

ONE HUNDRED EIGHTH LEGISLATURE - SECOND SESSION - 2024
COMMITTEE STATEMENT (CORRECTED)
LB462

Hearing Date: Tuesday February 28, 2023
Committee On: Urban Affairs
Introducer: Conrad
One Liner: Redefine a term under the Middle Income Workforce Housing Investment Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 7 Senators Blood, Cavanaugh, J., Day, Hardin, Hunt, Lowe, McKinney
Nay:
Absent:
Present Not Voting:

Testimony:

Proponents: Senator Danielle Conrad Ward Hoppe	Representing: Opening Presenter self
Opponents:	Representing:
Neutral:	Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB 462 would update the qualifications for owner-occupied housing units under the Middle Income Workforce Housing Investment Act. Currently, construction of new owner-occupied housing for the Middle Income Workforce Housing Investment Act has to meet an after-construction appraised value of at least \$125,000 and not more than \$275,000. Under LB 462, this would change to units that, under total construction costs, cost no more than \$330,000. Also under LB 462, the housing unit after-construction appraised value shall be updated annually by the department based upon the most recent increase or decrease in the Producer Price Index.

Background & Legislative History:

Established under the Middle Income Workforce Housing Investment Act (LB866, 2020), the Middle Income Workforce Housing Investment Fund (MWHF) supplies matching grants to non-profit development organizations that administer local workforce housing investment funds. MWHF funds are awarded for investment into Nebraska's older urban and higher-minority neighborhoods in Douglas, Lancaster and Sarpy counties.

Under current statute, eligible workforce housing projects include construction of new owner-occupied housing that has an after-construction appraised value of at least \$125,000 and not more than \$275,000.



Under LB 462, when replacing appraised value with total construction costs, this would make the use of these funds align with current market conditions.

Section-by-Section Summary

Section 1 amends 81-1237(10)(a) by changing the price qualification of new owner-occupied housing from \$125,000-\$275,000 to no more than \$330,000.

Section 2 repeals the original sections.

Explanation of amendments:

AM 1017 helps expand the definition of “urban community” to not only include Qualified Census Tract, but areas adjacent to QCTs. The term “qualified census tract” means any census tract which is designated by HUD and, for the most recent year for which census data are available on household income in such tract, either in which 50% or more of the households have an income which is less than 60% of the area median gross income for such year or which has a poverty rate of at least 25%.

Overall, this change will allow developers to expend grant funds within or adjacent ("bordering") to qualified census tracts.

Terrell McKinney, Chairperson

