

AMENDMENTS TO LB249

Introduced by Business and Labor.

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

3           Section 1. Section 81-1228, Revised Statutes Cumulative Supplement,  
4 2022, is amended to read:

5           81-1228 For purposes of the Rural Workforce Housing Investment Act:

6           (1) Department means the Department of Economic Development;

7           (2) Director means the Director of Economic Development;

8           (3) Eligible activities of a nonprofit development organization  
9 means:

10          (a) New construction of owner-occupied or rental housing in a  
11 community with demonstrated workforce housing needs;

12          (b) Substantial repair or rehabilitation of dilapidated housing  
13 stock; or

14          (c) Upper-story housing development;

15          (4) HOME funds means funds awarded as formula grants under the HOME  
16 Investment Partnerships Program administered by the United States  
17 Department of Housing and Urban Development;

18          (5) Matching funds means dollars contributed by individuals,  
19 businesses, foundations, local, regional, and statewide political  
20 subdivisions, or other nonprofit organizations to a workforce housing  
21 investment fund administered by a nonprofit development organization;

22          (6) Nonprofit development organization means a local, regional, or  
23 statewide nonprofit development organization approved by the director;

24          (7) Qualified activities include, but are not limited to, purchase  
25 and rental guarantees, loan guarantees, loan participations, and other  
26 credit enhancements or any other form of assistance designed to reduce  
27 the cost of workforce housing related to eligible activities of the

1 nonprofit development organization;

2 (8) Qualified investment means a cash investment in a workforce  
3 housing investment fund administered by a nonprofit development  
4 organization;

5 (9) Rural community means any municipality in a county with a  
6 population of fewer than one hundred thousand inhabitants as determined  
7 by the most recent federal decennial census;

8 (10) Workforce housing means:

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

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

12 (c) Owner-occupied housing units that cost not more than three  
13 hundred twenty-five thousand dollars to construct or rental housing units  
14 that cost not more than two hundred fifty thousand dollars per unit to  
15 construct. For purposes of this subdivision (c), housing unit costs shall  
16 be updated annually by the department based upon the most recent increase  
17 or decrease in the Producer Price Index for all commodities, published by  
18 the United States Department of Labor, Bureau of Labor Statistics;

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

22 (e) Upper-story housing; and

23 (f) Housing units that do ~~does~~ not receive federal or state low-  
24 income housing tax credits, community development block grants, HOME  
25 funds, or funds from the National Housing Trust Fund, which would impose  
26 individual or household income limitations or restrictions on such  
27 housing units, or funding ~~or funds~~ from the Affordable Housing Trust Fund  
28 restricting the level of individual or household income to anything less  
29 than one hundred percent of area median income as calculated by the  
30 United States Department of Housing and Urban Development; and

31 (11) Workforce housing investment fund means a fund that has been

1 created by a nonprofit development organization and certified by the  
2 director to encourage development of workforce housing in rural  
3 communities.

4 Sec. 2. Section 81-1229, Revised Statutes Cumulative Supplement,  
5 2022, is amended to read:

6 81-1229 (1) The director shall establish a workforce housing grant  
7 program to foster and support the development of workforce housing in  
8 rural communities.

9 (2) A nonprofit development organization may apply to the director  
10 for approval of a workforce housing grant for a workforce housing  
11 investment fund. The application shall be in a form and manner prescribed  
12 by the director. Through fiscal year 2026-27, grants shall be awarded by  
13 the director on a competitive basis until grant funds are no longer  
14 available. A nonprofit development organization may apply for more than  
15 one grant, subject to the following limits:

16 (a) The maximum amount of grant funds awarded to any one nonprofit  
17 development organization over a two-year period shall not exceed five  
18 million dollars; and

19 (b) The maximum amount of grant funds awarded to any one nonprofit  
20 development organization for all program years shall not exceed an  
21 aggregate limit determined by the department at the discretion of the  
22 director. Grant maximums shall not exceed one million dollars to any one  
23 nonprofit development organization over a two-year period, with the  
24 cumulative amount for any single grantee to be determined by the  
25 department at the discretion of the director.

26 (3) An applicant shall provide matching funds of at least one-half  
27 of the amount of workforce housing grant funds awarded. Unallocated  
28 workforce housing grant funds held by the department shall be rolled to  
29 the next program year.

30 (4) (3) Grants shall be awarded based upon:

31 (a) A demonstrated and ongoing housing need as identified by a

1 recent housing study;

2 (b) A community or region that has a low unemployment rate and is  
3 having difficulty attracting workers and filling employment positions;

4 (c) A community or region that exhibits a demonstrated commitment to  
5 growing its housing stock;

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

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

10 (5) (4) A nonprofit development organization shall:

11 (a) Invest or intend to invest in workforce housing eligible  
12 activities;

13 (b) Use any fees, interest, loan repayments, or other funds it  
14 received as a result of the administration of the grant to support  
15 qualified activities; and

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

23 Sec. 3. Section 81-1230, Revised Statutes Cumulative Supplement,  
24 2022, is amended to read:

25 81-1230 (1) The Rural Workforce Housing Investment Fund is created.  
26 Funding for the grant program described in section 81-1229 shall come  
27 from the Rural Workforce Housing Investment Fund. The Rural Workforce  
28 Housing Investment Fund may include revenue from appropriations from the  
29 Legislature, grants, private contributions, and other sources. In  
30 addition, the State Treasurer shall transfer twenty million dollars on or  
31 before October 1, 2023, from the General Fund ~~make a one-time transfer of~~

1 ~~seven million three hundred thousand dollars on or before October 1,~~  
2 ~~2017, from the Affordable Housing Trust Fund~~ to the Rural Workforce  
3 Housing Investment Fund. Any money in the Rural Workforce Housing  
4 Investment Fund available for investment shall be invested by the state  
5 investment officer pursuant to the Nebraska Capital Expansion Act and the  
6 Nebraska State Funds Investment Act.

7 (2) The department shall administer the Rural Workforce Housing  
8 Investment Fund and may seek additional private or nonstate funds to use  
9 in the grant program, including, but not limited to, contributions from  
10 the Nebraska Investment Finance Authority and other interested parties.

11 (3) Interest earned by the department on grant funds shall be  
12 applied to the grant program.

13 (4) If a nonprofit development organization fails to engage in the  
14 initial qualified activity within twenty-four months after receiving  
15 initial grant funding, the nonprofit development organization shall  
16 return the grant funds to the department for credit to the General Fund.

17 (5) If a nonprofit development organization fails to allocate any  
18 remaining initial grant funding on a qualified activity within twenty-  
19 four months after engaging in the initial qualified activity, the  
20 nonprofit development organization shall return such unallocated grant  
21 funds to the department for credit to the Rural Workforce Housing  
22 Investment Fund.

23 (6) Beginning July 1, 2027, any funds held by the department in the  
24 Rural Workforce Housing Investment Fund shall be transferred to the  
25 General Fund.

26 Sec. 4. Section 81-1231, Revised Statutes Cumulative Supplement,  
27 2022, is amended to read:

28 81-1231 (1) Each nonprofit development organization shall submit an  
29 annual report to the director to be included as a part of the  
30 department's annual status report required under section 81-1201.11. The  
31 report shall certify that the nonprofit development organization meets

1 the requirements of the Rural Workforce Housing Investment Act and shall  
2 include a breakdown of program activities.

3 (2) The annual report shall include, but not necessarily be limited  
4 to:

5 (a) The name and geographical location of the reporting nonprofit  
6 development organization;

7 (b) The number, amount, and type of workforce housing investment  
8 funds invested in qualified activities;

9 (c) The number, geographical location, type, and amount of  
10 investments made;

11 (d) A summary of matching funds and where such matching funds were  
12 generated; and

13 (e) The results of the annual review of all financial records  
14 required under subsection ~~(5)~~ (4) of section 81-1229.

15 (3) If a nonprofit development organization ceases administration of  
16 a workforce housing investment fund, it shall file a final report with  
17 the director in a form and manner required by the director. Before July  
18 1, 2027, any unallocated grant funds shall be returned to the department  
19 for credit to the Rural Workforce Housing Investment Fund. On and after  
20 July 1, 2027, any unallocated grant funds shall be returned to the  
21 department for transfer to the General Fund.

22 (4) If a nonprofit development organization fails to file a complete  
23 annual report by February 15, the director may, in his or her discretion,  
24 impose a civil penalty of not more than five thousand dollars for such  
25 violation. All money collected by the department pursuant to this  
26 subsection shall be remitted to the State Treasurer for distribution in  
27 accordance with Article VII, section 5, of the Constitution of Nebraska.

28 Sec. 5. Original sections 81-1228, 81-1229, 81-1230, and 81-1231,  
29 Revised Statutes Cumulative Supplement, 2022, are repealed.