

AMENDMENTS TO LB622

Introduced by Revenue.

1 1. Strike the original sections and insert the following new
2 sections:

3 **Section 1.** Section 58-708, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 58-708 (1) During each calendar year in which funds are available
6 from the Affordable Housing Trust Fund for use by the Department of
7 Economic Development, the department shall make its best efforts to
8 allocate not less than thirty percent of such funds to each congressional
9 district. The department shall announce a grant and loan application
10 period of at least ninety days duration for all projects. Before a grant
11 application for any new construction project can be submitted to the
12 department, the land for the project shall be identified. In selecting
13 projects to receive trust fund assistance, the department shall develop a
14 qualified allocation plan and give first priority to financially viable
15 projects that serve the lowest income occupants for the longest period of
16 time. The qualified allocation plan shall:

17 (a) Set forth selection criteria to be used to determine housing
18 priorities of the housing trust fund which are appropriate to local
19 conditions, including the community's immediate need for affordable
20 housing, proposed increases in home ownership, private dollars leveraged,
21 level of local government support and participation, and repayment, in
22 part or in whole, of financial assistance awarded by the fund; and

23 (b) Give first priority in allocating trust fund assistance among
24 selected projects to those projects which are located in whole or in part
25 within an enterprise zone designated pursuant to the Enterprise Zone Act
26 or an opportunity zone designated pursuant to the federal Tax Cuts and
27 Jobs Act, Public Law 115-97, serve the lowest income occupant, are

1 located in an area that has been declared an extremely blighted area
2 under section 18-2101.02, and are obligated to serve qualified occupants
3 for the longest period of time.

4 (2) Beginning on July 1, 2026:

5 (a) The Department of Economic Development shall disburse grant
6 funds to a qualified recipient equal to eighty percent of the housing
7 development costs of such recipient, excluding general administration
8 costs, housing management fees, lead-based paint test costs, and
9 technical assistance costs, once the department approves such recipient
10 for grant funds; and

11 (b) The department shall disburse grant funds to a qualified
12 recipient equal to twenty percent of the housing development costs of
13 such recipient, excluding general administration costs, housing
14 management fees, lead-based paint test costs, and technical assistance
15 costs, upon the completion of the project.

16 (3)(a) Beginning on the operative date of this act, a qualified
17 recipient shall submit to the Department of Economic Development a
18 schedule of uses of funds for eligible activities on a quarterly basis,
19 no later than thirty days after the end of each calendar quarter, during
20 the time of performance under the award agreement.

21 (b) The schedule of uses of funds for eligible activities shall
22 include an itemization of costs for eligible activities. If reasonable,
23 the department may require source documentation and proof of payment,
24 including, but not limited to, a paid invoice, completed payment, or
25 cleared check, to be submitted with the schedule as evidence of
26 appropriate use of funds. Qualified recipients shall ensure proper use of
27 funds. The department is not responsible for the audit or approval of
28 each of the qualified recipient's transactions involving funds.

29 (c) The department may initiate any of the following actions if a
30 qualified recipient does not submit a schedule of uses of funds for
31 eligible activities:

1 (i) Disqualification of the qualified recipient in pending
2 applications for the Affordable Housing Trust Fund;

3 (ii) Disqualification of the qualified recipient in pending
4 applications for other department programs;

5 (iii) Disqualification of the qualified recipient as an eligible
6 applicant for Affordable Housing Trust Fund applications for up to
7 twenty-four months from the date of the department action; or

8 (iv) Other actions deemed necessary by the department to meet the
9 department's responsibility to ensure proper use of funds so long as such
10 actions do not unduly harm a qualified recipient's reputation and ability
11 to successfully operate in Nebraska. This subdivision does not prohibit
12 the department from taking appropriate actions against qualified
13 recipients that have committed illegal actions, such as fraud and theft.

14 (4) {2} The Department of Economic Development ~~department~~ shall fund
15 in order of priority as many applications as will utilize available funds
16 less actual administrative costs of the department in administering the
17 program. In administering the program the department may contract for
18 services or directly provide funds to other governmental entities or
19 instrumentalities.

20 (5)(a) {3} The Department of Economic Development ~~department~~ may
21 recapture any funds which were allocated to a qualified recipient for an
22 eligible project through an award agreement if such funds were not
23 utilized for eligible costs within the time of performance under the
24 agreement and are therefor no longer obligated to the project.

25 (b) Upon completion of a project, the department shall recapture a
26 percentage of the funds which were allocated to a qualified recipient for
27 an eligible project through an award agreement equal to the percentage of
28 the housing development the qualified recipient agreed to construct under
29 the award agreement but failed to complete.

30 (c) A qualified recipient shall recapture any funds allocated to
31 such recipient from the Affordable Housing Trust Fund that are provided

1 to a homebuyer by the recipient as financial assistance for the purchase
2 of a home upon sale of such home from the net proceeds of such sale, if
3 any.

4 (d) The recaptured funds shall be credited to the Affordable Housing
5 Trust Fund.

6 **Sec. 2.** Section 58-711, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 58-711 (1) The Department of Economic Development shall submit, as
9 part of the department's annual status report under section 81-1201.11,
10 the following information regarding the Affordable Housing Trust Fund:

11 (a) The applications funded during the previous calendar year; (b) the
12 applications funded in previous years; (c) the identity of the
13 organizations receiving funds; (d) the location of each project; (e) the
14 amount of funding provided to each project; (f) the amount of funding
15 leveraged as a result of each project; (g) the number of units of housing
16 created by each project and the occupancy rate; (h) the expected cost of
17 rent or monthly payment of those units; (i) the projected number of new
18 employees and community investment as a result of each project; (j) the
19 amount of revenue deposited into the Affordable Housing Trust Fund
20 pursuant to section 76-903; (k) the total amount of funds for which
21 applications were received during the previous calendar year, the year-
22 end fund balance, and, if all available funds have not been committed, an
23 explanation of the reasons why all such funds have not been so committed;
24 (l) the amount of appropriated funds actually expended by the department
25 for the previous calendar year; (m) the department's current budget for
26 administration of the Nebraska Affordable Housing Act and the
27 department's planned use and distribution of funds ~~, including details on~~
28 ~~the amount of funds to be expended on projects and the amount of funds to~~
29 ~~be expended by the department for administrative purposes; and (n)~~
30 project summaries, including the applicant municipality, project
31 description, and grant amount requested ~~, amount and type of matching~~

1 ~~funds, and reasons for approval or denial~~ for every application seeking
2 funds during the previous calendar year.

3 (2) The status report shall contain no information that is protected
4 by state or federal confidentiality laws.

5 **Sec. 3.** This act becomes operative on October 1, 2025.

6 **Sec. 4.** Original sections 58-708 and 58-711, Reissue Revised
7 Statutes of Nebraska, are repealed.