senator Jen Day, represent Legislative District 49 in Sarpy County.

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

HUNT: I'm Megan Hunt and I represent District 8 in the northern part of midtown Omaha.

BLOOD: Senator Carol Blood representing District 3, which is western Bellevue and eastern Papillion, Nebraska.

McKINNEY: Our committee clerk, no, our committee legal counsel is Elsa Knight, who is to my right, and our committee clerk is Raquel Dean. She is to my left. Today and before all hearings to be-- before all hearings, the agenda will be posted outside the committee hearing room. The senator introducing the bill will present first. Following, the senators who served 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 this committee. For purposes of accuracy, we ask-- we ask each testifier to spell their name, state who they represent, if not yourself. If you're planning to testify today, please fill out a testifier sheet. They are on a table in the back of the room. Be sure to print clearly and fill it-- fill it out completely. When it's your turn, come forward to testify and give the testifier sheet either to the page or the committee clerk. And-- and if you are to testify today and you're in the back, feel free to move forward. If you do not wish to testify but would like to indicate your position on a bill, please fill out the sign-in sheet on the back table as well. This sheet will be included as an exhibit in the record. In your Urban Affairs Committee, we use the light system to promote maximum engagement of those wishing to express their positions on proposed legislation before us. The light system will generally be five minutes with a

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green light and one minute with the yellow light. With the red light, you are asked to conclude. We will recognize proponents, opponents, and neutral testifiers. We will also acknowledge letters received from all concerned parties. Should you have handouts you wish to share, please share ten copies or ask our clerk to make copies. The clerk will then distribute any handouts to all committee senators. Following all proponent, opponent, and neutral testimony, the bill-- the bill's presenter is offered an opportunity to close and give their final remarks. As a committee, we'll work diligently to give fair, full hearings. We will make every effort to-- to accommodate special requests for assistance. At this hearing, we ask you be respectful of the process and to one another. And if you have a cell phone, please place it all silent or turn it off. Thank you.

HUNT: We'll open up the hearing for LB223, introduced by Senator McKinney. Welcome to your Urban Affairs Committee.

McKINNEY: Good afternoon, Vice Chair Hunt and members of the Urban Affairs Committee. My name is Terrell McKinney. T-e-r-r-e-l-l M-c-K-i-n-n-e-y. I represent District 11 in the Legislature, north Omaha, and I'm here to present LB223. In 2020, the Urban Affairs Committee and subsequently the Legislature adopted LB866, otherwise known as the Municipal Density and Missing Middle Housing Act. This bill pushed cities to implement measures to increase affordable housing, utilizing a grant also included in the legislation. A major piece of LB866 was to require cities with more than 20,000 residents to submit a report to the Urban Affairs Committee every two years showcasing their attempts at incentivizing affordable housing. LB223 creates a couple, a couple of changes. First, under current law, cities must submit a report detailing its efforts to address the availability of affordable housing. The report currently must include efforts to adopt an affordable housing action plan. LB223 would allow for cities to alternatively include in their report's efforts to implement an affordable housing action plan after such plan is adopted. This will allow for flexibility, especially as smaller towns may struggle, struggle under current law to report on immediate, immediate changes. Secondly, LB223 would also require cities to electronically submit their affordable housing action plan to this committee. This is a simple change that will improve communications between cities and our Legislature. With that, I would be happy to answer any questions. Thank you.

HUNT: Thank you, Chairman McKinney. Are there any questions from the committee? Seeing none, thank you for the introduction. I'll invite up

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the first proponent testifier for LB223. Anyone here to testify in support? Seeing none, anyone here to testify in opposition? Any opponents? Seeing none, anyone here to testify neutral? Welcome.

CHRISTY ABRAHAM: Thank you. Thank you, Senator Hunt 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 representing the League of Nebraska Municipalities. Senator McKinney did a great job of summarizing sort of the history of this and what this bill does. I am not going to lie to this committee ever and tell you we were not terribly thrilled with the original bill that was introduced. But the League worked with this committee and came up with the compromise that was contained in LB866. And so it was something that we really felt our larger municipalities, those of 20,000 population or over, would be able to handle. And so I reached out to some of the municipalities to ask them about what they felt about these two changes that are contained in this bill. And the report I got back was, we can do this. No problem. We're happy to do it. I think this is the year that the cities are going to come before this committee and give their reports about how they're doing on affordable housing. And we look forward to that. We think they're doing a great job. And I hope you will enjoy hearing the reports from all of the municipalities. So with that, I will stop. Thank you so much. I'm happy to take any questions.

HUNT: Thank you, Ms. Abraham. Any questions from the committee? Seeing none, thank you for being here today.

CHRISTY ABRAHAM: Thanks so much.

HUNT: Anyone else here to testify neutral on LB223? Seeing none, Senator McKinney, you are invited to close. Senator McKinney waives closing. With that, I'll close the hearing on LB223 and we'll move on to LB6 with Senator Blood. I'll turn it back over to Chairman McKinney.

McKINNEY: Thank you. You can start. Sorry.

BLOOD: So good afternoon, Chairman McKinney and members of the Urban Affairs Committee. Did I say McKinney or Committee?

McKINNEY: Huh?

BLOOD: Did I say your name right?

McKINNEY: I think so.

BLOOD: All right. My name is Senator Carol Blood, C-a-r-o-l B as in boy-l-o-o-d as in dog, and I represent District 3, which is the western half of Bellevue in eastern Papillion, Nebraska. I appreciate the opportunity to bring forward LB6, which regulates applications to conditional use permits, also known as CUPs, or city redevelopment contracts. In all counties in the state, the county planning commission may grant conditional uses or special exceptions to property owners for the use of their property if the County Board of Commissioners or Supervisors has officially and generally authorized the commission to exercise such powers and has approved the standards and procedures the commission adopted for equitably and judiciously granting such conditional uses or special exceptions. The granting of a conditional use permit or special exception shall only allow property owners to put their property to special use if it is among those uses specifically identified in the county zoning regulations as classifications of uses which may require special conditions or requirements to be met by the owners before a use permit or building permit is authorized. So the intent of LB6 is to prohibit municipalities, counties, and other community development agencies from granting a conditional use permit or a city redevelopment contract to any developer-- developer more than 180 days delinquent in the payment of real property taxes. This legislation requires any RFP by community redevelopment authority or community development agency to state that no retail-- no redevelopment contract be granted to a developer delinquent in the payment of any real property taxes owed to a city. There is an ability for the city planning commission or a planning director to grant a waiver if the delinquent taxes owed are in dispute, on appeal, or the result of administrative error. AltEn in Mead, Nebraska, was a recent example where a company should not have been granted a CUP. Instead, despite being delinquent in paying property taxes and owing \$518,000 in back payments of real property taxes to Saunders County, it was granted a CUP. In addition, AltEn was granted \$200,000 in CARES fund dollars by the Department of Economic Development. So frankly, before the state enters business with a developer or other party, I think we need to make sure these entities are paying their property taxes to the state when there are no clear hurdles to them doing so. It really doesn't make a whole lot of sense to engage with businesses that cannot maintain minimum due diligence of paying taxes. And I don't think it bodes well for the state and future projects with said parties. So you might be asking yourself, and I know at least one of you is, why should we care about past due property taxes? Well, let's use AltEn again as the example. Their inability to keep up with paying their property taxes really

foreshadowed their future environmental polluting practices at their ethanol plant in Mead, Nebraska. It's been very well documented at this point the environmental disaster AltEn's illegal practices have caused for Nebraskans in the surrounding area and the years of cleanup and possible health side effects the citizens of Saunders County all suffer. The fact that AltEn couldn't pay their property taxes should have been a clear red flag that they would not be good partners with Nebraska's best interest in mind. Delinquent taxes should be a guardrail against future malevolent behavior by parties that wish to receive a CUP grant. Past legislative bodies clearly believed that delinquent property taxes were important enough to change state statute, specifically 77-1804. The result, if you go online to our state website, is 514 pages where 91 out of 93 counties have submitted their lists of delinquent property taxes. Counties are required to do this the first week of every February. And so the most recent list is actually quite current. It is often brought up in this body that Nebraskans pay high property taxes. With this knowledge, why are we not holding these businesses who are applying for CUP grants for redevelopment projects to the same standard as an average Nebraska taxpayer? The taxpayers of Nebraska are under enough pressure and don't need to be subsidizing the bill for projects on behalf of businesses that cannot put up their fair share. We need to take some responsibility and show that we have an expectation that we will treat everyone fairly. Many deride Nebraskans who are dependent on the welfare system in our state, despite many being employed and still requiring assistance for medical and food needs. Yet we don't hear enough about businesses taking advantage of our state and taxpayers and receiving subsidies. We have two sets of rules for the wealthy and the socioeconomically poor in the state. We talk about being more fiscally responsible in the state and LB6 addresses those concerns and makes sure that we are not subsidizing businesses that do not pay taxes and drain our local revenues. It should be a unifying issue that Nebraska does not grant tax incentives to excessively delinquent taxpayers, and that's hurting our state economically. Some opponents will cite government overreach, but we are a Dillon's rule state, and Nebraska has the right to exercise powers that we inherently have. If an entity does not pay their property taxes, then as a state, we have the right to deny a loan or COP-- CUP. I'll end by opening today with this statistic. So the United States generates about \$21 billion in delinquent property tax taxes. Much of this property ends up with liens attached, which creates a secondary issue if the property is sold or refinanced if the liens have not been removed. I think it can be important to not only look at the issue at hand, but also how it

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affects our citizens as well. Here in Nebraska, if someone falls behind on property tax payments, no matter how small, the county treasurer's office offers up the outstanding tax liens to private bidders every March. From economic development to reduced income for area schools, snow removal, roads and more, property taxes are really important to our political subdivisions. Nebraskans expect an even playing field for all when it comes to being a responsible taxpayer and assume that we will hold big corporations to the same accountability that we would a homeowner making \$45,000 a year. I thank you for your time today and consideration for LB6. I do encourage you to wait for additional questions in my closing because I respect your time today since we have a full agenda. But should they not be answered, I will be here, obviously, for my closing.

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

LOWE: Thank you. Thank you, Senator Blood.

BLOOD: Um-hum.

LOWE: Have you brought a bill like this before?

BLOOD: I brought it before, and--

LOWE: [INAUDIBLE]

BLOOD: --we had concerns and we addressed the concerns. It's not the same bill. Yeah, absolutely. Because I do believe that when you are in arrears, that you should have the same obligations that you and I have when it comes to paying our property taxes.

LOWE: If a company has some dealings and they're in arrear of their property taxes because of that dealings, there's no exceptions in this?

BLOOD: As I said in my introduction, there is a waiver that is available, be it a long list of circumstances. So that was one of your concerns with the last bill and that's why I addressed it in this bill. So there is a waiver process. So if there's a sincere reason that that person can't pay their property taxes that's legitimate, then those people that grant the CUPs or grant the exceptions, they can use that waiver process. And it's an easy process.

LOWE: Thank you.

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BLOOD: And with all due respect, 180 days is, what, six months? So they have plenty of time if they're having issues on paying their property taxes to get in front of it, because we also have processes put in state statute for them to, to fix it before it even gets to that point, be it making payments, be it asking for an exemption outside of this bill.

LOWE: I'm just thinking of court terms.

BLOOD: Um-hum.

LOWE: If you make a payment, you will then realize that you may be at fault during your court.

BLOOD: I'm sorry. If you make a payment--

LOWE: Yeah. If you make a payment towards something, then that is realizing that you are guilty and you are going to continue making that. I just--

BLOOD: Oh, I see what you're saying, which is why we have the waiver process. I hear what you're saying.

LOWE: OK. Thank you.

McKINNEY: Thank you. Any other questions from the committee? Seeing none, thank you, Senator Blood. I'll invite proponents, any proponents? Anybody here in opposition?

DAVID LEVY: Chairman McKinlly, Senators, good afternoon. David Levy, D-a-v-i-d L-e-v-y, Baird Holm law firm, 1700 Farnam Street in Omaha, testifying in opposition to LB6 today on behalf of the Nebraska Association of Commercial Property Owners, of which I am also a volunteer board member. NACPO is an association with over 500 members who own millions of square feet of commercial property and hundreds of apartments, primarily in Omaha and Lincoln. I do want to say NACPO has been involved in and following this bill for some time. As, as we heard, Senator Blood introduced a version of this bill previously. And we do appreciate that she has responded in LB6 to a number of the comments and concerns that were addressed that came up out of that prior bill. However, the Association of Commercial Property Owners does still oppose this bill for a couple of reasons. One, because it takes away local control. There's a saying in the land use world that all land use is local. And Senator Blood is right that Nebraska is a Dillon's rule state, which essentially in the land use context means

that cities have only the powers that the Legislature gives to them. And primarily where you see that in the land use arena with statutes is procedure. But in deciding whether to grant a conditional use permit, for example, that's a discretionary decision that is really left to the discretion of a city council. If they want to have tall buildings in their downtown, that's really up to that city council. If they want to have restaurants in a neighborhood, that's really up to the city council. Those decisions are very local decisions and are highly discretionary. This bill from the Legislature, obviously limiting a city's ability to grant conditional use permits when it desires to infringes on that discretion that is really very fundamental and longstanding with regard to land use and development. The bill, as I mentioned, also singles out tax increment financing. There are lots of other incentive, lots of other programs, lots of other governmental approvals at the local level that, that this bill does not address. I'm not suggesting that it should address those, of course, but this bill is sort of shooting at one thing when the problem, if the problem is delinquent property taxes, that's, that's really a different thing. I know that the city of Omaha, for example, though, does on its TIF application, ask the applicant to affirm on that application whether they are current on their property taxes. That's an example of a city dealing with this exact issue on its own without direction or a requirement from the Legislature. I also know of an instance in the city of Omaha where the city, this was probably five years ago, denied tax increment financing to an applicant. I don't believe the issue was delinquent property taxes. That may have been part of it, but it was more code violations, code enforcement. So that's an example of where a city has taken this exact issue and said, no, we're not going to give tax increment financing to a developer, an applicant who we don't think is doing the things that we think they should do. Cities have the ability to do this already. There are many nuances to this. There's lots of discretion involved in development decisions like tax increment financing, like conditional use permits. And I-- my fundamental ask to you is leave this to the cities to deal with. I understand the purpose for the bill. Again, I appreciate the amendments that have been made in the intervening time, but it still infringes on local control. It still singles out conditional use permits. It still singles out tax increment financing. The last point I would make is, is I wonder what, what is the remedy? So let's say I'm a developer and I'm delinquent on my property taxes and I get a conditional use permit anyway. Let's say the city, I don't know, somebody goes to look it up and they put it in the wrong parcel number or something like that. And I go to a bank and I get a loan. And then

the city comes and says, hey, you're delinquent on property taxes. The statute says we can't give you a conditional use permit. I don't know what happens to that developer under their loan. At that point, are they in default under their loan? Are they in default under their TIF loan or their redevelopment agreement? The remedies to this, the ultimate outcome to this, if it-- if it wasn't implemented properly for some reason, are, are potentially numerous. There's lots of unintended consequences. And cities and counties have in their municipal code and in their jurisdiction by delegation under Dillon's rule from the state the ability to enforce their own ordinances and their own zoning regulations. This is something that they can deal with at the local level, but without having a statute-- statute that may make them do something that goes way beyond what they actually want to do to deal with whatever was going on with that developer. So I think because of the infringement on local control, the potential for unintended consequences and the sort of narrow approach of the bill at one thing, I would encourage the committee not to advance this bill. Thank you for your time. I'm happy to answer any questions.

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

DAVID LEVY: Yes, sir.

McKINNEY: So you represent property management individuals?

DAVID LEVY: I represent-- I'm testifying on behalf of the Nebraska Association of Commercial Property Owners.

McKINNEY: OK. So is it fair to assume that these property owners lease property or rent property out to people?

DAVID LEVY: Correct.

McKINNEY: So if somebody is leasing or renting from them and they're not on time with their rent or, or payments, would they be subject to evictions and things like that?

DAVID LEVY: Typically, yes.

McKINNEY: OK. So but you in, in your-- in your statement, you want us to care that a property developer got money. But because they're del-- but they got money on a loan although they're delinquent on or whatever, but we're supposed to disregard that, right? Is that what you're saying?

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DAVID LEVY: I'm not saying that you're supposed to disregard that. I'm saying that if the Legislature mandates by statute what this bill would mandate by statute, that could have unintended consequences that-- including somebody potentially defaulting on a loan.

McKINNEY: But isn't that their problem? You're defaulting on a loan because you are delinquent, not because-- it's not the Legislature's fault that you're, you're going to default on that loan. You're going to default on a loan because you're delinquent.

DAVID LEVY: But I might default on that loan because I was issued a CUP, a conditional use permit that it turns out, maybe through no fault of my own as the applicant, that was contrary to the statute on what it would do.

McKINNEY: But these property owners are evicting people who, to no fault of their own a lot of times, fall behind on payments. But they, they're, they're evicted. They're not allowed to stay in a residence. They have to go to county court and try to fight eviction. So why should we care about developers?

DAVID LEVY: My point, Senator, is that this bill could have numerous unintended consequences by interfering from the state level in what is fundamentally a local process and is very tried and true. And local jurisdictions have the ability to enforce their ordinances.

McKINNEY: So should we interfere more in eviction processes?

DAVID LEVY: I don't do landlord tenant law, so I'm-- and this bill is not about that. I'm not going to get into that. I, I don't have the ability to get into it. I don't mean to be disrespectful. I, I don't think I could be very helpful to you on that.

McKINNEY: All right. Thank you.

DAVID LEVY: Thank you.

McKINNEY: Any other questions from the committee? Seeing none-- you got one?

HUNT: Huh-uh.

McKINNEY: No, thank you.

DAVID LEVY: Thank you.

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McKINNEY: Any other opponents? Anybody here to testify in a neutral?

BETH BAZYN FERRELL: Good afternoon, Chairman McKinney, members of the committee. For the record, my name is Beth, B-e-t-h, Bazyn, B-a-z-y-n, Ferrell, F-e-r-r-e-l-l. I'm with the Nebraska Association of County Officials, and I'm appearing neutral on LB6. We'd like to thank Senator Blood for working with us on this bill. There are concerns that we had last year, incorporating some of those things into the bill that you see here today. We believe that there is a broad public policy need for every property owner to pay their taxes, especially when people are coming in and asking for a special permission to do something, a conditional use permit or, for example, TIF. Being current on property taxes really demonstrates a commitment to the community and to making sure that local entities, these counties and schools, have the funding that they need for the distinctly local things that they do. Cities and counties take care of roads and streets and bridges. There's law enforcement, fire protection, and so on. All of those things need to be provided to every parcel, whether or not the taxes are current. And we think it's appropriate that taxes should be paid by everyone who is a property owner, especially when they're seeking some kind of special authority. So we're neutral on the bill, but we do support the broader public policy discussion. I'd be happy to take questions.

McKINNEY: All right. Thank you. Are there any questions from the committee? Seeing none, thank you. Are there anyone else here to testify in a neutral?

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, representing the League of Nebraska Municipalities. I don't know if you saw Beth and I back there doing rock, paper, scissors as to who gets to go first. She got to go first and basically said everything I wanted to say, probably much more eloquently than I would have said it. But here it is. We also want to thank Senator Blood. LB695 was the bill from last year, and Senator Blood was very gracious about working with us to address a lot of the concerns that we had about that bill. Specifically, her bill last year dealt with more than just conditional use permit. It seemed like it dealt with other zoning exceptions as well. And so we narrowed it down to just conditional use permits. We also had that concern about the flexibility. What if someone hadn't paid their property taxes because there was some sort of administrative error or they were disputing their taxes or it was on appeal or there was some sort of issue that came up and that's why

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they hadn't paid their taxes? And so she put that language in just to give municipalities a little bit more flexibility on that issue and we really appreciate that. Again, like NACO, we really support the intent of this bill. I think it's a good one. We want people to pay their taxes. And if you haven't paid your taxes, maybe you don't get to have a conditional use permit or you don't get to have your TIF application accepted. The League will always be about local control, and that's why we come in neutral. But I'm happy to answer any questions that you might have.

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

CHRISTY ABRAHAM: Thank you so much.

McKINNEY: Senator-- are there any other neutral testifiers? Seeing none, Senator Blood, you're welcome to come up. As she comes up, for the record on LB223, there was one proponent, zero opponents, zero neutral. On LB6, there are two proponents, zero opposition, zero neutral. Thank you.

BLOOD: Thank you, Chair. So at the very beginning of the session, I was making a joke that a lot of the things that I've seen go through the Legislature this year are rules for thee but not for me. That's how I think of LB6. We have separate rules for people with money compared to the average Joe on the street. And I don't think that that's acceptable because it's the average Joe on the street that is paying the vast majority of the tax dollars that come back to their political subdivisions and to the state. And so with respect to Mr. Levy, Mr. Levy never spoke with me this year. And to my knowledge, he's not speaking to my-- spoken to my staff. We do keep a roster of everybody that calls into our office and I'm not finding his name on that roster. So to say that we-- he appreciated us changing the bill from last year and that we heard the words that he had to say in reference to this bill, I really have no idea who that gentleman is. And it's really a shame because we could have worked together over the summer on, on this bill. To say that it takes away local control, it actually does the opposite. All we're doing is we're setting guidelines. But because of the waiver system that is put into place, it actually gives them control over whether they want to accept that person. As far as a CUP or redevelopment plan, it gives them permission to go ahead and move forward should they choose to do so. But if there's red flags, it also gives them that control to act upon it where they may not have felt that they had based on some of the

smaller communities we've talked to over the summer, that they didn't necessarily feel that they had that power to do that. As far as what would happen if there was some kind of mix-up, I don't know what happens now when there's a mix-up. Do they lose their loans? I don't think they do. I think that they probably work it out, especially if we're talking about a big corporate organization. I have to say that I-- Senator McKinney probably, probably put a light on that better than I could have. But I do think that we always say the sky is falling whenever we want to help the average Joe. But we are always very, very quick to give as many handouts as we possibly can to economic development and well we should. When are we going to protect our local municipalities or political subdivisions? If you haven't gone to that page that shows all the property taxes that are in arrears in Nebraska, I strongly encourage you do that before we vote on this bill, because I think you're going to be appalled. And when you see some of the bigger names of people who are behind 180 days, that's six months. And I'm telling you, the vast majority of the, the big corporations, the big businesses that do it, it's not because somebody's sick. It's not because they've moved to a different country. It's because they're just choosing not to do it so they have more flexibility that they can spend their money on other projects or on other things or for themselves. I don't see any sob stories in, in those reports. What I see are people taking advantage of the system that we don't ever follow through on. So we're not trying to take away local control. What we're trying to do is give them more teeth to get the monies that are due to them. Because especially in places like western Nebraska right now, they're making decisions about whether they can even make their budgets work because they've had so much snow. And for those of those communities that are lucky enough to have rainy day funds, they'll be able to tap into it, but not all of our communities are that lucky. So we have to make sure that the funds that are due to our political subdivisions are paid. And we need to let people know that they can't take advantage of Nebraska when it comes to not paying your taxes. Because gosh darn it, I don't think any of us would ever be able to go six months and not pay our property taxes without repercussion. And again, I just want to state for Senator Lowe, there are plenty of things already put into state statute to protect people, things that they can do in their defense before they even get to the waiver process. So for some reason, you can't pay your taxes or you won't pay your taxes, you start with the county first and that, that's even outside of this bill. All right.

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McKINNEY: Thank you. Are there any questions from the committee? Seeing none, thanks, Senator Blood.

BLOOD: Thank you.

McKINNEY: And that closes the hearing on LB6.

HUNT: I'll just say LB6 had two letters in support, no letters in opposition, and no letters from neutral testifiers. And I forgot to read before the bill we just heard, LB223 from Senator McKinney, that bill had one letter in support, zero in opposition, and zero in neutral. And now we'll move on to LB530 from Senator McKinney.

McKINNEY: Thank you, Vice-Chair Hunt and members of the Urban Affairs Committee. My name is Tyrell McKinney, T-e-r-r-e-l-l M-c-K-i-n-n-e-y, and I represent District 11 in the Legislature, north Omaha. Sorry. So we're here today to discuss LB530. LB530 would amend the Nebraska Housing Agency Act. If passed, LB530 would allow housing agency elections where two commissioners are elected by the people at the housing agency. People elected to the role will serve for up to a four-year term limit, meaning elections will occur every four years. The law currently holds that cities of every class appoint commissioners of local housing agencies. These commissioners are designated to serve for terms of one to five years. After five years have passed, commissioners are then appointed for terms of five years. To ensure fairness and to mit-- and to mitigate bias, as commissioner for cities of the metropolitan class will be prohibited from holding office or employment within the same metropolitan city they are elected to serve. Details on election process as well as removal process are outlined for the metro-- for the metropolitan city housing agency commissioner. To contextualize the purpose of the proposed amendments, note that there are currently more than 100 separate, separate housing authorities across Nebraska. These range in size and population served. A vision of housing equity was intended by the 1999 Nebraska Housing Agency Act, which sought to provide both safe, livable-- both safe, livable residential homes and affordable-- and affordability of people of low and moderate incomes. The act also aimed to minimize physical deterioration in living spaces and upkeep to residential infrastructure. Since my time in the Legislature, though, I've heard many complaints about the Omaha Housing Authority and its treatment of residents and staff. From a lack of cultural competency to a pseudo dictatorship that micromanages staff, residents and residents having issues with hot water, inadequate staffing, for instance, those in charge of maintenance and pest control. Last month

and towards the end of the year, there was a lack of staffing in the maintenance area and pest control. Because of this, a young lady had to come from out of state to assist her father, who was dealing with a bad bed bug problem. The management of the OHA properties have not been great, especially in the Town Towers, which if you walk through those, it looks inhumane a lot of times. It doesn't look good for anybody. There also have been issues with layoffs of many long-term staff, which many believe were in retaliation for speaking up and speaking out about the issues with the housing authority. I also want to note AM494, which requires the executive director of the housing agency to reside in the county. To me, it is important to have somebody from the county or the city of Omaha to be in charge of the housing authority. I've had many conversations with residents and staff that the current administration of the housing authority doesn't care about people. They micromanage staff. They track-- they, they do extreme tracking of staff now. And if they make one mistake, they try to throw them out. Staff are in fear of their jobs every day and wondering if they're going to get fired or laid off for even trying to talk to me or speak up for themselves. Residents don't know what to do because many individuals that live in the Towers and live in OHA homes aren't in the best financial situations. So they don't try to speak up a lot because where else are they going to go although they're dealing with horrible conditions, living conditions. The micromanagement and the layoffs have caused maintenance to just not be great at all. And because of this, the, the bed bug problem got out of control and issues with hot water and those type of things. And this is why I brought that bill to try to, you know, bring some more power to the residents to be able to elect a director that cared about them, but also elect a resident, resident commissioners that care about them, but also to prevent people from the city from sitting on this board, because I think it's a conflict of interest. I also think it's bad that commissioners can make money off the contracts. That makes no sense. What if us as senators, we just make money off the contracts that went through the Legislature? People would be up in arms about it, but currently people sitting on the board can make a percentage off some contracts. And this is why I brought this bill and I'm open to any questions. Thank you.

HUNT: Oh, it's on me. Thank you, Senator McKinney. Like, where's the Chair? Thank you, Chairman McKinney. Are there any questions from committee? Senator Blood.

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BLOOD: Thank you, Vice Chair Hunt. So if commissioners can make money from this, are you saying do they fill out their conflict of interest paperwork like we have to or?

McKINNEY: I would-- I would hope so but still--

BLOOD: So we don't know that for a fact.

McKINNEY: The fact that they could make money off these contracts is just a overall issue for me.

BLOOD: I think you'd be surprised at how many municipalities and stuff that that happens the city council [INAUDIBLE] which is why I have a bill on that this year by the way. How do you feel about the, I mean, this is an Omaha issue.

McKINNEY: Yeah.

BLOOD: Are you seeing issues in western Nebraska? Because I know that the opposition was basically out west.

McKINNEY: I haven't seen so I'm not sure. I wouldn't be surprised if there are issues in western Nebraska. I just wanted to address the one with the OHA issue that I'm aware of. But now that I'm Urban Affairs Chair, if anybody is watching, if you have issues with your housing agency, please reach out to me and my staff.

BLOOD: All right. Fair enough. Thank you.

McKINNEY: No problem.

HUNT: Thank you, Senator Blood. Any other questions from committee? Senator John Cavanaugh.

J. CAVANAUGH: Thank you, Vice-Chair Hunt. Thank you, Senator McKinney, for bringing this. This is an interesting idea. So just to clarify, this would apply just to housing authorities and cities of the metropolitan class or all?

McKINNEY: Yes.

J. CAVANAUGH: OK.

McKINNEY: Yeah.

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J. CAVANAUGH: And for the part about-- I see how you-- kind of, you don't kick anybody off. You just sort of do it through attrition. Would there be districts, because in Omaha, you know, there's housing kind of just all over the place, or would it just be the entire everybody who's in housing?

McKINNEY: I think anybody that-- we could do the district or if somebody is up for, you know, somebody that wants to be either the director or to be a resident-- resident commissioner, go do that-- go through that way. But district could work as well but-- because they have properties across Omaha so.

J. CAVANAUGH: Yeah.

McKINNEY: I can think about that a little further.

J. CAVANAUGH: In my head, I, I'm not suggesting it. I was just imagining like having a representative from Jackson Tower--

McKINNEY: Yeah.

J. CAVANAUGH: --or something like that might be nice. I guess that brings me to the next question, kind of hit on it. So this would apply to folks who are living in Section 8 housing or just OHA property?

McKINNEY: OHA property.

J. CAVANAUGH: Just have to own-- but they do own not just those buildings, but--

McKINNEY: Yes.

J. CAVANAUGH: --houses that are--

McKINNEY: Yeah.

J. CAVANAUGH: --around. So those folks would get to vote as well.

McKINNEY: Yes.

J. CAVANAUGH: Interesting. Thank you. All right.

McKINNEY: No problem.

HUNT: Thank you, Senator Cavanaugh. Any other questions from the committee?

J. CAVANAUGH: All right, I'm going to--

HUNT: Yeah, Go for it, Senator Cavanaugh.

J. CAVANAUGH: I apologize. I missed earlier--

McKINNEY: [INAUDIBLE]

J. CAVANAUGH: [INAUDIBLE] than everybody. So, I mean, obviously, you're coming at this from solving a problem. Do you think the current board is representative of the folks who live in OHA housing?

McKINNEY: No, I would say no.

J. CAVANAUGH: Is there anybody that's currently on the board that--

McKINNEY: Well, I do know they had a residential commissioner, but I don't think he's still a residential commissioner and I'll have to double-check. But even him in my talks with him, he was-- he's hesitant to, you know, speak out because of retaliation and things like that.

J. CAVANAUGH: Yeah. Do you think that maybe there's another avenue and maybe it's in here and I didn't see it, but like a whistleblower protection or something along those lines?

McKINNEY: Yeah, we can add that. I would be open to adding that somewhere as well.

J. CAVANAUGH: Thank you.

McKINNEY: Yep. Thank you.

HUNT: Thank you, Senator Cavanaugh. Any other questions? Senator McKinney, did the Housing Authority evict tenants during COVID?

McKINNEY: I want to say yes.

HUNT: That you know of? And have you had any constituents that are affected by this?

McKINNEY: Oh, yeah. So the-- what is it? What tower is that? Evans Towers. It's in my district.

HUNT: Yes.

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McKINNEY: And I think that's where the bed bug problem was. I'm almost sure of it.

HUNT: Yeah. Evans Tower was affected.

McKINNEY: Yeah, so yes. So they've reached out to me. The daughter reached out to me about the story and other people. And also there were people from the community that tried to go in to try to look at the issue, some community leaders, and they were met with, you know, resistance and being told to leave the property. And I know of another individual that kind--

HUNT: Resistance from the housing authority or the tenant?

McKINNEY: Housing authority.

HUNT: OK.

McKINNEY: They were trying to talk to the tenants, but the housing authority didn't want them in the tower. Then I know of another situation of somebody that was trying to help some of the residents who are more elderly with some type of assistance and they banned that person.

HUNT: OK. OK. Any other questions? Senator Cavanaugh.

J. CAVANAUGH: This might be a dangerous subject, but I'll ask it anyway. Senator Hunt's question inspired me. So OHA certainly has evicted people even during, before and after COVID. Do you ever hear from folks that they think that, well, so there's, there's a waitlist to get into OHA housing, right?

McKINNEY: I think something like that [INAUDIBLE] Yeah.

J. CAVANAUGH: Is it possible sometimes there's an incentive to clear people out so they can clear large parts of the waitlist.

McKINNEY: I can't say with just fact with that, but I wouldn't--

J. CAVANAUGH: I won't push this.

McKINNEY: Yeah.

J. CAVANAUGH: Maybe I'll ask somebody else.

McKINNEY: OK.

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J. CAVANAUGH: Thanks.

HUNT: Thank you, Senator. Cavanaugh. Any other questions? Seeing none, appreciate your open, Senator McKinney.

McKINNEY: Thank you.

HUNT: I invite up any proponents for LB530. Come on down. Hi there. Welcome to the Urban Affairs Committee.

TONY BURKHALTER: Good morning, everybody. Tony Burkhalter, T-o-n-y B-u-r-k-h-a-l-t-e-r, 6910 Pacific Street, Omaha, Nebraska. I would like to thank you guys for looking at this amendment to LB530. When I look at this and the changes were kind of presented to me, Mr. Cavanaugh, I appreciate your questions of Mr. McKinney. Great questions. Also, in my, my day-to-day role is president of Local 251. I actually represent the employees that work for-- a portion of the employees who work for Omaha Housing Authority. Not all. Mr. McKinney is right and probably fielding phone calls of retaliation and intimidation. That's not what I'm here to address to you guys. I support the amendments just because of the fact that the amendments are common sense. Right? When you look at should a commissioner profit off of a contract with Omaha Housing Authority, you know, 5 percent of Joe's, Joe's contract and does lawn service is very minimal. Three percent of building homes is probably pretty profitable. Those type of issues where we look and say, is that a conflict of interest? Should you be profiting as a commissioner, a commissioner of Omaha Housing Authority? Absolutely not. As senator currently, you guys cannot own a construction company and come in and do contract work for Omaha Housing Authority. It just wouldn't happen. We've shot people down for that, right? When we look at the changes that reflect to should a CEO have a residency within the metropolitan area in which they oversee, they most certainly should. You should have a vested interest within the community that you serve, at least live in the state. With the amendments that increase and add two resident commissioners, it would be an opportunity for the individuals that Omaha Housing Authority serves to actually have a voice and to have come from a background that they actually relate instead of having individuals that are overseeing and making decisions for the individuals living within Omaha Housing Authority. With respect to term limits, you guys can kind of relate to term limits. It's just a simple fact that any position, if you're in there too long, does it lead to some improprieties? We believe so. That's why we support this. I'm open for any questions if you guys have any.

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HUNT: Thank you so much for coming today. Any questions from the committee? Senator Blood.

BLOOD: Thank you, Vice Chair Hunt. Thanks for coming today. So do you know if the commissioners have to do conflict of interest forms?

TONY BURKHALTER: They do. They do.

BLOOD: OK. And so there's concern that particular, obviously, commissioners are perhaps making money. And does it say that clearly in the [INAUDIBLE] forms that they fill out as far as conflict of interest?

TONY BURKHALTER: I'm not for certain the actual form and, and how it is filled out. My concern with the current contract and the commissioners, one, it involves labor relations. Right? And that conflict comes with an individual in the chair. And any issues that involve labor as the chair are those conflicting decisions? Are you abstaining from any of those decisions being made that are presented?

BLOOD: You [INAUDIBLE] over the word that you said. What did-- could you start your sentence over?

TONY BURKHALTER: Conflicting.

BLOOD: I didn't hear any of the words.

TONY BURKHALTER: The conflicting decisions that a commissioner may make as being the chairperson?

BLOOD: Chairperson, OK.

TONY BURKHALTER: Yeah.

BLOOD: That's what I was not hearing.

TONY BURKHALTER: OK. And bless you. So--

LOWE: Thank you very much.

TONY BURKHALTER: So-- and that's, that's where our concern is, is will this individual abstain when a decision is made that you're--

BLOOD: Has it been your experience that that's not what happens?

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TONY BURKHALTER: Well, I can use the layoffs and I'd have to go back to the layoffs of the 18 employees. That decision was not abstained from.

BLOOD: Did they ever get their jobs back after they were laid off?

TONY BURKHALTER: No, no. Some individuals, I'm [INAUDIBLE] say all of them.

BLOOD: Was there like 11?

TONY BURKHALTER: There was 18.

BLOOD: 18.

TONY BURKHALTER: Yeah. It was actually more positions than that, but we had some vacant ones so it was 21 or some-- some--

BLOOD: OK.

TONY BURKHALTER: --some number like that. Those are the concerns that we kind of have in that is working with your counterpart, making decisions. Are you going to abstain from, from that? Because ultimately, if we go to arbitration or whatnot, Baird and Holms [SIC] will be the one we're going up against. Thank you.

HUNT: Thank you, Senator Blood. Any other questions from the committee? Seeing none, thank you for your time today.

TONY BURKHALTER: Thank you.

HUNT: Any other proponents for LB530? Any other proponents? Any opponents for LB530? Welcome back.

DAVID LEVY: Thank you, Vice Chairwoman Hunt, members of the Urban Affairs Committee. David Levy, D-a-v-i-d L-e-v-y, 1700 Farnam Street, Omaha, here in my capacity as chairman of the Board of Commissioners of the Omaha Housing Authority. I think I've got five minutes and I expect based on the testimony and the opening you've heard so far, you may have some questions for me, and that's fine. I'm happy to take those. I am testifying today in opposition to LB530 because I think for two reasons, really. One, I want to talk, I'm very proud of the Omaha Housing Authority. I've been on the board of commissioners since 2015. I've had the honor of serving as chairperson since, I believe, 2018. And I've got some statistics for you. But before I get to those,

I believe this bill is unnecessary and I believe it's unworkable. Holding these type of elections would be unduly expensive. It would be very difficult. We don't do that for other professional type of organizations, professionally managed organizations. Directors of departments in cities and counties, for example, are trained professionals in those fields. And that's a benefit, I believe, to those positions. But let me just talk for a second about the Omaha Housing Authority. The Omaha Housing Authority has 5,153 housing vouchers that it uses to provide Section 8 and other programs. Those vouchers are provided by the United States Department of Housing and Urban Development. By the way, in my day job, I serve as a development and municipal law lawyer and lobbyist. And I deal with a lot of complex regulatory things. And I can safely tell you that HUD and public housing is the most complex regulatory scheme and regulatory environment that I have ever worked in. You talk about having a need for a professional manager. It's incredibly complex: 2,847 public county housing units in addition to the 5,000 I mentioned. So 8,000 housing units approximately the Omaha Housing Authority is responsible either for managing or helping support the tenants. It's about an \$85 million a year budget that needs to be managed, that has many sources with many constraints: federal, state and local. And the Omaha Housing Authority currently employs 178 people. Again, that's a large organization, and it is a challenge to manage and requires professional management. Since 2019, the Omaha Housing Authority has increased its capital allocation from HUD, from about \$5.6 million to about \$7.2 million. The OHA was awarded four additional HUD capital grants during that period totaling over \$3.2 million. In addition, the Omaha Housing Authority was awarded a \$25 million grant to renovate the Spencer Homes in north Omaha and most recently last year a \$50 million grant to renovate Southside Terrace in south Omaha. Those were awarded through a highly competitive national process by the Department of Housing and Urban Development. We raised many tens of millions of dollars in philanthropy, philanthropic contributions and other funds to leverage those funds to do what I think are really, truly transformational projects in those parts of Omaha. Occupancy is up from about 90 percent at the end of 2020 to about 95 percent at the end of 2022; middle of '22, it was 98 percent. OHA's seven-member board of commissioners includes four women, three men, and three African-American members. We do currently have a resident commissioner. Ms. Danielle Goodwin is our resident commissioner, and she has been on the commission probably about four months. Again, this bill, to me, I can appreciate concerns. We can always do better at the Omaha Housing Authority, no question. As I think I've conveyed to you,

it is quite an enterprise to run and it absolutely requires professional management to run. I spend approximately 10 to 20 hours a month volunteering my time to serve on the Commission of the Housing Authority. I am glad to do it. I love to do it. I feel like I have professional qualica--qualifications and capabilities that make me able to serve the Housing Authority, our residents, and our city very well. I think this bill, in addition to being unworkable, very expensive and very difficult to implement in terms of the elections, disregards all of the things that I've said in the last five minutes. So I'm sure I have more to say there. I would-- I'll stop. I see the red light is on. I could address the evictions. I could address the layoffs. I'll address whatever, of course, the committee might have. Thank you.

HUNT: Thank you, Mr. Levy. Any questions from the committee? Senator Day.

DAY: Thank you, Vice-Chair Hunt. I appreciate what you're saying, Mr. Levy, but I didn't hear you address any of the really deplorable conditions that these people are living in like I think some of what Senator McKinney had mentioned. I understand that it's a complex organization to function and run, but I don't think that that excuses the conditions that people are living in. I have Evans-- one of the articles that we have in front of us, Evans Tower houses disabled people and people over 55 years old with low incomes. The issues came to light this week after an older man from Evans Tower was taken to the hospital and it was discovered that he had bed bugs. Relatives of the man posted about it on social media. Do you have any comments about the conditions that some of these residents are in or why they're not being taken care of in a timely manner?

DAVID LEVY: Sure, Senator, I do. And I think your last-- the last thing you read in that article, I just, I do want to point that out with all respect that this was reported on social media. I'm not saying that there are not issues in units in the Towers and within the Omaha Housing Authority. Absolutely we can always do better. It's a very difficult situation. We're responsible for housing approximately 30,000 people, many of whom, of course, are very low income, many of whom have other issues as well that they're dealing with. It is-- it is a constant challenge. We respond to complaints about bed bugs and broken water pipes and all of those things. We're managing 8,000, well, we're supporting 8,000 housing units and managing almost 3,000. As you can imagine with something like that, there are bound to be maintenance issues at all times. It is in no way something that we are

cavalier about that we don't take seriously. We respond to complaints as best we can with the resources that we have. I do disagree. I take issue with some of the reporting in that particular article. I, of course, you know, you only have the evidence that you have there with that article. But, yes, there are issues. I think in my time on the commission, I think the Housing Authority has done a good job of addressing those issues, and I think there are fewer of them. But it is always like anything, a matter of time and money and resources. But yes, we can always do better.

DAY: And I think so sometimes we have issues that come before us and bills that come before us that are a result of inaction on the part of the organizations that are supposed to be taking care of the problems. And so when you're saying, you know, maybe the bill is unnecessary and we do all of these things, but it appears to me sitting here in this hearing today that the issues are not being handled. And so often we have to solve problems that it appears that others are not willing to take the responsibility for solving. And I think that that's, just from my perspective, what I see. The other thing that I wanted to ask you about was the layoffs. You said you would address that. Again, there's another article here a couple of days, a couple of days after he was notified that he was losing his job, Lytle or Little [PHONETIC], I'm not sure how to pronounce his last name, received a plaque from the Housing Authority praising his hard work and dedication so.

DAVID LEVY: Yeah. I'd be happy to address that. And I just want to say, Senator, I again, with all respect, I do take issue with the statement of inaction. We do respond to complaints. We do respond to issues. We've gone out and spent hundreds of hours in partnership with the city of Omaha and philanthropic organizations seeking and obtaining \$75 million in federal grants to help address some of these conditions. Southside Terrace is the oldest, if not-- one of the oldest, if not the oldest, public housing development west of the Mississippi River. There's a lot here to address, There's no question about that. With regard to the layoffs, those were 18 individuals who were in jobs that didn't meet the classifications that were relevant to what the Housing Authority needed and to what their skills were, what they were originally hired for. All 18 of them were offered different jobs at the Housing Authority. I believe approximately half of them eventually took us up on that. We also immediately, I can tell you I had a personal conversation with the director of Omaha Public Works who said, hey, send them my way. We'll see what we can do. We didn't lay those people off in any malicious way without due process,

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without anything else. I get it that the award to Mr. Lytle sounds like a slap in the face. That was not the end. It was genuine. There are many people who have worked at the Omaha Housing Authority for decades and have made a career out of it, and it's their second family. And we recognize those people and we cherish those people. The layoff situation was difficult, but again, we offered all of those people replacement jobs and those who didn't want to work at the Housing Authority anymore, we did everything we could to help them find other jobs.

DAY: Thank you.

DAVID LEVY: Thank you.

HUNT: Thank you, Senator Day. Senator Cavanaugh.

J. CAVANAUGH: Thank you, Vice-Chair Hunt. Thank you, Mr. Levy, for being here. You went through those numbers real quick, quickly. Can you go a little slower? How many vouchers are there [INAUDIBLE]?

DAVID LEVY: Sure. I'm sorry. 5,153 vouchers.

J. CAVANAUGH: And then how many residences?

DAVID LEVY: There are 2,847 public housing units currently.

J. CAVANAUGH: And how many folks are on the board?

DAVID LEVY: Seven.

J. CAVANAUGH: And that includes the resident member?

DAVID LEVY: Correct.

J. CAVANAUGH: And is there a requirement that there's a resident member?

DAVID LEVY: There is a requirement in state law, yes.

J. CAVANAUGH: Are there any other requirements for the board members?

DAVID LEVY: There are. And I couldn't quote you at this moment what they are. But in, in I believe it's Chapter 81, there are different requirements for Housing Authority commissioner roles, requirements, members.

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J. CAVANAUGH: And out of the folks, the other-- well, you're a lawyer, right?

DAVID LEVY: Yeah.

J. CAVANAUGH: What are the other six members? Do you know?

DAVID LEVY: What are their jobs?

J. CAVANAUGH: Yeah.

DAVID LEVY: Let's see. So I should be able to answer this, right? I am one. Another Mr. Dougherty, who will follow me, is the, I believe, chief operating officer at OneWorld Community Health Centers; Jennifer Taylor, who is also a commissioner who will testify today, is a deputy or assistant city attorney with the city of Omaha; Ms. Goodwin is a student who actually wants to talk to me about going to law school. I may try and talk her out of that. I'm not sure yet. Christine Johnson is a consultant. Let's see, Tony Veland works for the AIM institute. I may be forgetting somebody. Oh, and Cammy Watkins is a executive with a nonprofit in Omaha.

J. CAVANAUGH: And so you talked a lot about, I mean, impressive function, obviously, and the number of people you serve. There's an executive director, though, right?

DAVID LEVY: Absolutely.

J. CAVANAUGH: And they run the day-to-day operations.

DAVID LEVY: Absolutely.

J. CAVANAUGH: And presumably that person has some sort of expertise in operating an organization like this.

DAVID LEVY: She does. So Joanie Poore is our executive director. When we hired her, we had a committee of Housing Authority commissioners, but also people from the Omaha community, so that we had lots of outside voices when we hired her. Ms. Poore has a decades-long career in social services, nonprofit management, housing, case, social work, casework, all of those kinds of things. She's very well qualified for this job.

J. CAVANAUGH: So I guess my question is, you have an executive director that's got the day-to-day operations? Why do you think that

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the 8,000 families, probably 10,000 to 16,000 individuals, aren't-- wouldn't be competent to oversee that executive director?

DAVID LEVY: I don't know that I said that. But I do think that being on the board of commissioners also takes a level. It benefits from a level of expertise. For example, when we try and go get low-income housing tax credits so we can acquire more units, house more people, renovate units, so we address the commissions or the conditions that Senator Day was asking about. I have expertise in that that I can bring to bear on that as a volunteer. I think that's beneficial. Mr. Dougherty is involved in the day-to-day management of a very large healthcare organization based in south Omaha, although with locations throughout the metropolitan area, which also has a low-income senior housing development that they manage. He's got expertise in that. I could go on and on. Ms.. Watkins has expertise in nonprofits and social work. Ms. Johnson has expertise in foundations and fundraising and, and housing and casework and things like that. So I think that's helpful. I'm not saying that another commission couldn't do a good job by any means, but, you know, I think Mayor Stothert has sought out and appointed people who have expertise that they can bring to bear on these issues because they are complex issues. And we, as commissioners, give hundreds of hours of free professional work to the Housing Authority. We're all very glad to do it, but I think that's a benefit.

J. CAVANAUGH: And so the commission and the Housing Authority never under, I guess, acquires the services of private individuals. They don't hire lawyers [INAUDIBLE]

DAVID LEVY: We do that. We do that as well.

J. CAVANAUGH: OK.

DAVID LEVY: We, you know.

J. CAVANAUGH: So-- well, I'll let others ask. I've got more questions, but I'll let other people ask for a little bit.

DAVID LEVY: Sounds good.

J. CAVANAUGH: Thank you.

HUNT: Thank you, Senator Cavanaugh. Senator Lowe.

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LOWE: Thank you, Vice-Chair. And thank you, Mr. Levy. The bugs were brought up in the places. Is there a program that you put on where the buildings are regularly fumigated and bug control is taken care of?

DAVID LEVY: We do that. We also-- I wanted to mention we have a resident council that meets regularly and then reports to, to senior staff as well to understand issues like the bed bugs and all other issues and concerns that come up from, from residents. We just acquired some new equipment and I can't profess as to how this works, but it's a very sophisticated and effective type of equipment for dealing with bed bug, bed bug infestations. So we are always trying to address that. Absolutely. Security is another thing. We spend billions of dollars on security every year. We're upgrading camera systems. We work closely with the Omaha police, you know, all of those kinds of things. Again, it's a matter of money and resources, but we are always seeking ways to address issues and concerns as we can, including bed bugs.

LOWE: So once a problem is established, how long does it take for a response then?

DAVID LEVY: On average, I don't think it takes very long. I think it's a matter of, of hours to a day or two, tops. I mean, a bed-- bed bug infestation is a very serious matter, not only for the person whose unit is infested, but once that happens, we have to deal with that unit. We have to deal with the units next door and we have to deal with the units above and below. So we know that it behooves us to get on that quickly and stop that from becoming an even bigger problem. And so we do that.

LOWE: All right. Thank you.

DAVID LEVY: Thank you.

HUNT: Thank you, Senator. Lowe. Senator Day.

DAY: Thank you, Vice-Chair Hunt. Can you explain to me what is the process for commissioners to become aware of issues with tenants? What, how, how do tenants make you aware of a problem?

DAVID LEVY: So we, thank you for the question. We have-- the Omaha Housing Authority is a political subdivision. We're governed by the Open Meetings Act, public records law, all of those good things. So we have a board of commissioners meeting once a month. We have one coming up this Thursday morning. Those are noticed public meetings. Anybody

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can come to those meetings either in person or on Zoom. Quite frankly, we rarely have people come to those meetings, but occasionally we do. As chair, it's my practice to allow anybody who comes to those meetings to speak to us and address the commission. We have a report at each of those meetings from our executive director. If there's something going on at one of the Towers or property or something like that, we hear about that typically in that report. We also have reports from the department heads within OHA, which includes, for example, the Section 8 department head, the public housing department head, the community relations and outreach department head and we hear from them; from our CFO, all of those people. If something is going on, whatever it might be, we hear from them in our, typically our monthly commissioner meetings. As chairman, chairperson of the board, I also have regular multi-time awake phone calls with our executive director if, if anything is going on or she needs input.

DAY: So that happens once a month?

DAVID LEVY: Our commissioner meetings are once a month, yes.

DAY: So if there's an immediate issue, how is that-- how is that addressed?

DAVID LEVY: That's addressed through staff.

DAY: I mean, how, how like if I lived in a residence, how would I notify? I mean, what's the process there? How-- if I lived in Omaha Housing Authority residence--

DAVID LEVY: You would--

DAY: --what do I do as a tenant in order to notify?

DAVID LEVY: Sure. You would call the Housing Authority and we would get that information to the right people or person or department to respond to your issue. We have a-- we have a maintenance staff, for example, who, you know, as a team of professional property maintenance professionals who would come and fix your broken water pipe or investigate your, your report of a bed bug issue or a security issue or whatever it might be.

DAY: OK. Thank you.

DAVID LEVY: Um-hum.

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HUNT: Thank you, Senator Day. Senator Blood.

BLOOD: Thank you, Vice Chair Hunt. I have two quick questions.

DAVID LEVY: Sure.

BLOOD: So where would I find the conflict of interest forms that you guys fill out? Say, if one of you might benefit financially from something that's done within that, that board, where would I find something like that?

DAVID LEVY: Our general counsel would have those.

BLOOD: Your general counsel?

DAVID LEVY: Correct.

BLOOD: So they're not-- it's not put anywhere for the public to view or?

DAVID LEVY: I believe they're the same conflict of interest forms that any other appointed or elected official fills out. So those would be available probably on the website of the Accountability and Disclosure Commission. There are also certain HUD disclosures and procedures regarding conflicts of interest, federal laws that we have to comply with as well.

BLOOD: Because I had looked all over your site and saw that they weren't posted on the site. So you think it's under NADC?

DAVID LEVY: I believe so, yes.

BLOOD: OK.

DAVID LEVY: Yeah.

BLOOD: Do, do you guys fill out C-- you don't fill out C-1s though, right, just conflict of interest?

DAVID LEVY: I don't recall.

BLOOD: OK. And then I was listening to the question that Senator Day asked you. So what do you do with these families when you fumigate? Do they stay in the house? Where do they have to go when you fumigate?

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DAVID LEVY: We would relocate them if necessary. I mean, it's all done professionally and with all, you know, with all typical precautions.

BLOOD: So where would you put somebody up like that? Like, I know like and when I see people fumigating in neighborhoods that I've lived in, like, they tent the house and you don't go in that house and so [INAUDIBLE] understand how you would do a big complex like that.

DAVID LEVY: Yeah, that's not typically how we do that. We, we, it's a much more precise application of the remedy. So again, as I mentioned, it's typically that unit. If it's in the Towers, it's that unit, it's the units next door and the units above and below. And so we would relocate those people if necessary. It's not a multiweek process or anything like that. If we needed to put them in a hotel for a night or something like that, we would do that too.

BLOOD: That's, that's I was curious, where would you relocate them? And that's got to be playing Whac-A-Mole. I mean, if you're only doing one unit at a time, isn't it hard to keep roaches, bed bugs, mice, isn't it just hard to even control that then? Or are you saying that--

DAVID LEVY: It's, you know, I think it's a problem that is heavily reported because of its nature. Right? Bed bugs get people's attention. It's not a real common thing.

BLOOD: [INAUDIBLE]

DAVID LEVY: Yeah, Yeah.

BLOOD: I mean, I'd, I'd be more concerned about roaches and mice than bed bugs for me but.

DAVID LEVY: bed bugs draw more newspaper articles, I think but.

BLOOD: Yeah, but cockroaches and, and rodents come from one apartment to another apartment through the walls--

DAVID LEVY: Yeah.

BLOOD: --the floors.

DAVID LEVY: Yeah, I, I would say that back to LB530, with all respect, I, I don't think electing the executive director is going to address those issues, but I'm happy to answer the questions.

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BLOOD: And I hear what you're saying and I know it puts you in an uncomfortable position.

DAVID LEVY: Right.

BLOOD: But because you are--

DAVID LEVY: I came up here first voluntarily.

BLOOD: [INAUDIBLE] you're on the board of commissioners. And so this allows us who we obviously don't live in your housing--

DAVID LEVY: Yeah.

BLOOD: --at least I don't think any of us live in the housing right now. You know, we don't know unless we ask questions. And so we have to get our heads wrapped around why this should be a concern. So I agree we're talking about the bill, but there are things that created this bill to come to, to our committee, right?

DAVID LEVY: Sure, yes.

BLOOD: Whether you agree with them or not.

DAVID LEVY: Yes. No, absolutely. And I am very sincere. I am happy to sit and answer the questions. I am very proud of what the Housing Authority has achieved. I think those \$75 million in federal grants are incredible and transformational. And as I've said, and I'll say it again, we can always do better.

BLOOD: Well, you know what I thought was also interesting and maybe you know the reason, why is your budget not on your Website?

DAVID LEVY: I'm-- I don't know. I'm guessing it's on the Website. It certainly is a public document.

BLOOD: Right.

DAVID LEVY: Yeah.

BLOOD: I'm looking for it.

DAVID LEVY: Sounds like we need to look at our Website and add some things to it.

BLOOD: Right.

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DAVID LEVY: I appreciate that. We'll do that. Thank you.

HUNT: Thank you, Senator Blood. Senator Cavanaugh.

J. CAVANAUGH: Thank you, vice Chair. Thanks again, Mr. Levy, for being here. And I-- OK, so the 2,847 housing units, is that in confined buildings or are there houses, single family homes that the Housing Authority owns?

DAVID LEVY: There are a variety. That's anything from the Towers to Chambers Court, if you're familiar with that, to scattered site, single-family homes in various neighborhoods.

J. CAVANAUGH: And the 5,153, did I write that down right?

DAVID LEVY: Yep.

J. CAVANAUGH: So is-- and that's Section 8 vouchers.

DAVID LEVY: Those are mostly Section 8 vouchers. And I think it's important for the moment there are two primary types of Section 8 vouchers. One is essentially a tenant voucher. A tenant can take that to any landlord who rents to Section 8 tenants to accept Section 8 vouchers. And the other that I'm a big fan of are called project-based vouchers. Those are tied to the, the development or to the unit. And I, I like those because I think they're, they're flexible. They're better actually financially for the tenant. But it allows us to focus on a-- on a development, on a-- on a neighborhood, on a complex and try and help the community that way. But yes, most of those are Section 8 vouchers. There are a few other types of vouchers, but the numbers are very small.

J. CAVANAUGH: So just so I understand that's the second category you're talking about is you guys kind of contract with somebody and say, we're going to build this in conjunction with you and you have to accept Section 8 then.

DAVID LEVY: Those vouchers are actually tied to those units. Yes.

J. CAVANAUGH: But other Section 8, someone could be discriminated against based on what and how their method of paying for a rental.

DAVID LEVY: They could.

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J. CAVANAUGH: OK. And in terms of the 8,000 or so options you have available, how-- is there a waitlist?

DAVID LEVY: There is for Section 8, yes.

J. CAVANAUGH: What about the actual housing?

DAVID LEVY: For the public housing?

J. CAVANAUGH: Yes.

DAVID LEVY: I'm not sure if there's a waitlist at this time.

J. CAVANAUGH: OK. And when OHA evicts somebody, does that only from the public housing or does that include Section 8 eviction?

DAVID LEVY: We, we really-- we, we are the landlord for the public housing. Section 8 is the landlord, is, is the landlord. So those are typically between those landlords and those tenants. And I want to say, Senator, if I might just take a small opportunity here.

J. CAVANAUGH: Go for it.

DAVID LEVY: Evictions during COVID were brought up. I think maybe you asked about that. We actually instituted an eviction moratorium on our public housing units before the CDC even did. To my knowledge, during COVID, we only evicted people for criminal acts. And we work with all tenants and really try and avoid evictions. So since that came up earlier, I appreciate the opportunity to address it.

J. CAVANAUGH: Yeah, I appreciate that. Do you know how many evictions OHA was the named, I guess, plaintiff?

DAVID LEVY: Plaintiffs? I don't. But it's a-- it's-- with 8,000 well, with almost 3,000 public housing units, it's a relatively small number. We, we try very hard to avoid evicting people other than in cases where they are-- where there are criminal acts going on at the unit or in the-- in the complex.

J. CAVANAUGH: So you're saying the number of evictions for failure to pay is relatively small.

DAVID LEVY: Very small.

J. CAVANAUGH: But the number of evictions overall--

DAVID LEVY: Is also very small.

J. CAVANAUGH: Also very small. I mean, I volunteered at the eviction court. Would it surprise you to know that, that OHA is the single largest evictor in the city?

DAVID LEVY: That would surprise me, although I think we're also the single largest landlord.

J. CAVANAUGH: You probably are. I guess that I don't have [INAUDIBLE]

DAVID LEVY: So as a percentage, I'd be curious what the-- how that compares.

J. CAVANAUGH: Is there somebody at OHA that might be able to tell us that information?

DAVID LEVY: I could certainly get that for you.

J. CAVANAUGH: I would be curious to know.

DAVID LEVY: Sure.

J. CAVANAUGH: And so if somebody is evicted from OHA housing or from Section 8, would they be ineligible in the future to receive services?

DAVID LEVY: It depends. Some people are what's called banned and barred in fairly extreme situations, otherwise not necessarily.

J. CAVANAUGH: So they could get in the back of the queue and get back on you think?

DAVID LEVY: Potentially.

J. CAVANAUGH: And we heard some talk about fear of retaliation. So, I mean, my concern, my mind obviously goes to when you're saying we're only evicting people for law violations. So you're not evicting people for other lease violations or you weren't? I guess you probably are again.

DAVID LEVY: Correct. Although, again, we really try to work with people to keep them in units. It's to our benefit as well as theirs.

J. CAVANAUGH: Well, the organization exists for that creation of housing stability [INAUDIBLE] populations.

DAVID LEVY: Exactly.

J. CAVANAUGH: But don't you think there's a fear associated? The fear about retaliation would be not the eviction for nonpayment, but eviction for some other pretextual cause. Right?

DAVID LEVY: I think that would apply to any other eviction situation. And to my knowledge and with all respect, I would strongly deny that OHA participates in any kind of retaliatory eviction.

J. CAVANAUGH: I would certainly hope you would.

DAVID LEVY: Me too.

J. CAVANAUGH: But I guess I'm trying to think where I was going, but-- oh, well, the one question I did have, I didn't-- actually, I should have started it. How does one qualify for either your housing or Section 8 voucher?

DAVID LEVY: There are background checks and there are income qualifications. I'm sure I'm oversimplifying it, but fundamentally, that's, that's the qualifi-- those are the qualifications. There's an application process, as we've talked about. There's a waiting list for Section 8. Fundamentally, that, that's it.

J. CAVANAUGH: Do you have an idea of why there would be a waiting list for Section 8 but not for the housing itself?

DAVID LEVY: I don't.

J. CAVANAUGH: And in this bill, we're just talking about electing folks then from the housing, not from Section 8 housing or maybe that's a question for Senator McKinney I guess.

DAVID LEVY: I think, I believe that's right. I don't know how we would-- we, the Housing Authority doesn't-- well, the Housing Authority helps support the rent payment for a Section 8 resident, but they have an agreement with a private landlord. I think that would be an incredibly difficult thing in which-- situation in which to conduct an election. But, you know, I suppose it's whatever the, the bill would say or the law would say.

J. CAVANAUGH: Would you-- well, you-- so when you came and started your testimony, you said this was unworkable because of the scope of it. If it were to, and I'm not saying that, that my reading of it

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would include Section 8, but I'm saying if there was a reading of it that would include Section 8, would your objection be less if it was constrained to only folks who live in properties that are actually owned by OHA?

DAVID LEVY: I mean, yeah, it's a smaller number. It's 3,000 instead of 8,000 units. But then, as you know, as a one vote, one unit, how do you qualify those voters? How do you check their qualifications to vote? Do they have to be registered voters? I mean, the questions kind of go on and on. And I've done this enough to know I'm not supposed to ask you questions. I'm not doing that. But I'm just, you know, kind of playing out how difficult that would be to conduct that election. It would be the people who lived in that unit, I guess, on that day. It would be difficult to conduct. I'd be curious to hear, you know, the Douglas County Election Commissioner's estimate of the cost of such an election.

J. CAVANAUGH: Well, I won't answer you. I'll take those as rhetorical questions.

DAVID LEVY: Thank you.

J. CAVANAUGH: But I would say that those sound like constructive criticisms. And they also, to me, I guess I would disagree and say that those sound like solvable problems to me. So if the biggest hurdle is the nature in which you conduct the election, that doesn't sound like an opposition to me. It does sound like things that Senator McKinney could integrate into this bill and make it workable in addressing those considerations.

DAVID LEVY: You could. I mean, you know, you can address things always in a bill. You know, to me, the biggest, just speaking for myself, I think the thing in this bill that would be most detrimental to the Housing Authority and to our residents and to the city would be the inability to hire a highly qualified professional executive director. Limits on that, to me, are highly counterproductive. To try and be productive and helpful here, one thought I have that would be very easy, I think, to implement, you'd have to look at federal law and make sure there wasn't a conflict or some kind of preemption there. But currently, state law requires one of the seven commissioners to be a resident of public housing or a recipient of assistance from public housing. Change that number to two, for example. That, that doubles the representation on the commission. I realize it's still only two of

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seven, but that would be a very simple thing to address some of the things that have come up today.

J. CAVANAUGH: I appreciate your testimony. Thank you.

DAVID LEVY: Thank you.

HUNT: Thank you, Senator Cavanaugh. Any other questions from the committee? I have a couple of questions.

DAVID LEVY: Sure.

HUNT: And I don't mean to antagonize at all.

DAVID LEVY: OK.

HUNT: You know, just trying to kind of give this bill a fair hearing, I guess, like really suss out the nature of the problem. Is the bed bug situation under control now that, that was affecting the people as reported in these articles?

DAVID LEVY: Yes. There-- bed bugs are a constant challenge, no question about that. I don't know that-- when you say bed bugs, is that situation-- has that situation been handled? Yes.

HUNT: OK.

DAVID LEVY: I will say that. I, I don't want to suggest that it was out of control. And I know you're not suggesting that, but that situation has been addressed.

HUNT: And it might be since COVID or something, but my attention span is pretty much nothing. And I don't know if you already spoke to this. But can you speak to Senator McKinney's comments about, you know, people on the commission who are benefiting from contracts with the Housing Authority, is, this conflict of interest type stuff? Can you speak to that again if you have?

DAVID LEVY: Yeah. No, I haven't. And thank you for the question. And quite honestly, that's directed at me.

HUNT: OK.

DAVID LEVY: The law firm in which I'm a partner does provide labor relations services for the Omaha Housing Authority because we have lawyers in the firm who are statewide and even national experts in

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municipal labor relations. There is a lengthy and complex process under federal law to enter into that type of contract. There's-- there are limits on financial benefit. I recused myself, of course, from that discussion and that decision. And we went through all of those things. We got approval from the local HUD field office, I believe, before entering into that. But, yes, my, my firm does provide services for the Omaha Housing Authority. And we went through all of the processes and I recused myself from all of those decisions.

HUNT: OK. Thank you. Another issue that has been raised for me from constituents actually, is the method of contact for the Housing Authority. On the Website, it says that you need written correspondence. Is there any plan to update that or, or make contact a little bit more accessible for people or is it not needed? I mean, tell, tell me about that.

DAVID LEVY: I think we ought to be as easy to contact as possible. I will find out and I will encourage that we, that we do better at that. I didn't realize. I still think if somebody called, we would respond to them.

HUNT: Yeah.

DAVID LEVY: But, but making it sound like you have to write a letter and mail it.

HUNT: You don't think the person would say, oh, I'm sorry, you have to write a letter?

DAVID LEVY: I don't-- I don't think so.

HUNT: OK.

DAVID LEVY: But it shouldn't say that on the Website and imply that either, because that has all kinds of problems.

HUNT: So on the Website, we have adding the budget and maybe more methods of contact. But I guess that's the feedback from all the tech experts in the Urban Affairs Committee.

DAVID LEVY: Yeah. No, I. And, you know, the other thing that this brings to me and I, again, I, I don't mean to come across as defensive, although maybe I have and if I have, that's on me. But we, as I said again, we can always do better. And one thought I have, if

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we don't have this person, I think we might have a number of them depending on the situation, but we ought to have an ombudsperson--

HUNT: OK.

DAVID LEVY: --who's really a-- whose job is to be a tenant advocate, but who knows, you know, who to go talk to immediately at the Housing Authority or something like that. I think that could be a helpful step.

HUNT: Do the members of the Board of Commissioners have email addresses--

DAVID LEVY: We do.

HUNT: --for the commission? Or like it's not your personal email address. It's like for the--

DAVID LEVY: We do have OHA email addresses. I have a hard enough time keeping up with my work one and my personal one, so I believe my work email address is what's on the commissioner roster. But yes, we're all-- we're all reachable and our information is--

HUNT: OK.

DAVID LEVY: --out there for residents. In fact, I get calls from residents occasionally and I refer those to our executive director or our director of public housing, whoever it might be.

HUNT: OK. Thank you, Mr. Levy.

DAVID LEVY: Yes.

HUNT: Any other questions from the committee? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Vice Chair. I apologize. Made me think of another one. The ombudsman idea made me think about when I asked Senator McKinney about some sort of whistleblower protections. I know you're saying that there's not retaliatory evictions, but the fear of that also has an effect, right?

DAVID LEVY: Yeah.

J. CAVANAUGH: Do you have any comment about the idea of adding some sort of whistleblower protection for residents?

DAVID LEVY: I don't necessarily have any objection to it. I think if one was going to do that, it should be throughout landlord-tenant law, not just directed at the Omaha Housing Authority. I also believe that those protections exist already in federal law, if not in state law, in the Housing Authority Act. I can't cite you statutes on that, but those may already be there. But, but if not, if that's something that the Legislature wants to do, again, I think it should apply to all landlord-tenant relationships. But other than that, I don't have any objection to it by any means.

J. CAVANAUGH: It's not a bad suggestion. Thank you.

DAVID LEVY: Thanks.

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

DAVID LEVY: Oh, thank you. I really do appreciate the opportunity and the questions. Thank you.

HUNT: Thank you. Next opponent. Is that right?

_____: Yeah.

HUNT: OK. Next opponent for LB530. Welcome.

JOEL DOUGHERTY: Thank you, Vice-Chair Senator Hunt and Senators. My name is Joel Dougherty, J-o-e-l D-o-u-g-h-e-r-t-y. I'm a commissioner and the vice chair of the Omaha Housing Authority Board of Commissioners. I've been a commissioner since 2018. I'm here today to share my strong opposition to LB530. The Omaha Housing Authority, as you've already discussed, is a large and complex organization serving thousands of Omaha residents. And our executive director position is crucial to the success of the organization and having this be an elected position from popular vote from the people served by the organization strains my imagination to see how that could work and create a more functional Housing Authority. It's the role of the board to provide strategic vision and oversight of compliance and to select and evaluate the executive director. And it's the role of the executive director to execute the strategic vision of the organization. Rules and regulations for Department of Housing and Urban Development are extremely detailed, complex, and require expertise that's built over a period of time. This is not bestowed on someone by, by a popular election. You've mentioned issues today that exist within the Housing Authority. LB530 will result in many, many

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more challenging years ahead for the Housing Authority and make it virtually ungovernable. And I couldn't imagine continuing to serve as a commissioner with this law. So I'm here for any questions.

LOWE: All right. Thank you, Mr. Dougherty. I guess I've been tagged as the next in line. Are there any questions? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Senator Lowe. So used to calling you Chairman Lowe in this room. Thank you for being here, Mr. Dougherty, and thanks for serving on the commission. I apologize. So are you-- are you the COO of OneWorld?

JOEL DOUGHERTY: Yes, sir.

J. CAVANAUGH: OK. And you talked about the expertise in the executive director part. And you probably heard me ask Mr. Levy about the idea of if we just made this about the board and not about the executive director, would that eliminate some of the objection then

JOEL DOUGHERTY: My primary objection is the executive director being elected. If, if the Legislature chose to change the requirements for board membership, then we would follow those.

J. CAVANAUGH: And what if the-- we were just to change it to the executive director had to live in I think it was-- said Douglas County or maybe the city of Omaha [INAUDIBLE] they had to live in the residences but is that--

JOEL DOUGHERTY: To be frank, that seems very specifically targeted at the current executive director and not a more general governance thing. I wouldn't support that.

J. CAVANAUGH: Well, it's, I mean, I can just tell you from experience we've had that conversation about requirements for Omaha police officers to reside within the city. I know the city of Chicago, I think, has that kind of rule. So it's not entirely unheard of for somebody who's in a functionality like that that serves such a public, something of such a public significance that they are required to be a member of that community.

JOEL DOUGHERTY: Perhaps a way to craft that would be to make future executive directors subject to that.

J. CAVANAUGH: I'm-- that's constructive criticism. I like it. I love constructive criticism. And so you're-- I guess you're relatively new,

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but you came in. Did you hear my questions about evictions? Do you know anything about the eviction numbers for the OHA housing?

JOEL DOUGHERTY: I don't. I was part of the discussion when we paused evictions because of COVID.

J. CAVANAUGH: And when you paused evictions, you paused them for nonpayment of rent..

JOEL DOUGHERTY: Correct.

J. CAVANAUGH: So not for lease violations--

JOEL DOUGHERTY: Correct.

J. CAVANAUGH: --and not for law violations.

JOEL DOUGHERTY: Sure.

J. CAVANAUGH: Is there any other reason somebody would get evicted from OHA housing?

JOEL DOUGHERTY: Those are the primary ones that I've been briefed on.

J. CAVANAUGH: And what--- do you know what the distinction is between a lease violation and a law violation?

JOEL DOUGHERTY: No.

J. CAVANAUGH: OK. I'm sure I know, but I just can't think of it off the top of my head either, so I can't answer my own question. OK. Thank you.

LOWE: Thank you, Senator Cavanaugh. Are there any other questions for Mr. Dougherty? Seeing none, thank you, sir.

JOEL DOUGHERTY: Thank you.

LOWE: Next opponent. Welcome.

JENNIFER TAYLOR: Good afternoon, members of the Urban Affairs Committee. I am Jennifer Taylor, J-e-n-n-i-f-e-r T-a-y-l-o-r. And first I would like to say I know I'm not an unfamiliar face to this committee, but I do want to make it clear that I'm actually appearing here today on behalf of the Housing Authority and myself as a member of the Board of Commissioners for the Housing Authority and not in any

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capacity which you have otherwise seen me in front of you. I had a number of comments that I wanted to share with you today, but I think it would also be helpful if I maybe address some of the questions that seem to have arisen as well. Let me start by explaining that I am a member of the Board of Commissioners for the Omaha Housing Authority. I have served two terms on that board. I have been appointed by two different mayors and approved and my appointment has been approved by council both times. I kind of serve at this point due to my longevity as a little bit of an institutional knowledge when it comes to the Housing Authority. So I would like to share with you a little bit of my perspective from that way. When I began on my service on this board, we had recently come out of receivership in HUD. We were-- had recently come out of troubled status in HUD. We were also complying with or completing compliance with a federal lawsuit. During my first term on the board, my first year on the board, we were also subject to a OIG and HUD forensic audit, an extensive review of the Housing Authority, its finances, and its policies and procedures. So I started my tenure on this board in an agency that is very different than the one that I see today. So although I don't discount by any means any of the issues that we may have today, I do-- I do look at the history of the agency and say that we have, as Mr. Levy indicated, we've come a long way. It doesn't mean that we can't go farther. But the progress that the agency has made in being trustworthy to the community and trustworthy to donors and trustworthy to city and other officials I think we've made leaps and bounds. We've made great strides in that respect. So, you know, I look at this as having started my term in this board, subject to, like I said, a forensic audit and other issues with HUD to being one that is awarded \$75 million in HUD grants. In the time that we have applied for those HUD grants, I have had the opportunity to meet with several representatives from HUD, all of whom have expressed their great pleasure in the progress that the agency has made and the work that we've done. To the extent that there has been some concern over any conflict of interest that might be on my behalf with regard to my position on the board and my current employment, the HUD officials I've met with have actually noted that as being a benefit. Because to them, they see that as the city working closely with the Housing Authority. So not that my position presents any conflict of interest, but it actually is a benefit in communication between the various parties. Southside Terrace is one thing I'd like to kind of discuss as well, because it's been brought up a couple of times. That's our most recent HUD award, \$50 million for the redevelopment of Southside Terrace. Again, when I started on this board, Southside Terrace was one of my goals. When I started,

Councilman Gernandt called me to his office and he said, what are you going to do about Southside Terrace? And I said, it's the oldest public housing agency, and Mr. Levy is correct, it is the oldest public housing development west of the Mississippi. It has been a problem for the Housing Authority for years. It has been a goal to redevelopment that site and bring better housing and a better environment and a better livelihood to those residents. It's been my goal for ten years and it's why I continue to serve on this board, because I wanted to see that goal come true. Mr. Gernandt's successor had the same conversation with me. When we as a Housing Authority pursued the \$25 million grant we got from HUD for the Spencer development, one of my primary requirements was that we would continue to pursue a similar grant for Southside Terrace. So it is one of my more proud moments on this board that we have had both the north Spencer development and the Southside Terrace received \$75 million in HUD grants in order to redevelop both of those sites. And my apologies, I'm on the yellow. I talk about this agency a lot because I have a lot of passion for it. So to find people on the board to be members of the board of commissioners that have passion is important. To have skills, to have experience is important. So as far as this bill is concerned, although I see the reasons for it being brought, I would caution trying to narrow the pool of applicants any further than we already have. In 2018, the [INAUDIBLE] was amended to require that the board have at least one member of a racial minority, one resident commissioner, and our board members are required to fulfill a myriad of skill sets: banking, legal, rental, etcetera. There's a whole list of skill sets that we have to, we have to fulfill as members as a whole. So we have already taken steps to ensure that not only do we have the proper skill sets and experience in our board members, but in 2018 we also included the requirement that all board members be certified and go through a training exercise to be certified through NAHRO as commissioners. We have all done that. So we have taken some steps to ensure that our commissioners are qualified and experienced. To continue to narrow the pool of good, dedicated people who want to serve the Housing Authority and further its mission, I think, would be detrimental to the agency itself. So to restrict that pool of applicants to-- any further, I think would be detrimental to the agency. To your point about whether or not the CEO should live within the resident area, I also suggest that you don't want to lose the opportunity to have a good qualified executive director simply because she lives on the other side of the river. I see my time is up. I'm happy to answer any questions. If there's any other questions you may have from earlier, I'm happy to answer those as well.

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HUNT: Thank you so much. Are there any questions from the committee?
Senator Cavanaugh.

J. CAVANAUGH: Thank you, Vice-Chair. Thank you for being here, Ms. Taylor. Well, I brought up this example. I'm almost positive that it's not legal to require the cops to live in the city. If I remember, I think there's some kind of constitutional problem with that.

JENNIFER TAYLOR: And--

J. CAVANAUGH: You might remember better than I do, but I vaguely remember.

JENNIFER TAYLOR: In case my, my employer, the city attorney, is actually watching me, I'm not going to answer that question in case I do it incorrectly.

J. CAVANAUGH: Both of us getting ourselves in trouble. So you've been around on the board for a while. Do you recall in terms, I mean, I'm obviously interested in evictions, the eviction process before COVID? Do you have any concept of how many people were being evicted a year or anything along those lines?

JENNIFER TAYLOR: I can't give you exact numbers, but I do have some familiarity with the process itself in a number of different ways. First of all, when we go through eviction, the eviction process, there's a number of reasons or there's a few reasons why someone may be evicted. Oftentimes, it's nonpayment. Sometimes it's lease violations. Oftentimes it's criminal behavior. So to answer your earlier question, criminal behavior versus lease violations, criminal behavior is obviously a criminal act or criminal behavior that, that is in violation of the lease. Lease violations could be things that are very specifically spelled out in a lease where your conduct as a resident is detrimental to the overall health and safety welfare of the building that you live in. You have made those violations in such a way that it's not safe for the other residents for you to continue to live there. And I think that's generally the way that we look at evictions. On nonpayment of rent, I will tell you that we have always worked very strenuously with our tenants and our residents to deal with nonpayment of rent issues. And there's a couple of things that go in there that we think about when we do that. One is we want to make sure that residents don't get too far behind. Because once they get too far behind, it makes it very hard for them to catch up. So we like to catch residents very early on when they have, when they get behind

on rent. And we like to try and make payment plans that aren't onerous so they're able to continue to make up that rent and come in compliance in a way that doesn't encourage them or doesn't actually further the, the debt that they get into and put them in a place where they can't, can't get back. So we have our general counsel that handles evictions has always spent a great deal of time sitting down, working with residents, going through payment plans and trying to identify a way to solve the problem, not evict the resident.

J. CAVANAUGH: And just for general information, what is somebody's rental obligation? Is it the same for everyone? Is it same per unit? Is it relative to ability to pay?

JENNIFER TAYLOR: It is relative to the ability to pay and it depends on the unit. So-- and in the myriad of questions that have been asked, go to show you exactly how complex the regulations and the, the things that are involved in the Housing Authority. I'm just going to give you an idea. It's a lot of things that we have to know and learn, but there are, depending on whether or not you're on a voucher or you're in public housing and what the terms of that are, it is either a percentage of your income, it is sometimes a general flat rate, depending on where you are and the type of housing. So it is contingent on you and the housing in which you reside.

J. CAVANAUGH: OK. I'm trying to remember my next question. You've answered it. You've done a great job of answering [INAUDIBLE] Oh, waitlist. Do you have any information about the que-- I asked if there's a waitlist for the public housing part. There's a waitlist for Section 8.

JENNIFER TAYLOR: Correct.

J. CAVANAUGH: But is there a waitlist for public housing?

JENNIFER TAYLOR: There is a waitlist for public housing. It depends on the unit, unit size and the actual particular facility. So we have, as you may well know, eight towers. We have some large family projects units. And then we also have some scattered site units and some smaller developments. So the waitlists are kind of dependent on do you need a one-bedroom unit, a two-bedroom unit, a three-bedroom unit? What's the size of your family? Are you single? Are you a single mom with two children? Are you a married family with five children? So those things actually obviously impact the type of unit that is available to you. So once we determine the unit that's appropriate for

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your family, then there can be a waitlist for that size of unit. And then oftentimes and it's something that I will admit some people choose that they don't want to live in certain towers and whether that's because of the condition of the tower or its location. Some people with families don't want to live in Jackson Tower. It's near a highway and a busy street, and it's not the most family friendly. So even if their unit became available in Jackson Tower, it may not be one you want to live in. So you may wait to get a unit in Park North or something else. So, so there are waitlists for public housing, but it depends on the unit you need and also your desires to where you like to live.

J. CAVANAUGH: And if you need a two bedroom or a three bedroom and there's only one bedroom available, are you going to be allowed to live in the one bedroom or because it would be overcrowded you wouldn't be able to?

JENNIFER TAYLOR: It is to my knowledge, no, you would not be allowed to live in a one bedroom, if that's not an appropriate living arrangement for a family. So we do try to make sure that our units are matched up appropriately to the family nature.

J. CAVANAUGH: And if somebody does get evicted for either nonpayment lease violation or a law violation, are those folks going to be allowed to get back in the queue and get a new place or what's the time frame for?

JENNIFER TAYLOR: It depends on the reason for eviction. You know, if it's a ban and bar, you are probably-- it's my understanding you're not allowed to come back to not only Omaha Housing Authority, but probably any other housing authority you would not be able to, to at least while that ban and bar was in effect, would not be able to reside in. If it's a lease violation or if it's for nonpayment of rent, if that-- either that lease violation, whatever it might be, or that nonpayment is cured, you are allowed to be back-- come back and have public housing.

J. CAVANAUGH: So what gets you banned and barred?

JENNIFER TAYLOR: Felony convictions for drug dealing would be one, I would guess.

J. CAVANAUGH: That's kind of an obvious one I suppose. Do people get banned and barred for just consuming drugs in their apartment?

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JENNIFER TAYLOR: That I'm not sure.

J. CAVANAUGH: OK. Thank you. I'll think if anybody else--

HUNT: Thank you, Senator Cavanaugh. Any other questions from the committee? I'm trying to think if I have any, to give Senator Cavanaugh a minute, but.

JENNIFER TAYLOR: I'm happy to talk some more.

HUNT: I do not. Any other questions from the committee? Seeing none--

JENNIFER TAYLOR: Well, I would please.

J. CAVANAUGH: I'll ask you. What did you want to say?

JENNIFER TAYLOR: Well, I am pleased-- I would extend the opportunity to ask further questions if you think of them to either myself, Mr. Levy, Mr. Dougherty, any member of our board or our executive director. We will make ourselves available to you at any time. If you or Chairman McKinney would like to discuss any specific issues, any general issues, any concerns, we're more than available. You know, this is, again, my passion and my kind of my mission a little bit, volunteer on the side, but it is something that's very important to me. So I really appreciate your time and your attention. I will say one last thing. In my tenure, my long tenure on this board, bed bugs have been an issue that we have dealt with, you know, time and time again over the course of the ten years I've been on this board. It tends to be a little bit cyclical. It is a struggle, especially when you have 200 units in one tower where you have a lot of common areas and a lot of people communicating and cooperating between each other, between units and between certain areas, it is easy to track a bed bug from one unit to another. And it is very hard to eliminate them from multiple units in one building. We work very hard on that. I'm very familiar with all the issues that have been raised to that extent. To the extent that our executive director communicates directly with us, make sure that we as commissioners know each of those issues and are prepared to answer questions should we ever get them, we do.

HUNT: Thank you very much for being here today. Any other questions from committee? Seeing none, thanks for your testimony.

JENNIFER TAYLOR: Thank you, Senator Hunt.

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HUNT: Next opponent for LB530. Welcome to your Urban Affairs Committee.

CHRIS LAMBERTY: Good afternoon, committee members. My name is Chris Lamberty, C-h-r-i-s L-a-m-b-e-r-t-y. I am the executive director of the Housing Authority of the City of Lincoln. And I'm here today representing the Nebraska chapter of NOHRA, which is a professional organization made up of over 100 public housing authorities across the state. Local housing authorities have an important job to do. They offer essential housing services in every community across the state, and it's critically important that they are professionally managed and stable. And the key to that is a stable board and stable management. If you don't have a stable board and don't have stable management, you're going to have an agency in a lot of trouble fairly quickly. We certainly-- what I would say is every housing authority in the state was created by its local government entity under the auspices of the Nebraska Housing Agency Act. It is subject to oversight from its local government entity, including appointment of board members by the local elected officials. That's the appropriate place to take complaints around the operation of public housing authority. I certainly share and the housing authorities in the state share Senator McKinney's concerns about any sort of operations regarding his-- of what he listed. Our concern with the way this bill has been worded is that it would lead to more instability and poor governance of housing authorities in the state. It would lead to the opposite effect of what we've stated we're trying to solve, apparently in Omaha. For the record, I know nothing about any of the situations in Omaha because I don't work there. I just am here to represent that we as public housing authorities don't think this is a good bill. It's not going to lead to good governance of public housing entities, and it will result in more problems than-- and not solving the problems that are being stated you want to solve. With that, I'll take any questions.

HUNT: Thank you for your testimony. Any questions from the committee? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Vice-Chair, and thank you, Mr. Lamberty, for being here. I appreciate your kind of outsider's perspective. How many housing authorities are there in Nebraska?

CHRIS LAMBERTY: There's a little over 100. I have to double-check.

J. CAVANAUGH: And they're all boards appointed by the mayor of those cities or whatever.

CHRIS LAMBERTY: Correct. There's a few regional ones. So they might have regional counties they represent. But typically the typical arrangement is the appointed by the mayor, approved by the city council.

J. CAVANAUGH: Do you have any, like, concept of how housing authorities are structured nationwide?

CHRIS LAMBERTY: That's a fairly common structure nationwide, yeah.

J. CAVANAUGH: Is there nowhere else that has a structure proposed like this where you'd elect the board of commissioners?

CHRIS LAMBERTY: The-- not the entire board. I mean, the state law now currently allows for the election of a resident commissioner. Every board in the state is required to have at least one resident representative on the board, and it can be either by election or appointment. It's up to the local government entity how they decide to handle it.

J. CAVANAUGH: So when the city of Omaha has a vacancy with the resident commissioner, they could allow the residents to elect that person.

CHRIS LAMBERTY: If they so chose, yeah.

J. CAVANAUGH: But are you aware of where there's even half of a board or more than just one sort of?

CHRIS LAMBERTY: I'm not aware of any scenario where that occurs.

J. CAVANAUGH: Are you aware of anywhere that require, has the residency requirement for the executive director?

CHRIS LAMBERTY: I've not heard of that, but, I mean, any potential city might have that.

J. CAVANAUGH: Thank you. Did you have something else you wanted to add?

CHRIS LAMBERTY: I just from my own personal perspective, I-- when I first took my job in Lincoln, I lived in Omaha, commuted from Omaha to Lincoln for a period of time until I moved. Or I had to take a job in Omaha, I'd probably do the same thing until I moved. I think it's-- I think a board might be interested in ensuring that whoever they're

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hiring as a manager has a knowledge of that locality and metro area. But the fact that they lived in Bellevue versus Omaha or somewhere else, I don't know that that's necessarily a provision that would need to be put in state law. Again, it seems specifically directed at a certain person, which I don't know that that's a good reason to amend the state, the Nebraska Housing Agency Act.

J. CAVANAUGH: Thank you.

CHRIS LAMBERTY: You're welcome.

HUNT: Thank you, Senator Cavanaugh. Any other questions from the committee? Seeing none, thank you for your time today.

CHRIS LAMBERTY: Thank you.

HUNT: Next opponent to LB530. Anyone else in opposition? Seeing none, any neutral testifiers on LB530? Anyone neutral? Seeing none, Senator McKinney, I'd invite you up to close. As he comes up, on LB530 we had one letter in support, zero in opposition, and zero neutral letters. Senator McKinney.

McKINNEY: Thank you. First, I want to say that this bill isn't personal to anybody. They're just taking it as a personal attack because of issues that the community had with them. And it was clear from this hearing that those in opposition that are on the board of commissions are-- are OK with the status quo that they're currently doing, which is horrible. I found some more articles while just sitting here about them allowing the Omaha Police Department to do training on their properties and blow up things that disturb the residents. They have a two-year waiting period for-- to even get housing. But, you know, it's all going fine. I do not think-- and this is not about the current ED-- I think if you're the-- you're the executive director of a housing authority and I don't care if you're in Omaha or Scottsbluff, you should live in that community. Everything I've heard about the current director tells me that if the director was from Omaha or lived in Omaha, things would probably be different. But because the individual does live across the river in Iowa, it has created a lot of issues. And I don't think it's just we should just wait for future EDs. How long is this ED going to stay in office? How long do the people have to wait? The issue with the bed bugs, we were sitting here doing some research and it was said that in the research that, yeah, you could return in 24 hours, but it's suggested that you wait 72 hours. So are they going to get hotels for these people and

just fumigate one apartment after one apartment? Doesn't make sense to me. Why don't you shut down the whole building and rent out a hotel for all the residents and clear out the bed bugs? Eliminate the problem instead of just putting Band-Aids on it. And I, it just doesn't make sense to me. So they're cutting corners, which potentially are exposing people to more harm instead of just eliminating the issue. But the commissioner that represents OneWorld is OK with that who has a health facility. I don't think it is healthy to expose people to bed bugs, but OneWorld is cool with it. The other one says he's a volunteer but can make money off of contracts, which are volunteer. How many? How many of those hours do you get money from? I'm open to an ombudsman. That's cool with me. On their Website is no minutes, no agenda, no announcements. The resident commissioner isn't even on the Website. Like a couple of years ago or a year ago, they cut funding to a youth football team that has been a staple in the north Omaha community. They cut funding to youth football, which keeps kids out of trouble. But they care about the community and it's professionally managed. But we have all these issues. So if this is-- if this is professionally [RECORDER MALFUNCTION]. This is the standard. It is a horrible standard. And I don't know if this bill passes this year or next year. I'm going to keep bringing in a bill to address the Omaha Housing Authority because they're not solving the problems and are not addressing the issues of the residents. And I'm cool with maybe not saying that executive director has to be elected, but the executive director, in my opinion, has to be living in Douglas County or in the city of Omaha. And that's just a standard that I think we should just keep. And with that, I would answer any questions.

HUNT: Thank you for your close, Senator McKinney. Any questions from the committee? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Vice Chair. And thank you, Senator McKinney, for bringing this bill. It's been a very interesting conversation. I wanted to talk about the, the thought that this is such a complex indus-- industry that the folks who live there wouldn't be able to manage it.

McKINNEY: That to me, it comes off as offensive. Are you saying that the people that live in, in the community don't understand the community and don't know how to address the issues within the community? There are-- I guarantee there are many qualified individuals that could apply to be the executive director that could do a lot better job.

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J. CAVANAUGH: Well, what about being on the board itself?

McKINNEY: The board as well. That's, it's-- that's just any board or any elected office. Do we all have the expertise in, in ag? I don't know anything about ag like that, but I'm a state senator. Does that make me unqualified to be a state senator because I don't understand ag issues completely?

J. CAVANAUGH: You're not allowed to ask me questions.

McKINNEY: I know. It was kind of rhetorical, but--

J. CAVANAUGH: Thank you.

McKINNEY: No problem.

HUNT: Thank you, Senator Cavanaugh. Any other questions from the committee? Thank you, Senator McKinney.

McKINNEY: Thank you.

HUNT: With that, I'll close the hearing on LB530 and open the hearing on LB462, introduced by Senator Conrad. And I'll turn it back over to Chairman McKinney.

CONRAD: Hey, Good afternoon. How lovely. I'm not sure I've spent much time before the Urban Affairs Committee, so this is really fun to have a chance to visit you all. Hi, my name is Danielle Conrad, it's D-a-n-i-e-l-l-e, Conrad, C-o-n-r-a-d, I'm here today represent north Lincoln's "Fighting" 46th Legislative District. And I'm proud to introduce-- bless you-- LB462. And before I jump into some of the nuances or the details related to the legislation, I wanted to tell you a little bit about why I was so interested in this legislation. I'm sure it mirrors an experience many of us have had recently on the campaign trail, and it definitely was top of mind when some stakeholders approached me with this idea. But out knocking on doors, talking to 7,000 or 8,000 of my friends and neighbors in north Lincoln, and then talking to different stakeholders with business before this Legislature that represent divergent interests across the state, geographically, politically, what have you, every conversation kept coming back to workforce, workforce, workforce. What can we do to address our workforce challenges in Nebraska? And then figuring out once we identified that North Star, what were the solutions attendant thereto. Child care, housing, infrastructure, job training, health care, those were the issues that, that kept bubbling up in regards to

solving our workforce challenges in Nebraska. So that being said, I knew that there had been some really good and important work that had happened in recent years to increase access to affordable housing across the state, some with stimulus funds, some with other pots of revenue available. And these were issues that I had worked on a fair amount in my past service, particularly in relation to the Affordable Housing Trust Fund. So these are issues that are critically important to my district in north Lincoln, critically important to our community here in Lincoln. And in preparing for this legislative session, I started to touch base with some stakeholders in the philanthropic community in Lincoln, in the business community in Lincoln, to understand what they really needed in order to have better policies in place to ensure that these dollars that different programs have identified can go to their best and highest purpose. So really-- and I don't pretend to be an expert when it comes to housing policy, but I am an enthusiastic student and always trying to learn more about these issues. So what I think this measure does, is it provides the committee with some ideas and one option, perhaps, in regards to the many options that you have before you to address our workforce and related housing needs in Nebraska. So what LB462 does is really two key pieces. It's a very short bill, but it really kind of tackles housing on, on two fronts. So it makes changes to the Middle Income Workforce Housing Investment Act that was established in LB866 just about two years ago, back in 2020. The purpose of the act was to supply matching grants to nonprofit development organizations that administer housing investment funds. Those funds were awarded for investment in Nebraska's older, urban and higher minority neighborhoods of Douglas, Lancaster and Sarpy County. So what this measure does is it provides some flexibility in regards to the match component, and then it changes kind of the thresholds of eligibility to recognize inflation and increasing real property costs in communities like Lincoln, for example, to better utilize the fund's intended purposes: to expand access to affordable housing for, for some folks that are really in that, that kind of that middle kind of socioeconomic contingent. So that was how the bill was presented to me. I thought it was important to interject into the mix this year. I'd be happy to answer any questions. I'd also be happy to turn it over to experts in the homebuilding industry that I know will follow and, and hopefully we'll have some other folks. I did run into the director of the Lincoln Community Foundation, who had planned to testify in support this afternoon. His schedule, unfortunately, prevented him from sticking around, so he said he will send a supportive email you should find in your email inbox later today or

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tomorrow. So thank you so much, the committee, for your time, attention and consideration.

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

CONRAD: It's very bright lights here. [LAUGH]

McKINNEY: Seeing none, thank you.

CONRAD: Yes. Is that your doing, Chair?

McKINNEY: The lights?

CONRAD: Yes.

McKINNEY: No.

CONRAD: OK, very good. All right. All right. OK, thank you so much.

McKINNEY: No problem. Are there proponents?

WARD F. HOPPE: My name is Ward F. Hoppe, W-a-r-d F. H-o-p-p-e, I live at 1600 Stonyhill Road, Lincoln, Nebraska. I'm, I'm in the affordable housing business. We build workforce and affordable housing across the state. I was a strong proponent and actually asked Senator Conrad to introduce this bill. And, and actually this bill, obviously I wasn't the only one that recognized the problems with the Middle Income Workforce Act because, Senator McKinney, you yourself introduced a bill, LB629, which overlaps and actually does a little more to tune up, if you will, the middle income, the middle income workforce housing program in the state of Nebraska, and to make it more workable. Quite simply, LB462, for the most part, says, hey, we have to increase the definition of what housing is for the program, because by golly, builders can't build houses for the amount of money that's set forth in the program. And it's a definitional issue. In the workforce act, and I strongly suggest that the middle income act and the rural workforce act be operated and defined parallel so that the rural-- when we're building out in the rural communities, we got the same rules that we do using the programs that we do in the metro area. Middle income is metro only. It can be used all over Lincoln, it can only be used in qualified census tracts in Omaha. But the problem is in the middle income, the definition requires that the value of the land be included in the price-- programmic price of the housing. In Lincoln, it is almost impossible to find dirt, to find a lot that's less than about 75,000, 85,000 bucks at the minimum end. So what you

got if you've got a limit, which the bill provides a limit-- middle income has a limit of \$275,000 for the completed price value of the house, including a lot. All right, well, we'll back that down. When-- that gives you, if you got a \$75,000 lot, you have to build a house that is 200,000 bucks or less. Well, that may seem like a lot, 200,000 bucks, but not today at the cost of housing. As a matter of fact, and I, I took a look at two different projects we have, one in Grand Island where we are building houses. The, the sticks and bricks cost, including profit for us, you know, and you're not going to get any bill if somebody isn't going to make a profit, we're building a two bad two bath house, 1,170 square feet. That's not very much. And we have to have it on the street at 223,000 bucks to give us a margin. And that covers all our costs, all the line items that we put in to the pricing of the house when we build it and sell it, 223,000 bucks. No lie. Well, if-- that's rural, so actually that fits under the rural workforce housing numbers, because those numbers are 330,000 bucks for just the construction of the house, value of the house. Not a lot. So it works out there. But take that same house to Lincoln and it doesn't work if you put it on a lot. In short, we need to change the definitions and we need to align the, the Workforce Housing Act so it meets the rural acts and gets numbers that builders can build to, so that we can use the program. I'd answer any questions.

McKINNEY: Thank you. Are there any questions from the committee? Seeing none, thank you. Are there other proponents? Proponents? Is there anyone here to speak in opposition? Is there anyone here to speak in the neutral? Seeing none, Senator Conrad can come up. She, she's waiving closing. And for the record, there was three pro--

CONRAD: [INAUDIBLE]

McKINNEY: For the record, there was three proponents, zero opponents, opponents and one neutral. Thank you. Then we will wait for Senator Cavanaugh.

M. CAVANAUGH: I had to wait for the elevator. The joys of the Tower. Good afternoon. This is my first time in Urban Affairs. Good afternoon, Chairman McKinney-- also my first time saying that-- and members of the Urban Affairs Committee. My name is Machaela Cavanaugh, M-a-c-h-a-e-l-a C--a-v-a-n-a-u-g-h, and I represent District 6, west-central Omaha in Douglas County. I'm here today to introduce LB746. When implemented correctly, tax increment financing, or better known as TIF, can be an incredible tool used by communities to redevelop aging areas and foster substantial growth. However, when

implemented poorly and without oversight, projects can call for TIF amounts that are exorbitantly high without the consent or input of the public. LB746 installs an accountability measure that needs to be taken when TIF is being used in massive projects. To be clear, this bill does not limit if or when TIF, or tax increment financing, can be used for projects. It simply creates an accountability measure that will require projects where the total amount of ad valorem taxes estimated to be generated exceeds \$20 million be voted on by the people. A prime example of where legislation could be utilized is Omaha's downtown streetcar project. This project was initially projected to cost around \$300 million and be financed heavily through tax increment financing. The initial \$300 million estimate has only risen and will likely continue to rise as construction draws closer. I'm not here to support or oppose this specific project, but I firmly believe that the people of the city of Omaha have the right to voice their opinion on such enormous projects through a vote of the people. LB746 would implement that change. This change is not just beneficial for the place-- for a place like Omaha, but would allow people and communities throughout Nebraska to express their support or opposition for these large-scale projects. According to the TIF report 2021 by the Nebraska Department of Revenue, the amount of project-- projects utilizing tax increment financing doubled from 2011 to 2021, and the amount of TIF excess taxes levied has doubled as well. With this massive rise in the use of TIF, we need to make sure the large projects utilizing this financing are consented to by their residents. Again, LB746 does not discourage the use of tax increment financing, it simply allows people to vote on the largest projects that will directly affect them. I'm happy to work with the committee should they see a need for any amendments to LB746, and I ask for your support to advance it out of committee and on to General File. Thank you.

McKINNEY: Thank you. Are there any questions from the committee? I got, I got a few. So I'm looking at online comments, and one letter, comment in opposition says what-- you should just allow the city council to be the ultimate approval authority. What do you think of that?

M. CAVANAUGH: Well, I think that that's currently how it-- the mechanism that there is. But when we're talking about these enormous projects, I think giving the city council the flexibility to decide on projects under \$20 million-- and \$20 million is not a hard and fast, like, correct amount. I think that we could discuss what the correct cap is for that authority. But when we're talking about these massive infrastructure projects, we're not getting the input of the people in

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the city that these are going to be impacting when we just give away our authority to the city council. So my intention here is to allow flexibility so that the city council can make those decisions on smaller scale projects. But when they're really large-scale projects that are going to change the landscape of the community, I think a vote of the people is warranted.

McKINNEY: OK, what do you say when in their argument they're also saying that there will be unintended consequences, like more cost and delays of projects because of elections or [INAUDIBLE] votes?

M. CAVANAUGH: A project of, of these large scales should be thoughtful, purposeful, diligent. And if they know that they have to go to a vote of the people, then that, that timeline should be taken into account. And part of this is so that we aren't rushing through massive projects that haven't been thought out. I think that we've seen in the news lots of stories around specifically the streetcar, and it is fraught with a lot of divisiveness. And some of that could have been stymied if there had been more long-term planning and not trying to rush it through so quickly.

McKINNEY: OK, and last question. Currently with TIF projects, they're required to have three public hearings: one public hearing at the planning board and two with city council. And they are arguing that that's enough. What do you think of that?

M. CAVANAUGH: One of those public-- what time of day do those happen?

McKINNEY: What is it, city council is 2:00?

M. CAVANAUGH: 2:00 on a Tuesday. I don't know when the planning board even meets. I don't think that that's adequate to give the public input on these kind of projects, especially when we're talking about projects that are going to impact funding for public education and funding for other resources like our water, MUD, public power, all of those things that are taken off the tax levies or paused as a result of the TIF projects. Saying that you have to take off work in the middle of a Tuesday so that you can kind of voice your opinion in a public forum isn't, isn't exactly feasible for most people in the community. So while I think it's important to have public forums and public opportunities, when we're talking about a project this massive, that's, that's not going to be enough for people to be able to weigh in. But a vote of the people allows everyone the opportunity to exercise their voice.

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McKINNEY: All right, thank you.

M. CAVANAUGH: Yeah.

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

M. CAVANAUGH: No hard questions? No.

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

CHRISTY ABRAHAM: Thank you, Senator McKinney. My name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m, here representing the League of Nebraska Municipalities and very respectfully raising some concerns about this bill. I certainly appreciate that there's been a lot of attention paid to the way that Omaha uses TIF and the streetcar project. We're just here to give you a little broader perspective that there may be other municipalities out there who may have a project over \$20 million. I'm not saying that happens a lot. I don't know that it does. Lincoln is a municipality that could have a project that reaches that level. Senator McKinney, I don't know what letter you were reading from, but it was like they had, like, taken my testimony and put it in a letter. So I apologize about some redundancy. I was actually going to say there's four opportunities for the public to come in and discuss their concerns about TIF. There was a bill several years ago that really did a revamping of the TIF statutes. And part of that effort under Senator Wayne was to create as much transparency as possible. So I would say there's four public hearings. So when you do the substandard and blighted designation, which is really your first step to doing a TIF project, you have one hearing before the planning commission and then you have one hearing before the city council or village board. The next step is approving the redevelopment plan itself. Again, you have a public hearing in front of the planning commission and a public hearing before the city council. So we also have provisions in the TIF laws that say we have to send reports out to various political subdivisions to make sure that they know what's happening with TIF. So we do think the transparency has been increased a great deal and we just also want to reflect the concerns of having an election does create uncertainty, it does create extra costs. And so we have those concerns. I'm happy to answer any questions.

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

J. CAVANAUGH: Thank you, Chairman. Thank you for being here, Mrs. Abraham. I appreciate your testimony. And it actually made me really think about this. So the election creates uncertainty. So are you saying that when somebody applies for TIF, it's an absolute certainty they're going to get it?

CHRISTY ABRAHAM: No, no, I would never. And I think you've heard testimony earlier today on Senator Blood's bill that the city has a lot of discretion to determine whether they think this is going to be a good TIF project. You know, is this a good partner? Is this a reliable developer? Does this fit within our plan? There are lots of reasons why a city could decide, you know, to approve a TIF plan or not. It's not always a done deal. But it's always a very transparent and public deal because there is so many public hearings based into the process.

J. CAVANAUGH: So if it's, if there's already uncertainty in the process, why is making the final arbiter the voters a problem?

CHRISTY ABRAHAM: I think that-- and I'm not, I'm not trying to be coy, Senator Cavanaugh, it's just it takes a while to run an election. It would probably be a delay of at least a couple of months. It does cost money to hold an election. So if, say, for example, you take a city of the first class, I know we're all thinking about Omaha, but let's take a city like Grand Island. Holding an election for a TIF, that's, that's going to be some money for Grand Island to have an election. So it's cost and the uncertainty. And if the voters say no, then, you know, I guess that project just doesn't come through.

J. CAVANAUGH: Did I misread, do they have to hold a special election or did they just hold it on the next election?

CHRISTY ABRAHAM: Yeah, let me read that to make sure, as I understand it, it could be primary, general or special. And because, you know, in Nebraska, we typically have pretty harsh winters, you know, builders want to start in the spring, if they can, to get started. So you could have a special election, but it would still take several weeks, you know, to get that organized.

J. CAVANAUGH: But for projects, I mean, when you have a project that's going to be of some substance like this, and I'm thinking, I know you, you wanted to get away from Omaha, but unfortunately, that's where I'm from. The streetcar, Crossroads mall, Midtown Crossing, those were all projects that took years and years and years of planning and, and to

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get the plan-- financing and those things together. Crossroads mall, and I don't know, I mean, maybe somebody who is here from the city can address this later, but they-- I remember reading about them TIFing that years ago, and I drove by it today, and it looks like they just brought up a bulldozer yesterday. And so I guess the sense of urgency doesn't seem like an issue to me for larger projects, and that may be a valid concern for those smaller projects. But unfortunately, and I hate to give credit to the other Senator Cavanaugh, it sounds like she addressed the necessity for dynam-- the dynamicness of those smaller projects and it was contemplated in this. So I guess, I don't know, I just would put that to you in the form of a question.

CHRISTY ABRAHAM: Certainly. And I certainly want to say I certainly appreciate the other Senator Cavanaugh, and I appreciate her bringing this bill. And I think there is someone from Omaha who is going to testify who might be able to be in a better position to answer that question about the TIF project at Crossroads.

J. CAVANAUGH: And I can stop, but I'll ask one more. Do you have any idea how many projects, TIF projects there are over \$20 million, like in the state as a whole in the last, I don't know, some period of time? Is, is that quantifiable? Is that know-- is that a knowable number?

CHRISTY ABRAHAM: Yeah. No, I appreciate you saying that. I think as you listed, I think Omaha probably has the most and they have several. It's my understanding that Lincoln is on the cusp of also having one for \$20 million. So I think those are the two cities that currently right now would be impacted under this bill. Again, though, the bill isn't specific to metro or primary class cities. So, I mean, it is possible that, that a community like North Platte or Grand Island could have a project that might meet that level.

J. CAVANAUGH: Thank you.

CHRISTY ABRAHAM: Yep. Thank you, Senator.

McKINNEY: Are there any other questions? Senator Hardin.

HARDIN: Is it your sense that the threshold is too low, the \$20 million? What if it was \$40 million?

CHRISTY ABRAHAM: Oh, I appreciate that question. And we'd be, we'd be happy to chat with this committee about negotiating that number into something larger. \$20 million right now feels too low. And I, I think

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it also, I mean, we have additional concerns, obviously, in addition to the dollar number itself about, you know, we already feel like there is a lot of public input into TIF projects. But always we are happy to negotiate with this committee and with Senator Cavanaugh on this bill.

HARDIN: Thank you.

CHRISTY ABRAHAM: You're welcome.

McKINNEY: Thank you. Are there any other questions? Has the, has the League had any conversations with other municipalities that are member groups in your organization about working to figure out some way to have more transparency around TIF? A lot of the issues I see with TIF is that the process isn't transparent to the public, which creates a lot of confusion and anger, especially in Omaha about TIF. Have you guys had any conversations about figuring out a way to simplify the TIF process to make-- to, to increase transparency so the public doesn't feel in the dark or just being ran over?

CHRISTY ABRAHAM: Yeah. No, I, I, I appreciate that, Senator McKinney. And I think our member municipalities really do strive to make it as public and transparent as we can. As I mentioned several years ago with Senator Wayne, we did negotiate what I felt was a pretty significant overhaul of the TIF statutes. And I think the concern there was to make sure that there was enough public input along the way to make sure that people had those opportunities to come forward. Now, can we work to make it better? Of course. And we are always happy to work with you to try to make it better. I just want you to know that that, that is a process that we've been on, we've been working on it and, and for public hearings is-- we feel that's a, that's a significant thing to do to, to have to have to go through four public hearings before a redevelopment plan--

McKINNEY: I guess, here, here is a question--

CHRISTY ABRAHAM: --can be, can be approached.

McKINNEY: So the Omaha City Council, I believe they meet at 2 p.m. What if any type of hearing on TIF was made after 6 p.m.? Something to be more convenient for the public.

CHRISTY ABRAHAM: Sure. I appreciate that. And I'm not trying to throw Omaha under the bus, I just want to support my other municipalities. Most other municipalities appear to meet in the evening. Like if you

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go to the village of Ainslie and you're having a village board meeting, they're meeting at 6:00 at night. So a lot of our municipalities, that's when they meet. Because village board members, you know, they work lots of other jobs during the day and so they have their meetings at night. So I think for a lot of our municipalities, that's already true.

McKINNEY: OK. Thank you.

CHRISTY ABRAHAM: You're--

McKINNEY: Questions? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chairman McKinney. And thank you again for being here, Ms. Abraham. I just wanted to back up a little bit and understand. So you're saying there's four hearings, and so I'm new to Urban Affairs, and so I'm relatively new to really understanding TIF, but my-- most of my understanding comes from Omaha. We have a map of Omaha that is blighted, and then we have a map of Omaha that is-- what's the other characterization?

McKINNEY: Extremely--

J. CAVANAUGH: Extremely blighted, thank you. So we have two maps in Omaha, and that map is established by the city of Omaha. Is that right?

CHRISTY ABRAHAM: I believe so, yes.

J. CAVANAUGH: OK. So when you say this, the first sec-- part of it is establishing the blighted designation, is that where Omaha set those boundaries? And then anything within those boundaries would qualify for the second round of hearings? Or is it where every project needs to independently qualify as being "blighted?" I did quotes for the readers-- or for the transcribers there.

CHRISTY ABRAHAM: I appreciate that. I use hand gestures a lot too. I'm sure the transcriber gets them all. Yes.

J. CAVANAUGH: So in Omaha, is, is it really two hearings or is it-- do they have to go through that first round of hearings?

CHRISTY ABRAHAM: And again, it's different for different communities. So, for example, some municipalities, I think the most common example is they're going to declare their downtown substandard and blighted.

So to make that declaration of being substandard and blighted, there are two public hearings, one in front of the Planning Commission and one in front of the city council or village board. That's the first step. After that is declared substandard and blighted, that's when a redeveloper can say, Gosh, I would really love to build a Dollar General in your downtown. And so they come up with a redevelopment plan to allow that to happen. That plan then needs to go through again and have the public hearing in front of the planning commission and the city council or village board. Now, there are some municipalities that don't do large areas of substandard and blighted, they do it more project by project. If they have someone come to them and say, I would love to build a Dollar General in the downtown, can we get a substandard and blighted study to see if I'm even eligible? And it starts that way. So different municipalities do it different ways, Senator.

J. CAVANAUGH: OK. But so as far as generally, so something like the streetcar in Omaha, that area's already been declared substandard-- standard and blighted, and I think a good portion of it has been declared extremely blighted already. So that project would not have to go back through the first two hearings, it would only have to go through subsequent two hearings?

CHRISTY ABRAHAM: That is my understanding.

J. CAVANAUGH: OK.

CHRISTY ABRAHAM: Again, I believe someone from Omaha is here. They're going to be much better versed than I am.

J. CAVANAUGH: I just like to torture the first person.

CHRISTY ABRAHAM: I know, and I appreciate that. And did you see us doing rock, paper, scissors again? And here I am. Yeah, I'm not good at that game.

J. CAVANAUGH: No, I have not-- started to notice a lot of people, when there's like three or four testifiers, they will all walk really slowly.

CHRISTY ABRAHAM: Yeah.

J. CAVANAUGH: And before the-- to see who ends up in the hot seat first.

CHRISTY ABRAHAM: Yeah. And now I appreciate that.

J. CAVANAUGH: So OK. And so then-- so a project comes to-- in Omaha or anywhere after they establish the territorial boundaries of, of substandard and blighted, then they come for a second two hearings?

CHRISTY ABRAHAM: Yes.

J. CAVANAUGH: OK. That-- see, I was misunderstanding that and I was shocked to hear that there were four hearings because my perception of Omaha is we have a map and then they just come in and ask for the money--

CHRISTY ABRAHAM: Sure.

J. CAVANAUGH: --in the project areas.

CHRISTY ABRAHAM: I appreciate that. The, the designations themselves have already gone through the two public hearings.

J. CAVANAUGH: And the-- to become substandard and blighted, there are objective standards which must be met?

CHRISTY ABRAHAM: Yes, that's, that is absolutely true. Substandard and blighted are both defined in the Community Development Act.

J. CAVANAUGH: And it has to be within the whole territory or area that is or within some kind of geograph-- proximity. I guess my question is, can you draw a map that's bigger to make an area that doesn't qualify qualify?

CHRISTY ABRAHAM: I, I don't-- that's a good quest-- let me, let me start with what I think I know, and then we can move backwards. There is in the community development law standards by which there can only be a certain percentage of your municipality that's declared substandard and blighted. Villages, you can actually declare 100 percent of the corporate boundaries of a village to be substandard and blighted. The larger the municipality, the lesser that percentage is that you can declare substandard and blighted. We have actually run into some communities, like Fremont, who experiences severe floods, that 35 percent that they were allowed to declare substandard blighted wasn't enough. Like they had so many more areas that met that definition, they were actually struggling to, you know, about that cap. So there is a cap on how much you can declare substandard and

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blighted. But it's my understanding when they look at the area, the whole area as a whole has to meet that definition.

J. CAVANAUGH: OK. Well, that's helpful. But I guess my question is, is there a boundary? I mean, we have, you know, from my perspective, most of Omaha, east of, say, 42nd Street, is declared substandard and blighted and then some portions that go further west. And that is a pretty substantial portion of Omaha. But intermixed within portions that I think would be objectively defined as such, there are portions that would be objectively hard to define as such. And so I guess my question is, do we catch up the areas that are not-- do not meet the definition by drawing a circle around them that includes areas that are-- that do meet the definition?

CHRISTY ABRAHAM: I see. So that as a whole it meets the definition, but you might have census tracts within that block that doesn't meet--

J. CAVANAUGH: Right.

CHRISTY ABRAHAM: --the definition of substandard and blighted. And if it's OK, Senator Cavanaugh, let me, let me make sure I know that answer before I answer it.

J. CAVANAUGH: OK.

CHRISTY ABRAHAM: That seems like an important thing, and I want to make sure I get it right. So let me get back to you, if that's OK.

J. CAVANAUGH: Thank you.

CHRISTY ABRAHAM: You're welcome.

J. CAVANAUGH: I'm just using this opportunity to learn things that I probably [INAUDIBLE].

CHRISTY ABRAHAM: No, and there are brilliant people coming behind me, so don't, don't give up.

J. CAVANAUGH: I will stop.

CHRISTY ABRAHAM: OK.

McKINNEY: All right, thank you. Are there any other questions? Seeing none, thank you.

CHRISTY ABRAHAM: Thank you so much.

McKINNEY: Are there any other opponents?

JACQUELYN MORRISON: Good afternoon, Chairman McKinney and members of the Urban Affairs Committee. My name is Jacquelyn Morrison, spelled J-a-c-q-u-e-l-y-n M-o-r-r-i-s-o-n, currently and I-- currently I am a deputy chief of staff for economic development for Mayors Stothert at the city of Omaha. I am here today to speak in opposition to LB746. The city of Omaha goals for TIF include: job creation in high-need areas, job creation through new business development, job creation through retention or expansion of existing businesses, investment in areas to eliminate blight or substandard conditions, and mixed use or industrial projects linked to workforce housing support. To be eligible for TIF under a project, a project must be located in a CRA, meaning the city has determined that either the unemployment in the designated area is at least 120 percent of the state national average, the average age of the residential or commercial units in the area is at least 40 years old, more than half of the plotted or subdivided property in an area is unimproved land that has been within the city for 40 years and has remained unimproved, the per capita income of the area is lower than the average per capita income for the city or village, and the area has either stable or decreasing population based on the last two decennial censuses. Currently, any project submitted for TIF within the city of Omaha is first evaluated by our planning department. Once satisfied that the application meets the requirements of the program, the application is then submitted for approval by the city's TIF committee. If approved by the TIF committee, the recommendation is then presented to the planning board for hearing and recommendation. After the planning board, the TIF redevelopment project plan is submitted to our city council to be voted on and approved. If that proceeds, then a city TIF redevelopment agreement will then be submitted to city council to be approved. So internally at the city, any TIF application must go through at least four rounds of review, including three public hearings, to ensure that any TIF project meets our TIF goals and criteria and is advancing the objectives of the program. The city opposes the proposed legislation for several reasons. First, the enactment of this legislation would unfairly disadvantage the oldest areas of Omaha where unemployment rates are the highest and housing needs are the greatest. If you currently look at the map which I provided, you can see our designated CRAs, which Senator Cavanaugh was asking about. There you will see that over 90 percent of our CRAs in Omaha are located east of 72nd Street. By utilizing TIF in these areas, the city is able to work with developers to improve older road layouts, aging infrastructure and add

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more commercial space for jobs and also housing. The implementation of this legislation would add-- additionally add additional cost to either the city or the developer to put this measure on the ballot. While the legislation does not indicate who would be responsible for that cost, I have assumed for today that that would be the developer. The city of Omaha applies a but/for analysis in all of our TIF decisions. Projects are only approved if they are operating within a margin and would not otherwise be profitable without the use of TIF. Paying for a ballot initiative would be costly for a developer, both in the expense required to educate voters about the initiative, but also in delays caused by the project. The passage of this bill could discourage development and further exacerbate the differences in the amount of development throughout the city. To further illustrate this point, I have provided with you to-- provided you with two documents. If you will see on the document that has page 17 on the right-hand corner, this is from our 2020 Building and Development Summary that the city of Omaha publishes. You'll see Zone A, B and C are what are considered our central city zones, and then the area outside of that is to the west. Looking at those numbers both for commercial-- well, the first one is 17 is residential and the other, number 36, is commercial. And I printed these out pretty quickly, but you will see development in what we consider our central city zones are definitely less than development to the-- better in the present development zones in future in Aksarben zone-- future Aksarben zones. Another concern is that the majority of the blighted areas in our city are located in areas served by Omaha Public Schools. After TIF periods are up, approximately 54 percent of those taxes generated would go to OPS. Requiring a, a vote of all of Omaha could create uncertainty for developers and no longer incentivize developers to invest in CRAs located in the OPS school district. As stated earlier, any TIF project in the city of Omaha must be approve-- oh, I'm at red. I'll stop and answer any questions.

McKINNEY: All right. You could-- do you have-- did you have any last comments?

JACQUELYN MORRISON: Yes. My last comment was since 2018, there's been one building that that amount exceeded \$20 million. However, there were two projects where the TIF request exceeded \$20 million. And if you have questions, I can talk about those.

McKINNEY: All right, thank you. Are there any questions from the committee? Senator Cavanaugh.

J. CAVANAUGH: Might let Senator Lowe go first.

LOWE: Well, OK, because you're going to ask 15. You did not get to the page 36, I don't believe. Would you go over that?

JACQUELYN MORRISON: Sure. So and again, this isn't specific to TIF, this is just some general information about Omaha. But this shows the final platted acres. So when people are looking at development and come in to get plats for land, you can see where the platting is occurring in Omaha. So if you look in the year 2021, the dark blue or gray is the central city, so that's 42nd in the east-- anything pretty much that is east of I-680. The major part of the land that's being platted at this time is outside of that area, and so we are looking for ways to encourage development and, and find ways to continue to see growth in our-- what we call our urban core. And TIF is one of those tools that we're able to use to do that.

LOWE: OK, thank you.

JACQUELYN MORRISON: Thank you.

McKINNEY: Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chairman McKinney. Ms. Morrison, a pleasure to see you. Thank you for being here.

JACQUELYN MORRISON: Absolutely.

J. CAVANAUGH: OK. So I'm trying to understand, so you said there were three projects--

JACQUELYN MORRISON: So--

J. CAVANAUGH: One building and one project. Is that what it was?

JACQUELYN MORRISON: So it's kind of hard to use the right, I don't want to say wording, but I'll give you-- so one is Crossroads. So that, I asked for the amount, I believe it's \$74.9 million for Crossroads. I could have inverted those numbers, but I believe it's \$74.9. The next one is the Mutual of Omaha Tower downtown. And then the third project or area is, was the Millwork Commons District. I don't have the exact number. But the reason why, when you look at Millwork and you also look at Crossroads, that didn't come in as-- let's say they're planning to do 10 buildings on those properties, they brought it in kind of as a entire project. But if each of the

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buildings had come in individually, they would have each been less than \$20 million. So a lot of times when we get a application, it will be for an apartment complex or it will be for a building, and it's only one. But Crossroads and I believe Millwork came in as a package.

J. CAVANAUGH: Like Aksarben did it, they did all the individual properties. Thanks for that clarification. So you mentioned about the increasing the tax revenue. That's kind of a, a neat, I guess altruistic idea of allowing for this. Is the-- is this something that's recorded in this TIF report that the other Senator Cavanaugh referenced, or is there some way-- are we quantifying, you know, how much for taking off the books for the 15 or 20 years and then how much we're getting? And is anybody doing that kind of analysis to figure out if we're actually getting a return on this investment?

JACQUELYN MORRISON: I would say that's part of the initial TIF appli-- so when we get the initial TIF applications, one of the things that the-- part of it is we have the developer has to prepare for us, one, what they believe the assessment will be after the 15- or 20-year period. And I believe that some of that is coordinating with the assessor or trying to determine what that assessment would be. After-- with that amount, you can then determine what the revenue or taxes would be after the TIF period is over. I'm not sure if we have a report where we've gone and done a look back, but I can find out.

J. CAVANAUGH: It's been one of the things I've always wanted to see and I've never seen it.

JACQUELYN MORRISON: OK, I'll ask for it.

J. CAVANAUGH: And for, well, we have another bill that came before this committee about preventing future TIFing another project over and over again. But you're not here to testify on that one, but my recollection was that would be for TIFing on top of whatever that, the original TIF was. So we'd still capture that kind of area between-- the delta, between the original price and the new price before we TIF on top of it. So we'd still recapture that property tax, I think. I'm not-- I guess you're not here to answer that question, I'm just thinking out loud.

JACQUELYN MORRISON: Well--

J. CAVANAUGH: Unfortunate for you.

JACQUELYN MORRISON: I-- well, if we think about-- if I think I hear you correctly, we're still looking at increment, right? And so I don't believe that the city, it wouldn't be our practice to go back and reTIF a project that we had just done. But so if, let's say a project came in and year one, it was worth zero, and in year 20 it was worth \$20-- or the taxes were \$20, then if someone wanted to reTIF that, they'd have to grow from the \$20 to the \$30. And so the only thing that would be eligible was the ten. Now, I'm not saying that that's our practice, but we're still only looking at the increment. They wouldn't be able to go back from the beginning.

J. CAVANAUGH: OK. That's kind of-- that's what I was thinking. So in terms of the map you got here, and I was looking at it and I'm trying to get it figured out. This one out west, that, if I-- if memory serves, that is the TD Ameritrade office park. Does that sounds right?

JACQUELYN MORRISON: You would know probably more than I. But I will tell you, I drew a little blue line with my great word skills to show you 72nd Street. And so if you're wondering what that line is, that's 72nd.

J. CAVANAUGH: No, I appreciate that. That gives a frame of reference, then you got Dodge and 680. So I guess this is my question is, most everything is over here and, you know, I can't nitpick about any of that. But when you get out to-- what is it, Westroads Mall, 120th and Dodge, what's it called? The First National has an office park there. There's much car dealerships, hotels, things, and then you have, right, smack in the middle of that is something that's been TIFfed. And my recollection is that the thing that's in there is an office tower that for TD Ameritrade. So I guess my question goes back to what I was asking Ms. Abraham, is, is it possible that we are drawing the circle a little bit bigger to allow us to get TIF for a project that otherwise wouldn't qualify?

JACQUELYN MORRISON: I don't believe that that is occurring. I wonder if I could go back to one of the questions you asked earlier. So these are our current community redevelopment areas. A developer can come to the city and request before they start their TIF app-- TIF application, or as part of it, that another area in the city be designated. So our designations generally start with the developer. And so when they come in with that project, then we will consider which area are they looking at and what are the parameters. So for instance, there is a small section-- so even though if you look at east of 72nd Street, there is a small section over by Carter Lake

where we're looking at for the airport business park that is not a community redevelopment area, despite the fact that it would probably qualify. So for that to happen, a developer would come to the city and ask for us to look at it. We could initiate it on our own, but typically our process is to wait. So-- or wait for a developer. And so in that area, likely what would have happened is the developer would have come to the city, we would have looked at the unemployment in the areas there. I do think, and I am not certain this is what you're asking, I think that they look at adjacent parcels. And so it's possible that you can look at what's already a community redevelopment area and when you add that parcel, how it would change the numbers. But I'd have to get you more information.

J. CAVANAUGH: OK. So for in that instance, that goes through the four steps you're talking about or-- because you just kind of listed out four different steps and they weren't exactly the same as Ms. Abraham's four steps.

JACQUELYN MORRISON: Yes. So for the-- I pulled this up, just so that I could have it for you. So for the community redevelopment area, the developer first comes in, requests through our planning department that it be designated. Then there's a required meeting with the neighborhood and for the neighborhood to weigh in. And also then they come back to the planning department, that's taken to the TIF committee. At the recommendation of the TIF committee, it then goes to the planning board and then goes to city council for approval of the designated area. That's just for the CRA designation. The-- if there was a TIF application, then you can then start the TIF application after your designation.

J. CAVANAUGH: And so there were four steps of the TIF application. Because there's the TIF committee, the planning board--

JACQUELYN MORRISON: Yes. So the TIF-- so the TIF application first comes in through our planning department. Planning department staff reviews it, lets the developer know if there's any issues or concerns with the application. Once they have brought the information back, the TIF committee will meet. At that TIF committee meeting, the developer comes in, presents the proposal. The TIF committee takes a vote and decides whether or not to recommend that this project move forward. If it is recommended that it goes forward, that project then goes before the planning board. The planning board then makes a decision of whether to have a recommendation that it go to the city council. The city council then votes on the plan. After the plan is approved, we

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typically at the city will work on the development agreement and then that develop-- final development agreement goes back to city council for approval.

J. CAVANAUGH: And so if this were-- bill were to pass, this would it put itself in between the city council the first time and the development agreement probably?

JACQUELYN MORRISON: I don't, I don't know that answer. I'd have to go back and look at the bill. I think there's some--

J. CAVANAUGH: I don't think it specifies. I'm just trying to-- yeah. Well, I don't want to stop, but I can. I know you guys are all so interested in my questioning. So I'll stop. I can [INAUDIBLE].

McKINNEY: Sure?

J. CAVANAUGH: Yeah.

McKINNEY: All right. Thank you. Are there any other questions from the committee? I have a couple. The first, has the city considered or is the city open to moving all TIF hearings to after 5:30 or 6:00 p.m. to accommodate the public?

JACQUELYN MORRISON: By TIF hearings, the hearings that are part of the city council--

McKINNEY: Yeah.

JACQUELYN MORRISON: --or the hearings part of the--

McKINNEY: Hearings that pertain to TIF-related projects.

JACQUELYN MORRISON: I, I don't know that we have considered it. I don't-- that would be a question for the city council because it's part of their hearings. I know that we may have some. By we, I mean where I work. We may be able to look at the planning-- when it goes to the planning department and also the planning board. But I think the city council sets their hearings.

McKINNEY: OK. Has the city-- all of the madness that has happened around the library, Mutual of Omaha, the streetcar and, and even prior to that, has the city considered figuring out a better process to educate the public on TIF and trying to be-- I don't, I know people from the city would say we've probably being transparent. But the

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public doesn't feel that way. So has the city considered or had discussions about trying to figure out a way to make it all work and a lot, a lot better and alleviate a lot of confusion and those type of things?

JACQUELYN MORRISON: I, I'd say we're-- some of it is lessons learned and some of it is opportunities. I know, you know, for instance, all of our procedures as it relates to TIF are on our website. So that's open. All of the hearings through city council are recorded and so anyone can go back and watch those if they're not able to be there at 1:00-- or at 2:00. Same with-- currently we are working on some presentations and kind of the education component of the streetcar, making sure that that's been well explained and everybody understands it. And so we're, we're working on it and there have been opportunities. But I think there's always room for growth.

McKINNEY: Yeah, because some of the comments I hear from the public is that, yeah, we can go comment during city council meetings and talk about whether we're for or against things, but it seems to not matter. Especially when there's-- seems to be more opposition to things like the streetcar or the library. But the public comes out in masses, but still nothing changes, and it just gets rammed through and the public just continues to be upset because of that.

JACQUELYN MORRISON: I think that, again, we-- everything I-- everything the city does, I believe, is transparent. However, that doesn't mean it's educational. And so some opportunities are, you know, meeting with your city council or city council members, you know, reaching out before a vote or people reaching out to their city council or even to our office to get information. I know that we have been, we've-- what I-- when we get requests through the mayor's hotline and things like that, we do email people back and let them know what's going on. And so we're open to suggestions for more opportunity.

McKINNEY: All right, thank you. Are there-- Senator Cavanaugh.

J. CAVANAUGH: Give me enough time, I'll think of more questions. Thank you, Chairman. And thank you, Ms. Morrison. So the TIF committee you mentioned, do you happen to know who is on that?

JACQUELYN MORRISON: I do.

J. CAVANAUGH: Who that is made up of.

JACQUELYN MORRISON: I do, but I'm going to just pull it up just to make sure I don't-- that, that make sure I quote you correctly. So the TIF committee will consist of the following nine members: the planning director, the finance director, the public works director, the city attorney, the planning economic development manager, the city engineer, an additional representative from our finance department and two designated representatives from the mayor's office. Currently, those representatives are-- from the mayor's office are myself and Steve Jensen.

J. CAVANAUGH: And so this-- that sounds like it's a technical review committee then.

JACQUELYN MORRISON: I would have to know your definition of technical review.

J. CAVANAUGH: You're not deciding the value of the project, you're just deciding whether it checks the boxes of being eligible as a project.

JACQUELYN MORRISON: I would disagree. I would say we do. I would, if you consider it, value of the project. We look at things such as the but-for test, looking at what the returns would be with TIF and without TIF. We're looking at are there safety improvements that need to be made such as, you know, infrastructure improvements? Where are the funds going? We're looking at there have been times when a developer might say, we believe this assessment is going to come back at this, and the committee might say that seems a little-- the finance person may say that seems a little bit high. We would be comfortable with this particular assessment based on other things. So it's technical, but I think that we, you know, we look at a lot of different factors.

J. CAVANAUGH: And does anybody that sits on that sit on the planning board?

JACQUELYN MORRISON: I believe-- well, our planning direct-- I don't believe our planning director is on the planning board, but our planning department is very, I wouldn't say influential, but they run the planning board meetings and things like that. So there's, I'd say some overlap, but not necessarily individuals.

J. CAVANAUGH: And for-- do you happen to know whether any projects have been denied? Or if, how many?

JACQUELYN MORRISON: Not since I've been on the board or on the committee, but I can find out and see. I do know that there have definitely since I've been there, had projects laid over and we said, you know-- I think just to give you an example, there was a project that came through not too long ago that assumed that TIF would be X. However, based on prior bond commitments of the city, that TIF, part of that TIF would have to be go to pay off a certain amount of bond debt. And so we had to tell that developer, you have to come back with a different financing plan in order for this to be able to work. Things like that do cause them to get laid over, for projects to change, or sometimes projects could get withdrawn based on that.

J. CAVANAUGH: So just to clarify, none have been rejected?

JACQUELYN MORRISON: Since I've--

J. CAVANAUGH: Since you've been there. But some have been given constructive criticism that has allowed them to either withdraw or modify their projects so it would qualify?

JACQUELYN MORRISON: I would say that.

J. CAVANAUGH: Well, you can say it any way you want.

JACQUELYN MORRISON: Yes.

J. CAVANAUGH: Thank you.

JACQUELYN MORRISON: OK.

McKINNEY: Thank you. Are there any other questions? Seeing none, thank you.

JACQUELYN MORRISON: Thank you.

McKINNEY: Are there any other opponents?

VETA JEFFERY: Good afternoon.

McKINNEY: Good afternoon.

VETA JEFFERY: Chairman McKinney and members of the committee. I am Veta Jeffery, V-e-t-a J-e-f-f-e-r-y, president and CEO of the Greater Omaha Chamber. I'm appearing before you today to offer the Chamber's opposition to LB746. I'm also testifying today on behalf of the Nebraska Chamber and the Lincoln Chamber as well. Redevelopment

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projects that utilize tax increment financing have proven vital in our efforts to revitalize areas of Omaha that have seen neglect over the years. It's especially important as a redevelopment tool when it comes to our urban core and listening to the conversations that have already taken place. The numbers are clear, completed projects bring economic progress to neighborhoods central to the investment in terms of jobs, economic development, housing and amenities that improve the quality of life for all those included in these areas. This proposal in LB746 would hinder the successful use of TIF and our goals of additional investment in the urban core. I've seen the effects of such policies firsthand. I've mentioned to some that I came to Omaha from St. Louis, and in my experience in other cities as well, when we continue to add restrictions on the development, that sends a message to developers that we don't want you here. And that makes it difficult and cumbersome and time-consuming to where they end up believing that they're better off taking their development somewhere else. Oftentimes they will go and develop their projects in adjacent cities or in other parts of town with less restrictive rules. In Omaha, I'm concerned that this bill and other proposed changes like it risk driving the developers and redevelopment to the far edges of town. And we don't want that: policies that push development to older suburbs rather than the urban core, where programs such as TIF were originally meant to make a difference. This would effectively leave behind the areas that need development most and the areas where we're trying to drive those-- the talented individuals that we are trying to attract to the Omaha area. We're also concerned that requiring a public vote on major projects such as this would result in divisiveness. It has the potential to pit one area of the city against another. It will require people in a redevelopment area to spend money on campaigns to justify the redevelopment that has been approved by elected officials already in the city in an effort to convince people in one area that they should support improvements in neighborhoods that they may not frequent. It would cost the city, the county for ballot additions, and all of that money and effort could be better spent in community engagement, creating space for the community to be a part of the outcome planning as well as further neighborhood development. Now, this is not to say that we should focus solely on downtown. Omaha has seen a remarkable amount of redevelopment, and that is in large part because of the availability of TIF financing that has occurred across the city. There are projects in the works that are going to transform the Omaha metro. This is everything from the Mutual headquarters to the streetcar too-- which would extend to North 20-- the North 24th district, to small businesses or housing projects in Benson and

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Mallard. The people of Nebraska voted to approve TIF for a reason, and this is it. But finally, let's not lose focus where we should be driving our thoughts and activities with all the progress we're seeing. This is not a time when we want to complicate the use of TIF. We hope to avoid policies that make the development of the urban core more difficult as we are currently experiencing a great wealth of opportunity. So with that, we ask that you do not advance LB746. Thank you for your consideration and I'll be happy to answer any questions.

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

J. CAVANAUGH: Thank you, Chairman. Thank you for being here, Ms. Jeffrey. It's a pleasure to see you, and I appreciate it. So you came from St. Louis, and I assume they have a similar but not the same program in St. Louis. And I recall reading, you know, I've read about TIF in other cities. Other cities seem to have-- some of them come with more strings attached. Like having a requirement of investment in affordable housing or something like that, in low-income housing.

VETA JEFFERY: This is true.

J. CAVANAUGH: Has that been your experience anywhere else?

VETA JEFFERY: This is true. Other cities absolutely require making certain that. But that is-- that's handled prior to. So one of the things, as I was listening to the discussion that took place, community engagement is a major piece and we weren't able to move meetings to evenings. But what we did do was move-- make certain that the community engagement piece happened early on. Some of what you're mentioning also was handled in how our developers partnered for development projects. And so once they get to TIF stage, all of that was worked out.

J. CAVANAUGH: And if I could just circle, so to clarify, you're saying your reading of my concern is that there's this amount of certainty once somebody applies for TIF. And you're saying it's because they've already done the groundwork?

VETA JEFFERY: I, I don't want to read into what you're saying.

J. CAVANAUGH: I'm just putting it out there for you.

VETA JEFFERY: No, no, no, no.

J. CAVANAUGH: That's my concern generally. Is that there's--

VETA JEFFERY: I don't want to read into what you're saying. I want to-- I hope I'm answering your question the way that I'm hearing it. So maybe I should say, ask it again so I can make sure I'm answering what you're asking.

J. CAVANAUGH: I'd have to go backwards to remember which one I-- believe it or not, I've asked a lot of questions. So-- well, OK. I think that the purpose of this bill, at least my read of it, is that there are-- there's a move towards large projects. And when they want-- by the time anyone knows about them, they're a foregone conclusion. There's a-- it's an absolute certainty, once we hear, the general public hears about a project, it's already the horse is out of the barn, it's going to happen. So even if you move comments to the evenings that you're-- you don't have a meaningful opportunity to object. And so I guess that you can, I guess you can respond to that. But is the, is what you're saying that a TIF project appears so certain because the amount of work that was done ahead? Or is there some other reason why the general public, the complaints I hear about TIF is, oh, well, I heard it's in the papers, so that means it's a done deal. So I don't know if you have a comment you want to say to that or--

VETA JEFFERY: So I don't think I can comment to that.

J. CAVANAUGH: OK.

VETA JEFFERY: Yeah.

J. CAVANAUGH: Well, that's fair. No comment is--

VETA JEFFERY: No comment.

J. CAVANAUGH: --is an answer as well. So the other part, I guess my concern is, and you can answer this, it's the map of where TIF projects are available in Omaha sometimes does not necessarily look like it reflects the things that we're talking about as the necessity that it serves. And I think that's another concern that is, I don't know, presented by this bill, but that's a concern about TIF in general, in that it, you know, if you're putting-- your point, I guess, about we don't want all of the development to go into the exurbs, which is SIDs, right? The cities come in here and they tell us, that's our economic development mechanism is an SID, TIF is a

city's economic development aspect and that-- you, you're articulating that conflict, I think, right?

VETA JEFFERY: Yes.

J. CAVANAUGH: And so my question is, when we TIF 120th and Dodge, it is in con-- it is in competition with, you know, 24th and Pratt. And I guess my question is, are we doing a disservice to the intention of TIF by overutilizing the places where we allow it to be used? Is that a clear question?

VETA JEFFERY: May I restate that for you?

J. CAVANAUGH: Yeah.

VETA JEFFERY: So what I hear, what I believe I hear you asking is, are we doing a disservice to TIF by overusage in certain areas?

J. CAVANAUGH: Yeah.

VETA JEFFERY: So I guess I would like to answer that by saying incentivizing development in areas that need it is what the focus has to be. And so if there are areas that need more development than other areas, I, I don't think in my personal opinion that you can overincentivize that. Because the goal would be making certain that all of our areas get all of the development they need so that those living in those zip codes can have all the experiences and can grow equitably across. And so I hope that--

J. CAVANAUGH: That's fair answer. Thank you.

McKINNEY: Thank you. Are there any other questions from the committee? No? I have a few. What is the Chamber's role in the streetcar?

VETA JEFFERY: In the streetcar?

McKINNEY: Yeah.

VETA JEFFERY: So the Chamber is currently involved in the development of the urban core, of which we have 11 major projects, of which the streetcar is one.

McKINNEY: OK. Do you have any contracts with the city of Omaha or any of the contractors of the streetcar?

VETA JEFFERY: In what sense?

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McKINNEY: Do-- are, are you--

VETA JEFFERY: The Chamber is not engaged in any contracts.

McKINNEY: Any contracts? OK. Did the Chamber receive any funds to promote and work on the streetcar?

VETA JEFFERY: No.

McKINNEY: OK. I guess my question, and it kind of goes back to the whole issues around the public not-- and Senator Cavanaugh kind of was hitting on it. What, from your experience, would you suggest to make the processes around TIF more palatable for the public? Because although we hear that, you know, there's public hearings for being transparent and those type of things, the public still feel as though they're not being listened to and these big development projects are happening. But although a lot-- a good portion of the public might oppose some of these projects, that's not being heard or listened to.

VETA JEFFERY: Yes, sir. Chairman, I think that's a great question. I don't think I'm qualified to answer what's happening here in Omaha. I don't know enough about the city's practices or anybody's practices in terms of community engagement. At what stage. So I don't know that I feel like I can answer that.

McKINNEY: I guess I was just kind of trying to lean on your experience to see if you had any suggestions or anything that you would think would be helpful.

VETA JEFFERY: So community engagement is best served being proactive. As much as we can get out in front of anything that's happening and query the community and give them transparent information, it always makes projects more palatable.

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

VETA JEFFERY: Thank you all.

McKINNEY: Are there any other opponents? Is there anybody here to testify in the neutral? Senator Cavanaugh, you're welcome to close.

M. CAVANAUGH: Well, thank you. Want to start off by saying that even though Senator John Cavanaugh and I carpool most days, we did not discuss this bill at all. And so I appreciate your questions today.

This is-- you mentioned two TIF projects that are in my district. The TD Ameritrade is on 108th and Dodge, which is in my district, and Crossroads mall is on 72nd to like 78th and Cass to Dodge, which is also in my district and my neighborhood. Hence, Senator Cavanaugh driving passed it this morning after he picked me up. And we, we did discuss that there was finally some movement, a bulldozer or something was in there after several months of nothing happening in that particular spot. I want to speak to some of the initial concerns on the election piece of this. It was not my intention that any sort of a special election should be, have to be held. Much like when we have bond votes for, like, school buildings like we've had in Omaha, quite a few bond things, they're just on the next, the next election, whether it's a primary, a general election or a special election that-- so there's no intention of, of requiring a special election to be held. Of course, if they wanted to have a special election, they could. This does allow for that. So I just wanted to add clarification on that. We do have elections-- specifically in the city of Omaha, our mayoral city elections are off-cycle. So our next-- not this year, Lincoln has theirs this year-- two years from now will be the next city election. One year from now will be the next statewide primary and then general election. And so there's basically one year in a four-year period in which the city of Omaha specifically does not have an election. And it is the election, the, the odd-numbered year after gubernatorial election. So that's the one year out of a four-year period in which the city of Omaha would not have an election. The opposite would be for the city of Lincoln. It would be the odd number of year after a presidential election. So to that end, these massive projects, I would hope, would have long-term planning and that they could accommodate having an election once a year that they could partic-- put this on the ballot for. And, and also anticipate that, if it's this massive of a project, that there is one year in a four-year period in which there would not be an election should they choose, they could host a special election for that. Chairman McKinney, you asked at the beginning, and I think you asked throughout, some questions about the public notice and the public hearing. And I think what we've heard today is that there is-- there are mechanisms for public input, there are mechanisms for, for, for people to be aware of what's going on. But we are talking about blighted and extremely blighted neighborhoods, areas for redevelopment. And the mechanisms primarily rely on technology. The TIF information is available on a website, the hearings are available to see online. The hearing-- the public comments are in the middle of the day. None of this is conducive to a population that has little to no access to broadband or

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WiFi, little to no access to transportation, can't take off work in the middle of the day. The, the system currently is designed to minimize the voice of the low-income areas of our urban core that we are supposed to be developing. That's one problem with our process. The second process-- problem is that these aren't being developed in the low-income urban core of our cities. To Senator John Cavanaugh's point, there does appear to be some fudging of the lines so that we are including areas that, that get us to what we need the numbers to be to qualify while also extending it far enough that we can develop in areas like 108th and Dodge or 72nd and Dodge. And when I looked at the map of the 72nd and Dodge area that is blighted, my house is blighted. I knew that, because I've lived there for nine years. And I remember when all of that happened and my house was blighted and I was like, well, this doesn't feel blighted, but OK, I guess it is. But it was so that they could do a TIF project. And it's not about the merits of the project itself. It's about are we honoring the intention of, of TIF and are we honoring the people? These are the people's tax dollars. And these massive projects. Are we-- are at least within the city of Omaha. And Senator Lowe and Senator Hunt, this is like the fourth or fifth bill that the two of you have been on this journey with me because I had some in Government around all of this. It's all-- all of this for me came out of how it was handled that we eliminated the downtown library in Omaha, moved it to-- I don't even know where-- sold the property, gave it to a corporation, TIFfed it. And now we not only did we TIF the downtown library, which why did we not just renovate our downtown library decades ago? But we've TIFfed it for a corporation with very little public insight-- oversight, input, and then we've additionally TIFfed for a streetcar. None of that can be undone. This bill doesn't impact that. But it does show bad governance, in my opinion, and it shows poor judgment. And the TIF committee, as far as I can tell, the planning committee, as far as I can tell, are appointed by the mayor. And yes, the mayor is an elected position, but those positions are not elected. And this is massive amounts of money that they are approving and putting in front of the city council under the auspices of some sort of process, some sort of public process that is transparent and engages the public. When in reality, it does not do those things. So what I am asking for in this piece of legislation is that we give the public the opportunity to have a say in how our taxpayer dollars are being spent, utilized, what the city that they live in, that they call home, what that urban core is going to actually look like and how it's going to serve the people. I am completely open, open to reconsidering what the amount is. Twenty million just seemed like a large enough amount that there aren't a lot

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of projects that are over \$20 million. If it needs to be more, if it needs to be \$50 million, I think that that's something worth talking about. But this is a, this is a pattern of behavior of poor judgment within the city of Omaha specifically. And that is why I have brought the series of bills that Senator Lowe and Senator Hunt have had the, the great joy of sitting through numerous hearings on. But that's, that's what's brought me here today. I appreciate the interest, the conversation. I think that TIF is a wonderful tool to be utilized for economic development in our state, but I do believe that it has been abused by the city of Omaha. And I would like to find a path forward to strengthen it. Take any questions.

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

M. CAVANAUGH: He'll just ask them on the ride home.

McKINNEY: I guess, I guess I have one. I know you said you're open to, to some things, and I don't know if we could put it in a bill, but I do think city council meetings, especially those pertaining to TIF, should be at a time where people aren't at work.

M. CAVANAUGH: I think that you can put that into legislation. I think that you can legislate that there have to be opportunities and options, varying times of day, varying days of the week for public forums to be held. You shouldn't have to, common sense should prevail that these are things that should be done, that there should be-- when you're doing something with a public library, you should hold a public forum at that public library on perhaps a time that it is very highly trafficked, like a Saturday. Like common sense shouldn't have to be legislated, but sometimes it has to be legislated.

McKINNEY: All right, thank you. Senator Cavanaugh.

J. CAVANAUGH: You guys goaded me into it. Thank you, Chairman. Thank you, Senator Cavanaugh.

M. CAVANAUGH: Happy to goad you into it.

J. CAVANAUGH: First off, Lincoln has an election on the off-year as well.

M. CAVANAUGH: This, this off-year, but not the same as Omaha.

J. CAVANAUGH: No, on the same year as the Omaha election, they also have an election.

M. CAVANAUGH: Wow, they've got lots of elections then.

J. CAVANAUGH: They do. And too, I'm pretty sure that we mandated in the tax postcard meetings had to be in the evening. So I think we've done that before.

M. CAVANAUGH: Oh, the infamous tax postcard.

J. CAVANAUGH: Tax postcards. But my question is the-- about the idea. I mean, so we heard that there's maybe three or four projects that have ever reached this level. And so if you raise the dollar amount, it becomes even maybe nobody or one or two reach this level going forward. At that point, does it just become symbolic or is there a like--

M. CAVANAUGH: I'm happy to lower the dollar amount as well.

J. CAVANAUGH: Well, so that-- my second question then is we've heard that the point of TIF is to make marginal projects become profitable. So by putting in this rule, obviously there's the-- you create transparency and input, but do you ultimately create a burden and a cost that then makes-- takes marginal projects from profitable back down to marginal and no longer a valuable project? Don't we run that risk?

M. CAVANAUGH: That's an excellent question, which is part of the reason that I didn't want to have it at a lower number for the, for-- because marginal projects that are \$1 million project that you get maybe \$500,000 for TIF that are going to make a huge economic, like smaller projects that are hap-- that are happening through TIF can really make an economic impact in the communities and the neighborhoods that they're happening in. These larger projects are not happening in those communities. This project is technically in north Omaha, but it's in the southern border and it's really downtown Omaha. And so to say that that's a blighted area, when we have convention centers and a College World Series stadium and multiple luxury hotels, and to say that that's a blighted area is disingenuous to me.

J. CAVANAUGH: So then I guess my question, and I kind of asked this of other folks is, isn't there-- isn't the solution then a tightening up of how we define those boundaries and making it--

M. CAVANAUGH: I believe that's something that, correct me if I'm wrong, Senator Wayne has worked on over the years. And I think that there is some legislation this year from other senators on that. I'm

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happy to explore all avenues on how to make the utilization of TIF, utilize it for the intended purpose and make sure that it is being appropriately utilized without diminishing the voice of the public. So this might not be the right answer. To answer your question, I'm not sure if this is the right answer. I think this is one option, and I want to make sure that this was an option, especially the Urban Affairs Committee, as these are coming to you. I wanted to make sure you had all options available to you if you create-- if you decide to create a package out of this committee around TIF, I wanted you to be able to have the public hearings on various options. And if the committee thinks that this is one that can help to make TIF stronger and better utilized, then here you are.

J. CAVANAUGH: I'll ask one more question.

M. CAVANAUGH: He'll ask a lot more in the car.

J. CAVANAUGH: But OK, so would you consider an amendment that would say leave it at \$20 million, but if a project had some amount of percentage of affordable housing as part of the project and they [INAUDIBLE]?

M. CAVANAUGH: I would love to see that, yes, I have always believed that any housing project, that any apartments that are built, any housing dollars with TIF should have a minimum amount that has to, has to be affordable.

J. CAVANAUGH: Thank you.

McKINNEY: Thank you. Are there any other questions from the committee? Seeing none, thank you, Senator Cavanaugh.

M. CAVANAUGH: Senator Lowe and Senator Hunt, I think this is the last of my government oversight bills, so.

McKINNEY: And for the record, there was one proponent, four opponents and zero neutral from the online comments. And that closes the hearing on LB746, and we'll go into exec.