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Transcriber's Office

Urban Affairs Committee
January 31, 2017

[LB256 LB304 LB383 LB399]

The Committee on Urban Affairs met at 1:30 p.m. on Tuesday, January 31, 2017, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB256, LB304, LB383 and LB399. Senators present: Justin Wayne, Chairperson; Matt Hansen, Vice Chairperson; Sue Crawford; Sara Howard; Dan Quick; and Merv Riepe. Senators absent: Tyson Larson.

SENATOR WAYNE: We are going to go ahead and open the Urban Affairs Committee hearing. Good afternoon, welcome to the Urban Affairs Committee. My name is Senator Justin Wayne, I represent District 13, which is north Omaha, northeast Douglas County. And I serve as Chair of Urban Affairs Committee. We'll start off having the members of the committee do self-introductions, starting with my right, Senator Riepe.

SENATOR RIEPE: Thank you. I'm Merv Riepe, I represent Legislative District 12, which is the Omaha, Millard, and Ralston areas.

TREVOR FITZGERALD: Trevor Fitzgerald, committee legal counsel.

SENATOR QUICK: Dan Quick, I represent Grand Island, District 35.

SENATOR CRAWFORD: Good afternoon, my name is Senator Sue Crawford. I represent District 45, and that's eastern Sarpy County, Bellevue, and Offutt.

ANDREW NORTHWALL: Andrew Northwall, committee clerk.

SENATOR WAYNE: Also assisting the committee are our pages, Brianne Hellstrom, from Simi Valley, California, who is studying political science major at the University of Nebraska-Lincoln. And today also joining us is Tony Caudallo (phonetic)?

TONI CAUDILLO: Caudillo.

SENATOR WAYNE: Caudillo, who is from North Platte and is studying as a UNL sophomore at the University of Nebraska-Lincoln. And she is studying elementary education. This afternoon, we will be hearing LB256, LB399, LB304, and LB383. And we will be taking them in the order listed outside of the room. On each of the tables in the back room you will find a blue testifier sheets. If you are planning to testify today, please fill out the blue form and hand it to Andrew

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when you come up. This is to make sure that we keep accurate records of the hearing. Please note, if you wish to have your position listed on the committee statement for a particular bill you must testify during...testify in that position during the bill's hearing. If you do not wish to testify, but would like to record your position on a bill, please fill out the pink sheet in the back room. We would ask you that if you have any handouts, please bring 10 copies and give them to the page. If you need additional copies, the page will provide that for you. Testimony on each bill will begin with the introducer's opening statement, after the opening statement we will hear from supporters of the bills, then from opposition, followed by those speaking in a neutral capacity. The introducer of the bill will be given the opportunity to make closing statements, if they wish to do so. We ask that you begin your testimony by first giving your first and last name, please spell them both for the record. We will be using the four-minute light system. When your testimony begins, the light on the table will turn green, when the yellow light is on that means you have one minute left, and when the red light is on please wrap up your final thoughts so we can move on to the next speaker. I would remind you that...remind everyone, including senators, please turn off your cellphones or put them on vibrate. And with that, we will begin today's hearing with LB256. Welcome, Senator Briese, to your Urban Affairs Committee.

SENATOR BRIESE: (Exhibits 1, 2, 3, 4, 5) Thank you and good afternoon, Senator Wayne and members of the Urban Affairs Committee. My name is Tom Briese, T-o-m B-r-i-e-s-e. I'm here today to present for your consideration LB256. LB256 is a bill that authorizes municipalities to adopt vacant property registration ordinances. At this time, I'm also offering an amendment to LB256, which I believe that you have. These changes are made in an effort to accommodate concerns of affected stakeholders. I'm also submitting some exhibits that will help to quantify the issues of property vacancy and housing shortages across Nebraska. Municipalities in Nebraska find themselves bearing the burden of properties that remain vacant for extended periods of time. These properties create added cost for communities, as they are more likely than inhabited or occupied properties to attract crime and undesirable activities and draw down property values. Local governments must allocate law enforcement, fire, and other resources in disproportionate measure to areas near vacant properties. Across Nebraska, availability of affordable housing is a widespread concern. Lack of affordable housing is a deterrent to population growth in our state. In the face of this shortage, however, communities across Nebraska are confronted by residential properties that are vacant, with many of these uninhabited for extended periods of time. Historically, nuisance laws have been used to address abandoned and blighted properties, but have limited application in addressing vacancy. In the last decade, many jurisdictions across the U.S. have turned to the vacant property registration ordinances to reduce the incidents of property vacancies. A typical ordinance requires the owner of vacant property to register their property with a local entity and pay a registration fee, which can escalate over time to encourage property vacancy. I believe that vacant property registration ordinances can be used in Nebraska to incentivize the rehabilitation of these properties, thereby helping communities address the social costs accruing from them. That's why I've introduced LB256. The purpose of LB256 is to

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promote the health, safety, and welfare of Nebraskans by giving communities statutory authority to enact vacant property registration ordinances. Such ordinances will allow communities to identify and register vacant properties, collect fees to compensate for the public cost of property vacancies, plan for the rehabilitation of vacant properties, and encourage the occupancy of such properties. Furthermore, fees imposed under these ordinances benefit the owners of vacant properties by helping to finance additional government services to protect the value and security of said properties. And these ordinances may provide for various exemptions to the fee requirements. I believe that vacant property registration ordinance will be useful as another tool in the toolbox of economic development officials as they address the issue of vacant properties and the widespread issue of housing shortages across many areas of Nebraska. Thank you, and with that, I'd be happy to answer any questions that you might have. [LB256]

SENATOR WAYNE: Thank you for coming today. Senators, any questions? Senator Crawford. [LB256]

SENATOR CRAWFORD: Thank you, Senator Wayne. And thank you, Senator Briese. The bill has a lot of detail about the structure of the registry and the components and requirements. Is this modeled off of a particular other...a statute from another state? Or where was the...what was the source of many of the details that are in the statute? [LB256]

SENATOR BRIESE: I would say it's fair to say that the language in this bill is a conglomeration of language from numerous statutes and ordinances from across the country. [LB256]

SENATOR CRAWFORD: Okay. [LB256]

SENATOR BRIESE: So it's a combination of many of the language from many of such things. [LB256]

SENATOR CRAWFORD: Great, thank you. [LB256]

SENATOR WAYNE: Senator Riepe. [LB256]

SENATOR RIEPE: Thank you, Senator Wayne. Thank you for being here. I assume that this would create community commissions. [LB256]

SENATOR BRIESE: Community commissions? Well, there would be an administrator of this vacant property registration ordinance, who would oversee the implementation of it, who would

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oversee the registry. I would anticipate that would be an existing municipal official that would do that. [LB256]

SENATOR RIEPE: Do you have any idea what your thought is about the fee that would be there? [LB256]

SENATOR BRIESE: The fee, somewhere in the statute, fees should be optional, but no more than \$250 for a residential property as an initial fee; and no more than doubling that initial fee every six months, I believe. And of course that's up to the municipality. This is a permissive statute basically authorizing this, not requiring much of a community, but giving them the option to put in place a fee structure if they so choose. [LB256]

SENATOR RIEPE: We don't have a lot of aging barns or cornfields in my district, but does, I mean, these are facilities. Do those count? [LB256]

SENATOR BRIESE: This would be property located within city limits, and it would be up to the municipality to decide what property that it would apply to. They could choose residential or commercial property or both, and they could choose various categories of residential property. It could be strictly houses, it could be strictly single-family residences. But again, that would be up to the community to decide. [LB256]

SENATOR RIEPE: So if someone has a home inside of a storage shed someplace, that wouldn't count? [LB256]

SENATOR BRIESE: Well, if it's within the city limits it could be subject to this. It could be subject to it, yes. [LB256]

SENATOR RIEPE: Good. Okay, thank you. [LB256]

SENATOR BRIESE: You bet. [LB256]

SENATOR WAYNE: Any other questions? Seeing none...oh. [LB256]

SENATOR CRAWFORD: I'll ask (inaudible). [LB256]

SENATOR WAYNE: All right. Well, thank you for the introduction. We'll now turn to proponents. Any proponents? [LB256]

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SENATOR BRIESE: And thank you. [LB256]

SENATOR WAYNE: Do you have the green sheet? [LB256]

GREG PTACEK: Yes, I do. [LB256]

SENATOR WAYNE: How many proponents do we have today? And how many opposing do we have today? And how many in the neutral? Thank you. [LB256]

GREG PTACEK: (Exhibit 6) Good afternoon. My name is Greg Ptacek, G-r-e-g P-t-a-c-e-k. First off, thank you, Chairman Wayne and the committee, for doing LB256. I am the economic development director for the city of Neligh. We are a progressive community in northeast Nebraska of about 1,600 individuals. We have seen some growth in the past five years from our progressiveness, and with that comes a little bit of challenges. So I'm here today to testify in support of LB256. This bill was sort of my brain child, and brought it to Senator Briese, who agreed to run with me. The idea came two years ago, when Neligh adopted a housing study. And in this housing study we found that even if the city of Neligh continued to decline at 0.3 percent, so a little bit less than half a percent decline a year, which had been our decline for the past 20 years, we would still need an additional 74 units, which is about 10 percent of our capacity in Neligh. We would need to add 74 units over the next 10 years to just keep up with the decline. If we were going to actually see growth, we would need somewhere in the range of 150 housing units. And so when I looked at this housing study, I wanted to figure out why we would need to actually add in housing units if we were going to continue to decline. And the answer came that it was vacant houses, 10 percent of Neligh's housing stock currently sits vacant. And as those properties continue to decline, they'll just fall off the market and then additional houses will become vacant and fall off the market. And as I'm sure you know, Nebraska faces a housing crunch. I'm sure you hear about it every day. And so as I looked for solutions, I knew that nuisance abatement just wouldn't cut what we were looking at trying to do, and the actual root of the problem. And then Nebraska City had actually adopted a vacant property ordinance. Their ordinance was more geared toward commercial property, but I thought that this might be a good fit towards residential property and commercial development to get some of these houses back onto the market and stop the degradation. Our city attorney thought that the ordinance was not grounded in state statute, it was grounded in nuisance abatement, which, if challenged, he was fairly certain that we would lose that case. So just decided to petition Senator Briese, who agreed to carry the bill. Nebraska's housing stock is currently 9.5 percent is vacant, that's 76,000 homes in Nebraska that are vacant. If a developer came in today and said I'm going to put 4,000 houses back on the market, I think you'd say how much do you need. This bill carries no fiscal note, just authorizing authority back to municipalities to kind of bootstrap and pull themselves up. If we were to take 5 percent of those houses that are currently vacant and get them back on the market,

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which in Neligh's case would be four houses, I can think of at least 10 or 15 that should be back on the market, we would have about 4,000 homes in Nebraska that would be back on the market and we would stop the decline from 10 percent and year after year just keep moving. So with that, I just ask for the support of the Urban Affairs Committee to move forward LB256 and a green light. [LB256]

SENATOR WAYNE: Okay, thank you. Thank you for coming down to testify today. Any questions from committee members? Senator Crawford. [LB256]

SENATOR CRAWFORD: Thank you, Senator Wayne. And thank you for coming to testify and for working with Senator Briese to bring this idea to us. So just tell me a little bit about, you have your four vacant houses. [LB256]

GREG PTACEK: Yes. [LB256]

SENATOR CRAWFORD: So just walk me through how you would see using this tool to turn those around. [LB256]

GREG PTACEK: So with the four vacant houses, some of them that I'm thinking of, one, his mother was a hoarder and just doesn't want to deal with the house. So on the tax rolls it's valued at \$10,000 and he can afford the \$150 a year just to not deal with it. And so he keeps up the appearances of the house, complies with vacant...or with nuisance property ordinances. But the house just continues to decline year after year after year. And so with this, you know, if that fee, that escalating fee, of first off \$250 and then escalating slowly after time, you know, maybe after two, to three, to five years he's going to be a little bit more motivated to do something with that house. And that's, in a lot of the cases, these vacant houses, they can afford the \$100 in property tax payment. They're probably not insured, but they keep up the minimum appearances, they mow it every two to three weeks. And so those four or five houses would instantly, once that person actually had a financial incentive to get that house back onto the market, would probably either look to sell or they would maybe look at, okay, if I'm going to put \$250 into it every year, or even up to \$1,000 after several years, maybe I should actually just be putting that money into the house. And then if I was to craft an ordinance, it would also have use of the fees that we've collected would be earmarked then to either go to demolition or into further repairing, helping overcome some of those market barriers, that maybe that house was on the...vacant for a reason, and the municipality could step in and help with some of those costs. [LB256]

SENATOR CRAWFORD: Okay, thank you. Follow up? [LB256]

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SENATOR WAYNE: You have a follow up? Go ahead. [LB256]

SENATOR CRAWFORD: So what I heard you say is some of the houses that you're trying to address comply with nuisance ordinances. [LB256]

GREG PTACEK: Correct. [LB256]

SENATOR CRAWFORD: And so this is why you think some other step above and beyond the nuisance ordinances appears to be important. So you would to find sort of a further lever or tool to try to incentivize owners to do something about these houses, is that true? [LB256]

GREG PTACEK: Correct, yes. With nuisance abatement, it seems to just be the Band-Aid on the gushing wound. And I think vacant property registries actually get to the root of the issue on the actual use of the property, rather than just saying you will keep up minimum appearances and that house might be vacant for the next 15 years until the municipality has to step in and take care of it. [LB256]

SENATOR CRAWFORD: So if somebody is keeping up the appearances on the house, so it's not...I guess what is it that is causing the challenge for the municipalities if they're keeping up the appearances. Like what is, if it's not looking bad on the outside, what is it that you're trying to address? [LB256]

GREG PTACEK: Well, our community doesn't grow, it doesn't gain. Neligh's unemployment is 1.7 percent. We have wind towers that are coming in, we were the largest wind producing county in Nebraska up until last year. And we have another couple projects that are going to be happening and we need to find houses for those employees. And so as we look to try to fill these jobs, which are quality jobs in Nebraska, we have no place to put these people. Whether it be rentals, which would probably be where the vacant housing would then go towards a landlord, who would then put in a little bit into the house and get them back on the market as a rental. And we have no transitory housing, so new people that come into our community either have to try to live in a municipality...or live in Norfolk, which is 35 miles away and has probably three times the housing crunch that we have. And so our community just doesn't gain from just having that not-bad-looking house. [LB256]

SENATOR CRAWFORD: Thank you. [LB256]

GREG PTACEK: Yes. [LB256]

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SENATOR WAYNE: Senator Riepe. [LB256]

SENATOR RIEPE: Thank you, Senator Wayne. I have two questions that are somewhat unrelated. My first question is if I'm a property owner and I...can I have a temporary occupancy that I send someone in there for a four-day period of time so it's not totally vacated and so I avoid the penalty and comply in a rather half-hearted way? [LB256]

GREG PTACEK: That would be up to the municipality to define that in the ordinance. I believe in the actual statute it says a reasonable definition of what vacancy is. Another one of the houses in Neligh that I would like to get back on the market would be a house where it has some sentimental value to the person, they come back for a week just to just go to some community events. And it's cheaper for them to pay the property taxes for an entire year on that house than it is to get a hotel room. [LB256]

SENATOR RIEPE: Sort of a retirement home, just a second home. [LB256]

GREG PTACEK: Yeah, but they're there for a week, and that's 51 weeks out of the year that house is vacant. [LB256]

SENATOR RIEPE: The second question I have is why does the state take a state statute as opposed to a city council action? Because I know, for example, that Omaha has its land bank and I think they've addressed this at the local city council level. [LB256]

GREG PTACEK: We're a Dillon's Rule state, so all of the municipality's authority has to come from the state. And so you have two options, you either try to find it and ground it into a state statute, which is I think what Omaha and Lincoln have done. They grounded it in nuisance abatement statutes, which our legal counsel did not feel that that would stand up in a court of law. And so our second option was to actually lobby the Legislature to try to get a statute on the books. And so that would be...we would have no grounding right now, that's what our legal counsel has said, that we would have no grounding to actually adopt an ordinance. [LB256]

SENATOR RIEPE: In the medical field we always go for a second opinion, but I assume that you didn't want to do that. [LB256]

GREG PTACEK: We have had several, we've consulted with several attorneys, other city attorneys that work in municipalities who had the similar opinion that if some of these ordinances were to be challenged that it would be a difficult case. [LB256]

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SENATOR RIEPE: Okay, thank you very much. [LB256]

SENATOR WAYNE: Any other, excuse me, any other questions? Thank you for coming down and testifying. [LB256]

GREG PTACEK: Thank you very much. [LB256]

SENATOR WAYNE: Any more proponents in...I do want to recognize as another proponent is coming up, Senator Hansen and Senator Howard did come in during the last Q and A. Come on up. And I just didn't want to interrupt the Q and A. [LB256]

MEGAN SPARGO: Good afternoon, Chairman Wayne. Thank you, committee, for hearing my testimony. My name is Megan Spargo, Me... [LB256]

SENATOR WAYNE: The green piece of paper, sorry. Thank you. Go ahead, I'm sorry. [LB256]

MEGAN SPARGO: Okay. No, that's okay. Megan Spargo, M-e-g-a-n S-p-a-r-g-o. I am the Benkelman (Community) Redevelopment Authority coordinator. Benkelman is a town in southwest Nebraska with a population of about 900 people. Over the past 30 years, Benkelman has experienced a population decrease of about 10 percent per decade. And as we watch our neighboring communities start to die off in these rural places, we finally have kind of come to a place where we decided we need to address this here quickly. And a lot of communities in our region have started to do that. Here in 2016, the city of Benkelman, the CRA, and the community members have come together to make some major pushes towards community and economic development in Benkelman. In March of 2016 we held a community needs assessment, where housing, town aesthetics, and jobs were identified as the top priorities that needed to be addressed the most urgently, and housing quickly climbed up to the very top of that. Now, according to a 2010 blight study that we did in Benkelman, nearly 80 percent of our housing stock is 40-years old or older and currently at least 10 percent of our housing stock is vacant. Now, in 2011, Gavilon came to Benkelman, bringing with it 20 jobs with it. And for a community that size, that's a very significant number. But only five of those people were able to call Benkelman home. When I spoke to the manager, most of that was because number one, there's no housing stock; and two, the vacant property that is available or that is there is not available for people to buy. Now, our community has taken steps to address these problems the best that we could. The last five years...10 years Benkelman adopted zoning regulations, we've established a CRA. The CRA has acquired seven vacant properties, we've demolished five of them, and we have three in-fill lots that we'll be using for our free lot program so people can build homes on it that meet certain specifications to ensure that the housing stock is quality and meets the needs of today's families. But some of the...oh, we also activated a real estate agent for

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the first time in several years, who has been able to contact a lot these owners of the vacant properties and has been able to move quite a bit of these real estate around so people are finding homes. But where we're running into the problem is these property owners who will not sell, who are not using the houses for the intended purpose. We brought the issue of code enforcement to our city council, who have said they've tried. They've even brought in third party NROC organizations to come in to third party community cleanups and code and zoning enforcement. And kind of to the point that Greg made, the most they can do is board up these houses, make sure the lawn is mowed. But it did very little to address our housing stock issues. I don't feel like our tax base is protected with this so I am asking the state to back up LB256. So many of these property owners, like I said, they benefit from having the lower tax base, while it's very hard for our tiny town to sustain, let alone grow, a local economy with such a low tax base. These unsightly, unlivable, and unattainable houses are hindering the growth of our town. With this bill, there is some accountability on the property owner to take care of their house. And if they refuse to do that, there are processes in place to ensure that the municipalities can take some power back and do something with those houses to make them usable for their intended purposes. We are trying to contribute to the rest of Nebraska's economy. We're trying to protect our tax base and, excuse me, just preserve our way of life. So we just are asking for the state to back up this legislation. Thank you. [LB256]

SENATOR WAYNE: Thank you for coming today. Any questions from the committee? Seeing none, thank you for coming today. [LB256]

MEGAN SPARGO: Thank you. [LB256]

SENATOR WAYNE: Any more proponents? [LB256]

CHRIS CONNOLLY: (Exhibit 7) Good afternoon. Chairman Wayne, members of the committee, thank you for your time today. My name is Chris, C-h-r-i-s, Connolly, C-o-n-n-o-l-l-y, and I'm the assistant city attorney for the city of Lincoln. I'm here today to speak in support of LB256, with the amendment that Senator Briese proposed in his opening. Thank you for this opportunity to testify and thank you also to Senator Briese for his willingness to work with us on this bill. From conversations with Senator Briese, we understand that the purpose of LB256 is to help communities with housing shortages maximize their available housing stock. We recognize that in rural areas it can be more challenging for builders to invest in communities because the return on investment is often slower than in larger cities, where the scale of the demand better matches the investment opportunity for the builder. Building spec homes and apartment building in areas where there is demand, but maybe not at a high volume, can be financially difficult. In Lincoln, we are fortunate, we do not have the kind of housing shortages that other communities in Nebraska experience. We do, however, have our own unique challenges, including a number of

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houses with maintenance or repair problems that are not being fixed by the owners. To address this problem, we have...the city of Lincoln has adopted a neglected building registration ordinance in 2014. It did so pursuant to its home rule charter authority. The city's ordinance focuses on vacant residential properties that have had persistent maintenance issues and may be uninhabitable. This ordinance, which has been in place for about two-and-a-half years, has proven successful. We are finding that the success...financial pressure on owners, similar to what's proposed in LB256, does in fact work. In fact, the city has reduced the number of neglected properties by about half from where we started when the ordinance was passed. LB256 is similar, but not identical, to our local neglected building registration ordinance. The main difference between the two is that the city's ordinance focuses on neglected property, rather than only vacant property. In developing our ordinance, the city determined that it does not want to require occupation of vacant houses. That is not our goal. Why? Because we have several situations where vacant property is well taken care of, including people who have houses exclusively for football games and other events, owners who have difficulty selling their deceased parent's property, and snowbirds who spend winters in warmer climates. By focusing on neglected property, rather than vacant property, Lincoln has crafted a solution to the housing challenges it faces. To the extent LB256 seeks to provide housing opportunities, the city of Lincoln fully supports that goal. The city, however, believes that its more targeted approach of focusing on vacant properties that are also eyesores is a better solution for our community, and I want to thank Senator Briese for his willingness to exclude primary class cities from this legislation. We appreciate his willingness to do so and encourage the committee to support the amendment as well. That's all I have and if there's any questions, I would be happy to answer. [LB256]

SENATOR WAYNE: Any questions from the committee? Senator Crawford. [LB256]

SENATOR CRAWFORD: Thank you, Chairman Wayne. And thank you for coming to testify. It's helpful to hear from a municipality that has this in place. So you said that the financial pressure you feel has been successful in reducing your neglected properties by about half, what is that range that you charge? I mean, this bill has some specific ranges in it, so I was just curious what kind of financial pressure is available through your ordinance? [LB256]

CHRIS CONNOLLY: What we have is there's a \$500 registration cost for the owner to...once the city determines that the property is neglected, they're given notice and they have 30 days to register it. And they have to submit a plan and a \$500 registration fee. If they fail to register it as required, then the city registers the property for them and then also includes on top of the \$500 fee a \$500 civil penalty. And both of those would then become a lien on the property. The \$500 registration fee is good for 90 days, so every 90 days the owner has to reregister the property. And so if the city is doing it for them because they didn't do it, then we get to \$1,000 every quarter is what can happen. And at some point, the city can take action if we deem it appropriate

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to go ahead and try to foreclose on the property because we are getting these "liened." The lien is not automatic, we do have to go to the city council and do an assessment, but once they become a lien on the property, they are like any other lien on any other real estate. [LB256]

SENATOR CRAWFORD: Thank you. [LB256]

SENATOR WAYNE: Any other questions by the committee? Seeing none, thank you for coming today. Any other proponents? [LB256]

JAY DAVIS: Good afternoon, Senator Wayne and members of the committee. I wasn't going to testify. My name is Jay, J-a-y, Davis, D-a-v-i-s, I'm assistant planning director and superintendent of the permits and inspection division for the city of Omaha. I, like other communities, have had to deal with many vacant properties; properties that have owners that either choose not to take care of them or choose to ignore the city, whichever the case is. I find it a little bit ironic that the bill was sponsored by someone from Neligh, because that's where my wife is from, and I know about two of the houses he was talking about. That's a little scary. We did, we followed Lincoln's lead, two years ago, and adopted a vacant and abandoned property ordinance. My attorney, who is actually in the room as well, spent a lot of time drafting the ordinance. We went across the country, there's no one-size-fits-all, no matter what we do. We took bits and pieces out of all of those, using the best of the best to help us get to our goal. And our goal wasn't the people who had houses they came back to for vacation, second homes, whatever the case was, ours were the properties that were the worst of the worst and would continue to be neglected without benefit of anybody doing anything. When we first started the program, we didn't target banks, but it sort of ended up that way. The first 186 properties we had registered, they were all from banks, and they were all in foreclosure, they were all in different processes from 2008. And since that time, a fair number of those have been turned back over to citizens, sold by the banks at the reduced costs, and put back on our tax rolls so we don't have to tear them down. Conversely, yesterday I signed a purchase order for half \$1 million worth of demo properties in the city of Omaha. That's 54 properties I'm taking down that have already gone well beyond what happens with normal maintenance--they can't be lived in, they've had a fire, they're structurally damaged. And I have to do this every quarter. And I have to tell you, I don't like doing that for a number of reasons. One, is empty property is of no value to anybody, reduces value in the neighborhood. And number two, a lot of these properties, had they not gotten to that position, would have been very much able to be repaired and brought back to a minimum type of housing for people to have, so that everybody has a fair shot at a fair property. Again, also I don't like spending taxpayers' money in that way. There's other things we can do that are much more beneficial. So in our case, the funding that we're pulling in, it's \$500, just like Lincoln is, for the registration. It's \$500 every quarter if you don't. The only difference that we have is we go ahead and assess it to the property, we get a \$4,000 cap per year, if we reach

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that cap then we will start to look at further action through the legal system. So with that, I'm going to go really short, but any questions I'd be happy to answer them. [LB256]

SENATOR WAYNE: Yes. Questions from the committee? Senator Crawford. [LB256]

SENATOR CRAWFORD: Thank you, Chairman Wayne. And thank you, Mr. Davis, for being here. Does your ordinance direct that the money from those fees be directed in any certain way? [LB256]

JAY DAVIS: Initially we did not. In the current time, I'm looking at two different things to do. One of those is to use that money to board up vacant properties when we can't obtain ownership or find the owners. And the second part of it is we move forward, we've been talking with the Land Bank about possibly creating some funding that would allow them to subsidize individuals who want to take these houses over that aren't (inaudible), but a little bit of money to help them move forward. [LB256]

SENATOR CRAWFORD: Great, thank you. [LB256]

SENATOR WAYNE: Any other questions from the committee? Seeing none, thank you for coming today. [LB256]

JAY DAVIS: Thank you. [LB256]

SENATOR WAYNE: Any other proponents? Welcome to your Urban Affairs. [LB256]

LYNN REX: Thank you. Senator Wayne, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. We do appreciate Senator Briese introducing this measure, we also are in strong support of his amendment, AM98, which does essentially two different things. Section 8 of his amendment provides that the provisions of the Vacant Property Registration Act shall be supplemental and in addition to any other laws of the state of Nebraska relating to vacant property. And then it defines municipalities as: cities of the first class, cities of the second class, or village." And that's important because of course Omaha and Lincoln are home rule charter cities and so they can have basically an outright exemption and not have a state preemption type issue as the other municipalities can. In addition, I would just underscore, to not be redundant with the other testifiers, that we have a number of municipalities that have adopted registrations similar to what Lincoln and Omaha have done: Beatrice, Columbus, Gering, and Nebraska City are the ones of which we are aware. And those municipalities have provisions that are a little bit different than what you have in this bill, but it's

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the same concept. And I think what the testimony has been today is that the financial pressure does work when you're trying to deal with vacant properties. And I think it is extremely important that the Legislature empower municipalities to do these things. We think it's important too to understand that throughout this bill, whether it's the fee schedule or even number one, doing it in the first place, the fee schedule, how they go about processing it, it's all options. Everything is an option. And I would imagine that in most of our municipalities they will never go that high in terms of what the fees would be. Certainly \$500 in Omaha may be one thing, but I don't see a lot of our municipalities doing something like that. I think it would be far less than that, but very effective, because sometimes that's what it takes in order to get something done. Many of our municipalities like Wayne, Nebraska; Columbus; Grand Island; and other cities which they use PRTs, basically the property resolution teams that go in and try to assist. Negotiating, if you will, with those that have vacant properties and neglected properties to try to get them back in terms of the housing market. And that's important because in most of our small cities, and this is different from the bubble that we live in, in Lincoln and Omaha, in most of our cities they don't have contractors that are there, that are coming to build new homes. If, for example, I think it was very telling a few years ago we were talking to some of our cities and they were very excited because they had two new houses built in the last five years. Now imagine if that was your story in Lincoln or in Omaha, and I realize the numbers are much different. But the reason for that of course is because they don't have an ongoing, even though they would have a need for that, to have contractors be prepared to come in to Oshkosh, Nebraska, or Minden, Nebraska, and have those kinds of resources. They just don't do it. Contractors are going to go, and I understand why, they're going to go where they basically have...where there's the greatest need and where they can not just build one or two houses, but build 10, 20, or 30. So in any event, we strongly endorse this bill and hope that the committee would be willing to advance it. We think that again not all municipalities certainly would go up to the maximum fines and registration fees that are here, but we do think the financial pressure is necessary. I'd be happy to respond to any questions that you might have. [LB256]

SENATOR WAYNE: Any questions from the committee? Senator Crawford. [LB256]

SENATOR CRAWFORD: Thank you, Senator Wayne. And thank you, Ms. Rex. So have your members, like Wayne and Columbus, who have existing vacant property registration programs, have they reviewed the bill and are they confident that it doesn't cause challenges for their existing programs? [LB256]

LYNN REX: Well, and that is why...that's a good question. Wayne and Columbus don't have existing registries. What they have is a property resolution team, so they actually go out and target which properties they need to sit down and find the owner. And that is one of the big issues, are nonresident owners. Folks that basically just leave and walk away from it. So what those municipalities do is the PRTs, they use those. But for the other municipalities--Nebraska

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City, Beatrice, and others--I really appreciate your question because that is the reason for the language that was drafted, to say this is supplemental and in addition to all other powers granted to municipalities. This is not the exclusive way in which they can deal with vacant property registration, this is just another model that they can use for vacant property registration. Because they have procedures that work. I think one thing that's true, whether it's Lincoln or Omaha or the other cities, every city of municipality is different. Of the 530 municipalities in the state of Nebraska, everybody is different, one size does not fit all, and so we want to make sure that this is in addition to the current powers that are already there. Thanks for the question. [LB256]

SENATOR WAYNE: Any other questions from the committee? Seeing none, thank you for coming today. [LB256]

LYNN REX: Thank you very much. [LB256]

SENATOR WAYNE: Any other proponents? Welcome to your Urban Affairs Committee. [LB256]

JENNIFER TAYLOR: Good afternoon, Senators. My name is Jennifer, J-e-n-n-i-f-e-r, Taylor, T-a-y-l-o-r, and I am an assistant city attorney with the city of Omaha. And I just wanted to speak briefly in addition to the comments that you received from Mr. Davis of our permits and inspections department. As he noted, he and I worked very hard on the city of Omaha abandoned and vacant property ordinance that we passed about a year ago, and I wanted to just make a couple of additional notes. First of all, the purpose, as indicated in our ordinance, and I believe you have a copy of it, states that "the intent of the city of Omaha, through the adoption of this division, is to establish a mechanism to protect residential and nonresidential neighborhoods from becoming blighted through the lack of maintenance and security of abandoned properties, as such building constitute a nuisance. It is the obligation of the responsible parties to prevent these properties and buildings from becoming a burden to the neighborhood and community and a threat to the public health, safety, and welfare." The key part of that is that we identify responsible parties. One of the primary issues that we have encountered in the city of Omaha is not just that we have vacant and neglected buildings, that those buildings contribute to substantial blight in some of our most key older neighborhoods, but also these nuisances are attractive to children, to homeless, and to criminal activity. That activity by those individuals causes an increased impact on our police and fire. So for example, those properties are not only attractive nuisances to criminal elements and children, homeless building fires in certain times of the year, it also causes a danger to our police and fire and first responder personnel. And that is an issue that we saw that had a very significant impact, not only in the cost for the city of Omaha, but just for the safety of our first responders. So what came from that was we realized not only do we have these abandoned and neglected and vacant properties that are nuisances are

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impacting our neighborhoods, but we an inability to identify owners. I think more so than maybe any other municipality in the state of Nebraska we struggle with a lot of foreclosure issues that occur across the nation. So the inability to identify an owner also means you cannot find someone to tell you whether or not the person squatting in that property or using that property or occupying that property is allowed to be there or not. So one of the key portions of our ordinance that I wanted to share with you was that we not only identify the owner of record as being the responsible party, but as part of our responsible party we identify holders of either deeds in lieu or deeds in foreclosure that may or may not have been recorded with the register of deeds. But that party has taken significant action, such as they should be a responsible party, and that is why Mr. Davis has indicated that we have had a significant amount of compliance from banks. And by the way of getting compliance from banks, now we have, when those properties are no longer occupied by the original owner, who has been evicted through the process of foreclosure, we have an ability to contact the bank and make them be responsible party, whether or not they've actually taken the step of reporting the deed. That was something I worked with representatives of the Nebraska State Bankers Association quite significantly in order to get their acceptance to that portion of our ordinance. So that is one of the things that we worked hard to get and it's very important to us. And it's a great tool that we have to make our ordinance effective. So I just wanted to share that as well, and I appreciate Senator Briese's willingness to exempt the city of Omaha from the ordinance. And I just want it to work with us and I'm available for any questions. [LB256]

SENATOR WAYNE: Any questions from the committee? Seeing none, thank you for testifying today. Any other proponents? Moving on to opponents, any opponents? Thank you for coming today. [LB256]

WARD F. HOPPE: Thank you. My name is Ward F. Hoppe, W-a-r-d F. Hoppe, H-o-p-p-e. I represent the Nebraska Realtors Association. The Nebraska Realtors Association is in opposition to this bill for a number of reasons. The issues raised by the bill, vacant properties, certainly is a concern, particularly outside of Lincoln and Omaha, which I might add are exempted from this bill by the amendments that have just been recently proposed. So I would take with a grain of salt the testimony of the proponents from Omaha and Lincoln. But one of the things that needs to be mentioned is the issues that are raised by the definitions of vacant property within the bill, are all issues that can be dealt with by municipalities under the existing structure of nuisance laws and authority. There doesn't have to be separate authority to deal with vacancy when you're dealing with unmown lawns and deteriorating buildings. The real concern of the municipalities, and I acknowledge the concern, is a lack of affordable housing. But this bill doesn't deal with adequate housing, it deals with vacant housing. Why is the housing vacant? That issue is not addressed in this bill and is really the critical factor. A lot of small towns particularly, and we're talking the bill allows for both residential and commercial buildings in vacancy. The issues for both those buildings are the same, the deterioration of buildings, the fact that it affects the main

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street of a small town, but the problem is we're losing population in those towns and we're losing commerce in those towns that creates the vacancies. This bill does not address those issues, the fact that a grocery store may have gone out of a town because it's more efficient to be in a bigger town 30 miles away. They're not profitable. But there are a number of reasons why the Realtors Association is opposed to the bill. One is it creates a fining system and a registration cost system that lead to liens and really will essentially put a person in a position for confiscatory taking of the property at some point, based on the fact that it's vacant. The bill does not mandate exceptions to the vacancy rules. Consequently, if somebody does have a vacation home or a home that they use for a couple weeks a year, the bill does not require that that kind of use be accepted. I'll give you an example of that. For a number of years, a couple buddies and I had a lease in Lisco, we used the property maybe five times a year during hunting season. The property had no practical utility the rest of the time and under the potential of this bill, that could be declared a vacant property. Yet, its utility was pretty strong. There are other exceptions that are permissive under this bill, but would need to be mandatory. Situations like family members go into a nursing home for a period of time, always with the intention of returning to the home, family member have difficulty talking those other family members into letting the house go. A number of issues like that are raised and not addressed by this bill. Permissively addressed, but not mandatorily addressed. [LB256]

SENATOR WAYNE: Excuse me, sir, can you wrap up your final thoughts here. [LB256]

WARD F. HOPPE: There are some issues with the time lines in the bill as well. To make a long story short, the Realtors Association believes that this bill goes too far, is not necessary, and should not be passed. [LB256]

SENATOR WAYNE: Thank you for wrapping up. Any questions from the committee? Seeing none, thank you for your testimony today. [LB256]

WARD F. HOPPE: Thanks. You bet. [LB256]

SENATOR WAYNE: Any other opponents? Any other opponents? Seeing none, moving to neutral testifiers. [LB256]

KENT ROBERT: Good afternoon, Chairman Wayne and members of the Urban Affairs Committee. My name is Kent Rogert, K-e-n-t R-o-g-e-r-t. I'm here today representing the Statewide Property Owners Association, which are a conglomeration of several property owner groups in cities across Nebraska. We're testifying neutral on this bill today mainly because I talked to Senator Briese on this bill yesterday and he mentioned he was excluding metropolitan and primary class cities. We would also ask that exclude first class cities. And for folks that

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maybe are newer here, first class city is everything that's above 5,000, all the way up to 250,000, right legal counsel? 250,000 is that the top...? [LB256]

TREVOR FITZGERALD: 100,000. [LB256]

KENT ROBERT: 100,000. So that includes cities like Bellevue, Columbus, Grand Island, Kearney, Ralston, Papillion, Beatrice, and Norfolk. So some pretty big cities which probably also have code enforcement issues, or excuse me, code enforcement officials. They have their own ability to handle this, unlike small cities and villages such as Albion, Tekamah out in the country there. So from a small town person myself, I understand the cities have their issues trying to deal with vacant properties, but I think if we took out everything over 5,000 we would have no other major problems with the bill. [LB256]

SENATOR WAYNE: Thank you for your testimony. Any questions for the committee? Seeing none, thank you. [LB256]

KENT ROBERT: Thank you. [LB256]

SENATOR WAYNE: Any other neutral testifiers? Welcome. [LB256]

ROBERT J. HALLSTROM: Thank you, Chairman Wayne, members of the committee. My name is Robert J. Hallstrom, H-a-l-l-s-t-r-o-m. I appear before you today as registered lobbyist for the Nebraska Bankers Association in a neutral position on LB256. While sometimes you hear negative neutral testimony, I'm in a somewhat awkward position today of having to provide both a positive and negative neutral. The positive aspect has to do with the bill itself. Senator Briese was gracious enough to have worked with the Bankers Association before introducing the bill. We made a number of recommendations, most of which were adopted by him, primarily with regard to setting up a state statute that would provide the local framework for local ordinances and primarily with respect to omitting lenders who only have a lien hold or equitable interest in the party from being defined as owners. The bill clearly says only owners of record, so with regard to a lender's involvement, they would actually have to take title to the property before they would become subject to the requirements of the local ordinance. So we saw some benefit from having that statewide approach. Our involvement in this issue, however, predates 2015 I think, when the Lincoln ordinance came about. We actually came to the Legislature in response to some of these vacant and abandoned property ordinances that had been passed across the country--Chicago, Boston, other major cities--and saw a dilemma that they were in fact capturing equitable holders of an interest by way of a lien against a property associated with a bank loan. And so we had passed what is now 8-2801 in the Nebraska statutes, which was our preemptory strike in recognition of the fact that we can't go around to every city or village that's

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going to pass an ordinance and put together a state law that was designed to say you can't impose fees or put any other impediments in front of loan foreclosures, servicing of loans, and things of that nature. So we had asked Senator Briese to make the law subject to 8-2801. As Ms. Taylor said, we have worked closely with the city of Omaha and believe that we have put together a fine, workable ordinance in Omaha. Lincoln I think passed their ordinance after the state law 8-2801 was passed, and we have some concerns that it is in violation of that law, although we have not had any evidence that it has been particularly harmful or imposed upon lenders. With that, I'd be happy to address any questions that you may have. [LB256]

SENATOR WAYNE: Any questions from the committee? Senator Crawford. [LB256]

SENATOR CRAWFORD: Thank you, Chairman Wayne. And thank you, Mr. Hallstrom. So the language that is in the bill currently you feel is consistent with that bill that was passed that is now 8-2801? [LB256]

ROBERT J. HALLSTROM: Yes, by virtue of defining owners of record to not include lien holders who only have an equitable interest in the property. [LB256]

SENATOR CRAWFORD: Thank you. [LB256]

ROBERT J. HALLSTROM: And I might add also that the negative aspect of my testimony, which the red light cut me off on, was specifically with regard to the exclusions of Omaha and Lincoln. And Lincoln in particular with regard to the nature of their ordinance. [LB256]

SENATOR WAYNE: Any other question from the committee? Seeing none, thank you for your testimony. [LB256]

ROBERT J. HALLSTROM: Thank you. [LB256]

SENATOR WAYNE: Any other neutral testifiers? Seeing no neutral testifiers, I do want to make sure, there are some letters of support in the record: St. Paul Development Corporation in support. And also in support, Valley County Economic Development and Ord Area Chamber of Commerce are letters in support for the record. I talked to Senator Briese, and he will waive closing, as he is testifying in another hearing. So that will close the hearing on LB256. Now opening...oh, I guess, Vice Chairman Hansen will be opening the next. [LB256]

SENATOR HANSEN: All right, thank you, Chairman Wayne. We'll move over to the introduction of LB399, introduced by Senator Wayne. [LB399]

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SENATOR WAYNE: Good afternoon, Vice Chairman Hansen and members of the Urban Affairs Committee. My name is Senator Justin Wayne, J-u-s-t-i-n W-a-y-n-e, and I represent the District 13 in north Omaha and northeast Douglas County. I introduced...sorry, I introduced LB399 at the request of the Omaha Housing Authority. LB399, along with Senator Crawford's bill to follow, is the product of the Urban Affairs Committee interim study on housing authorities, LR489. LB399 makes a handful of changes to Nebraska Housing Agency Act, most of which only impact housing authorities in the city of the metropolitan class. First, the bill requires that housing authorities of the city of the metropolitan class have a seven-member board. For those who might be familiar, from time to time OHA, which is the Omaha Housing Authority, has a seven-member board currently, but historically has changed back and forth from five to seven over the last 10 or 20 years. In a city of the size of Omaha and the agency the size of Omaha Housing Authority, it makes sense to have a seven-member board. The second, this bill requires that commissioners of the Housing Authority for the city of the metropolitan class obtain a professional certification. Within 12 months of their appointment, each commissioner will have to obtain certification from the National Association of Housing and Redevelopment Officials or equivalent certification from a nationally recognized professional association in the housing and redevelopment field. Cost of this certification will be payed by the local housing authority. Failure to obtain certification will result in the commissioner being deemed to have resigned from his or her position. The third thing this bill does is it requires the boards of the housing authority agencies for the city of the metropolitan class include commissioners with experience in the following three professional areas: one is real estate development or management; two is accounting, banking, or finance; and three is law or business management. Under this bill, a single commissioner may satisfy more than one of these requirements. The fourth thing this bill does is prohibit any member of the city council in the cities of the metropolitan class from serving also on the board of the housing authority agencies. In the past, city council members have also served on OHA, which has resulted in potential conflicts of interest. In addition to the changes that only affect housing agencies in the city of the metropolitan class, LB399 makes two changes dealing with the resident commissioner position. Under the Nebraska Housing Agency Act, the governing body of each housing agency must include one commissioner who is a resident commissioner, that is they either reside in the agency housing or have direct assistance from the agency. This bill would permit a housing agency to advertise for a vacancy in their resident commissioner's position prior to the actual vacancy and would eliminate written notice requirements for the selection of the resident commissioner. These two provisions would apply to all housing agencies, not just one in the metropolitan class. Representatives from OHA, Omaha Housing Authority, are behind me and they will testify today to help answer any questions that I may not be able to answer. Thank you. [LB399]

SENATOR HANSEN: Thank you, Senator Wayne. Are there questions for the Senator? Senator Riepe. [LB399]

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SENATOR RIEPE: Thank you, Senator Hansen. Thank you for being here at your committee. And my question is this, the magic number seven, is that currently higher, lower or...? [LB399]

SENATOR WAYNE: It's currently seven. Over the last I believe two decades it's fluctuated from five to seven, but it's always had pretty much a maximum number of seven. So I was just trying to find consistency of when it's seven. [LB399]

SENATOR RIEPE: Okay, very good. Thank you. [LB399]

SENATOR HANSEN: Thank you, Senator. Any other questions? [LB399]

SENATOR HOWARD: Yes. [LB399]

SENATOR HANSEN: Senator Howard. [LB399]

SENATOR HOWARD: Thank you for bringing this bill to us today. I had a question about the city council members not being able to serve on the board and you mentioned that there might be a conflict of interest. Can you give me an example of a time when that happened? [LB399]

SENATOR WAYNE: Yes. So, in 2013 there was a HUD audit report in which I believe a HUD member...or OHA member will testify in more detail and hand out a letter. Also, in 2015, a HUD audit report in which current city council members at the time had potential conflicts and sometimes real conflicts. So what happens is a lot of the, in Omaha in particular, a lot of the OHA buildings are in District 2 or in south Omaha, so many times that council member gets a phone call from their constituent in District 2 and sometimes they don't know which hat to put on. Is it the OHA hat or is it the city council hat because they oftentimes can cross over. And additionally, there's community block grants and other federal dollars that flow through the city that will raise also potential conflicts. And so the audit report, which I believe a member from the OHA board will hand out, specifically said that HUD or the state...I mean, OHA or the state needs to find a way to not have so much politics, particularly city council potential conflicts involved in the governance of the Omaha Housing Authority. [LB399]

SENATOR HOWARD: That's great. And then I had a question about the certification, because this is new to me. So everybody who's on this board now has to get certified by December 31, 2018, so essentially they have a year, two years, a year and a half by the time this bill gets done. And then we're going to pay for them to get that certification? [LB399]

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SENATOR WAYNE: The state is not going to pay for them, but the housing authority will. It's just like, it's not a requirement in state statute, but all school boards send their people all across the country to get trained. But in this particular case, again, the 2013 and the 2015 audit said that there was not enough training being done and therefore there was some issues not only with procurement but just overall governance, and they thought it would be better if there was a bright line rule requiring everybody to have some type of training by a nationally recognized organization. And OHA is here to testify a little bit more in detail than that. [LB399]

SENATOR HOWARD: Do you know of any other area where we mandate a certification for board members? I know for healthcare obviously they have to be within that professional license. But is there another type of board that's similar to this that would be comparable? [LB399]

SENATOR WAYNE: Another volunteer board? There are some, like I said, in the professional areas. And again, this was more, and I'll defer to OHA in this regard, when they come up to testify, but this was more a response to the audit that was done by the HUD saying that we need to do that. [LB399]

SENATOR HOWARD: Do a lot of other housing authorities require that type of certification then? [LB399]

SENATOR WAYNE: I believe there are some from my brief conversation, but again, OHA can give you a little bit more detail on that. But my understanding there is some that require through policy. But this is such a big issue, particularly dealing with the federal dollars that we get in that area that I believe it should be in statute. [LB399]

SENATOR HOWARD: No, that makes a lot of sense. And then my other question, because I'm coming from a healthcare background, is, is there the possibility of a grandfathering option? So you've served on the board for so many years, you wouldn't need this certification. [LB399]

SENATOR WAYNE: No, because the last audit was done in 2015 and it still mentioned that the board needed more training. And I think since then there's only been one or two added to the board, but those current members were still in the audit where they were told that they need more training. So I think training will still be appropriate in that matter. [LB399]

SENATOR HOWARD: Okay, thank you. [LB399]

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SENATOR HANSEN: Thank you, Senator Howard. Any final questions for Senator Wayne? All right, thank you. Seeing none, we'll move to proponent testimony. So we'll take our first proponent for LB399. When you're ready. [LB399]

JENNIFER TAYLOR: Good afternoon, Senators. My name is Jennifer, J-e-n-n-i-f-e-r, Taylor, T-a-y-l-o-r, and please note that I am here appearing on behalf of the Omaha Housing Authority, as I am chairman of the board of commissioners for the Omaha Housing Authority. First of all, I want to thank Senator Wayne for bringing the bill. To give a little background on some of the questions that were asked, and so instead of doing prepared comments, I will go ahead and address some of the concerns or questions that were presented to Mr. Wayne...Senator Wayne. In...was it January of 2013, and for your information I have been a commissioner on the OHA board of commissioners since March of 2011, so I have served for almost five years? Almost five years, I can't do math...six years, almost six years. I have been chair of the board for the past three. In January of 2013 we received a letter from the U.S. Department of Housing and Urban Development to then chair, Mr. Conley. And one of the items identified in that letter, which was discussing some public housing agency recovery and sustainability assessments that we were working on, the letter stated that the Nebraska Housing Agency Act allows for the appointment of council persons to public housing authority boards and does not consider such appointment a conflict. However, the historical and sequential appointment of council persons, all of whom represent District 2, may constitute a real or perceived conflict in relation to your housing authority's business and development interests. A review of this practice by the city of Omaha is encouraged. The city of Omaha and the Omaha city council at that time reviewed the practice, but chose not to take any action. In response to that, several years ago then Senator Ashford introduced a bill very similar to the one that Mr. Wayne has brought to you today to address this issue, but it did not actually come out of committee. Subsequent to that, as Senator Wayne has noted, the Omaha Housing Authority underwent an extensive forensic audit, and you may be familiar with it, those of you that are in and around the metropolitan Omaha area probably saw articles about the forensic audit a couple of years ago. Last year, Senator Grassley ordered a disclosure of that report and one item in that report dealt with Omaha Housing Authority's governance. And one of the items in the governance section found that we had found pervasive political interference and influence under the Frank Brown and William Begley era and much more subdued, but very much obvious political influence under the current board. The recommendation from the audit firm and from HUD in response to that finding was that structurally, "we believe that elected officials serving on the OHA board is detrimental to OHA's interests. The city of Omaha should amend its charter so that only individuals who possess appropriate backgrounds, rather than elected political representatives, are nominated to serve on the board." So again, we thank Senator Wayne. What he has done is brought us a bill that allows us to actually undertake and comply with recommendations that have been given to us by HUD. So not only do we no longer allowed to have council persons serving on our board, we also have individuals who possess appropriate backgrounds. Therefore, we would have attorneys, real

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estate development individuals, and individuals with finance and accounting backgrounds to serve on our board to ensure that we have a breadth of skills and knowledge to address the issues that come before us. With regard to the training issue, Senator Howard, we actually have one board member who has completed the commissioner training through NAHRO. That is the training under which we are looking to have our remaining board members participate in, in the balance of this year. We have budgeted for that training actually within our 2017 budget. This is an important enough issue to the Omaha Housing Authority and its board of commissioners that we prior to this bill coming forward had intended to undertake this effort anyway. I have been on the board as I...six years, I have done a variety of commissioner trainings, but I have not participated in the NAHRO training. I would agree with you that my experience on the board would probably suffice, but I am more than happy to participate in the training. We have two new board members and we will have a new resident commissioner coming up soon, so I think it's imperative that with those new board members we have some opportunity to have them trained on some of the nuances of federal regulations: how public housing operates, how public housing funding operates. OHA is a \$50 million agency, so our seven-member board of commissioners actually manages a large number of properties, thousands of residents, and billions of dollars. I think it's imperative, particularly for OHA, that we have a board of commissioners that is educated on the nuances of handling those funds, the nuances of the unique aspects of public housing, of Section 8 funding, and operating within our community and within the bounds of us as a board. Those things have been suggested to us that on occasion our past boards have either overstepped their bounds or not fully fulfilled their fiduciary duties. To address both issues, I think training is important. I also appreciate that Senator Wayne has included in his bill the issue with the resident commissioners. We recently had our resident commissioner retire, but we were unable to proceed with the nominating of a new commissioner because we could not do that until her term was expired. So this just allows us to start that process a little bit earlier and do so with a little more expediency. And with that, I'm happy to answer any questions. [LB399]

SENATOR HANSEN: Great, thank you. Senator Riepe, quick question. [LB399]

SENATOR RIEPE: Thank you, Senator. My question is this, your resident commissioner, that's someone that resides in the unit. How is that person or the individual's term of office the same as others? [LB399]

JENNIFER TAYLOR: Yes, that commissioner is appointed also for a five-year term. But they must either reside in public housing or receive assistance from the agency, which means Section 8 funds. [LB399]

SENATOR RIEPE: And they are also required to take all the training? [LB399]

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JENNIFER TAYLOR: And they would be required to take the training as well. [LB399]

SENATOR RIEPE: Okay, thank you. [LB399]

SENATOR HANSEN: Thank you, Senator. Senator Crawford. [LB399]

SENATOR CRAWFORD: Thank you, Senator Hansen. And thank you, Ms. Taylor. So I understand the importance of avoiding conflict of interest and the importance of appropriate training. It sounds like you were directed to make those improvement from the HUD audit, so my question is why do you need a state statute to direct you to make those changes? [LB399]

JENNIFER TAYLOR: Well, our current state statute allows a council person to serve on our board. This allows us to comply with the HUD recommendations in a way that cannot be, in say future terms, if someone seems to forget this directive from HUD, it's actually where it should be, which is in within the State Housing Agency Act, so that we no longer allow that to happen within the act itself. [LB399]

SENATOR CRAWFORD: And the training requirement, I guess similarly, is that...what is the reason that you would like that in state statute as opposed to again recognizing that the housing authority needs to comply with directives from HUD audits? [LB399]

JENNIFER TAYLOR: I would suggest that for example our current board, we address everything in this proposed bill currently. We meet all the requirements, we have probably more attorneys than any one person would like to have on a certain board, but we have a sufficient number of attorneys. We have a very good financial board member, we have board members that are well-versed in real estate development and economic development. I think that we have within our own merit made strides towards addressing those issues. I think in our own merit again we are going to make strides towards training ourselves regardless of whether or not that was in this bill. However, past boards have not done so. And to ensure that future boards continue to have the same diligence that our current board does, I think it's best that this be in the act so therefore a board after the one that's current, or future boards, have the same training and the same skill set that we think is so important now. [LB399]

SENATOR CRAWFORD: Thank you. [LB399]

SENATOR HANSEN: Thank you, Senator. Any final questions for Ms. Taylor? Senator Riepe. [LB399]

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SENATOR RIEPE: Thank you, I have a quick question. Is much of this prompted by some of the problems that were there when commissioner Conley was serving on the commission that made a lot of news? [LB399]

JENNIFER TAYLOR: The items that were identified in the HUD audit that was released in 2015 were somewhat directly related to or directly referenced actions by Mr. Conley when he was serving on our board. So I think the answer to that would be yes. [LB399]

SENATOR RIEPE: Okay, thank you. Thank you. [LB399]

SENATOR HANSEN: Thank you. Any other questions? Thank you for your testimony, Ms. Taylor. [LB399]

JENNIFER TAYLOR: Thank you very much for your time. And thank you again, Senator Wayne. [LB399]

SENATOR HANSEN: We will take our next proponent. [LB399]

DAVID LEVY: Good afternoon, Vice Chairman Hansen, members of the committee. David Levy, D-a-v-i-d L-e-v-y, partner with the Baird Holm law firm in Omaha and a registered lobbyist for a number of clients. And I've had the opportunity to work with a number of you over the years and I appreciate that. I'm here today though in my capacity as a member of the Omaha Housing Authority board of commissioners. I have been on the OHA board for about 14 months. I have worked in and with government for over 25 years and in my 14 months on the OHA board I can tell you confidently that HUD seems to me to be the most complicated bureaucracy and bureaucratic agency that I've ever dealt with. It is a complex matter trying to run a housing authority and as Ms. Taylor said, there's large numbers of assets and residents and things to deal with. So I am here in support of LB399. As a fairly new commissioner, I see the value in this very definitely. I will say at first I had concerns about the requirement in LB399 for certain qualifications for commissioners because sometimes it can be hard to find people to serve on these boards and commissions. I think LB399 strikes the right balance by, rather than saying someone must be a lawyer or an accountant or whatever the case might be, it says that they need to possess those skills, those types of skills. So it leaves some discretion to the appointing official, but it gives some guidance to the appointing official. I think it finds the right balance there on that and I think the other provisions, as you've heard respond to some of the audit requirements and issues identified there, and overall I think this will help the Omaha Housing Authority board continue to do the work that it needs to do and do it as well as we possibly can. So with that, I'm happy to take any questions. [LB399]

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SENATOR HANSEN: Great, thank you for your testimony. Are there questions? Seeing none, thank you for your time. [LB399]

DAVID LEVY: Great. Thank you. [LB399]

SENATOR HANSEN: We'll take our next proponent testifier. [LB399]

CHRIS LAMBERTY: Good afternoon, Senator Hansen, committee members. I'm Chris Lamberty, C-h-r-i-s L-a-m-b-e-r-t-y, I'm assistant executive director of the Lincoln Housing Authority and I'm here today representing the Nebraska chapter of NAHRO, the National Association of Housing and Redevelopment Officials. Nebraska NAHRO supports LB399 and supports OHA's effort to put a better structure for their board governance going forward. I would note that the provisions in the bill only apply to cities or housing authorities and cities of the metropolitan class except for the resident notification requirements, which is a common sense change that all housing authorities would agree with. With that, I would be happy to entertain any questions. [LB399]

SENATOR HANSEN: Great, thank you. Are there questions for Mr. Lamberty? Seeing none, thank you for your time. All right, are there any further proponents for this bill? Seeing none, are there any opponents for LB399? Seeing none, is there any neutral testimony for LB399? Seeing none, Senator Wayne, would you like to close? [LB399]

SENATOR WAYNE: Yes. I just want to briefly address a couple of the...the importance of the training and importance of the requirements because currently underneath statute the mayor of Omaha appoints the board. And what we've seen in all the audits is the constant political conflict...the political conflict of interest that continues to arise. And what we're trying to do is take the politics out of it and we want to make sure...for as long as I can remember, there's been a city council person from District 2 on the board, and so there's always been some kind of conflict or political, dating back to Frank Brown and prior to Frank Brown. And so we're trying to remove that. And the importance of the training is right now they deal with the \$50 million budget, but more importantly than the dollars they are dealing with some of the most at-risk people in our community. And even whether a school education, health, juvenile justice, I think we as a state have to start looking at mandating training, especially when we're dealing with some of the most vulnerable populations that exist. That's why it's important for the training for me and that's why it's important that we move forward of having different knowledgeable base on the board, so it isn't just whoever, in this case, the mayor wants to appoint. Not knocking the mayor, but it's just we have some criteria that can lay out to make sure we have a board that functions in a high manner. With that, I'll close. With that, any other questions I guess. [LB399]

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SENATOR HANSEN: Great, thank you. Are there questions? Senator Riepe. [LB399]

SENATOR RIEPE: Thank you. Senator, I have a question. Do you then, of the seven members, does the mayor have any input? Does she get like three members and picks one or is it you pick your own? [LB399]

SENATOR WAYNE: Well, it used to be a provision, if I recall, that the city council used to have like an advise and consent role. And I'm looking back, but I think that provision is gone. And now, my understanding, the mayor just appoints. But there still is a resident requirement, there's still, but under current statute the mayor I believe. [LB399]

FROM THE AUDIENCE: (Inaudible). [LB399]

SENATOR WAYNE: It still is the consent. I thought that was removed a couple of years ago. But it still is the mayor appoints with the consenting authority of the city council. But still, that process in and of itself becomes a political process and so we're trying to create some guidelines to make sure that the board has different areas of expertise. Because they do have a large property base, so we should have somebody with real estate and management background. There is a lot of legalese with HUD, if you haven't seen HUD there's a lot of legalese, so an attorney on there would be great. And so that's the reason for it. [LB399]

SENATOR RIEPE: Excuse me, there. If so, she disagrees, it's not that she comes up with an alternate name, she simply says I don't agree with number seven and then you go back and come up with a new number seven? [LB399]

SENATOR WAYNE: Not me, I'm not on the city council. Typically, the mayor will appoint and run that name through the city council. I haven't seen, at least in my years, a whole bunch of disagreements who's been appointed or who's not. But we just want to make sure as we go forward that there's some guidelines around at least some of the people that are on the board. [LB399]

SENATOR RIEPE: Okay. And she's supportive of this new approach? [LB399]

SENATOR WAYNE: I haven't talked directly to the mayor. [LB399]

SENATOR RIEPE: Oh, okay. Okay, thank you very much. It's been helpful. [LB399]

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SENATOR HANSEN: Great. Thank you, Senator Riepe. Any final questions? All right, seeing none, I will share that we have no letters for LB399 and we'll close the hearing on LB399. And I will turn it back over to Senator Wayne. [LB399]

SENATOR WAYNE: Opening the hearing on LB304, Senator Crawford. [LB304]

SENATOR CRAWFORD: Thank you, Chairman Wayne, and good afternoon, members of the Urban Affairs Committee. My name is Sue Crawford, S-u-e C-r-a-w-f-o-r-d, and I represent the 45th Legislative District of Bellevue, Offutt, and eastern Sarpy County. I'm honored to be here today to introduce LB304 for your consideration. In 2016, I introduced LR489, an interim study examining issues related to Nebraska housing authorities. Over 100 public housing authorities across our state, serving over 25,000 and over 55,000 people work in communities to address housing needs largely through public housing units and Section 8 rental assistance. These range from large housing authorities in Omaha and Lincoln to small public housing authorities that fund to senior housing. If you look at the map that's provided in your folder, you will see that public housing authorities exist across the state in communities of ranging sizes. Over the interim, the Urban Affairs committee staff conducted a review of the Nebraska Housing Agency Act to determine if any revisions were needed, since it had last been updated in 1999. While the review found the act remains relevant and plays an important role in allowing our public housing agencies to fulfill their local missions, it also brought to light a few areas where updates, as well as minor cleanup and clarification changes are needed. LB304 was introduced to make changes identified in the LR489 study. During that study, in addition to reviewing the statutes, we also had meetings with various housing authority representatives and stakeholders, including Bellevue Housing Authority in my district. With the help of the Nebraska chapter of the National Association of Housing and Redevelopment Officials we gathered additional input from housing agencies throughout the state. The changes in LB304 are a direct result of these conversations with public housing authorities across the state. LB304 would amend the Nebraska Housing Agency Act to address implementation issues raised by housing authorities across the state. This includes eliminating certain residency requirements or board members. Current statute states that in the case of a county, not more than three members of a housing agency shall be residents of the same incorporated community within the county. The representatives who serve on county public housing agencies do so as volunteers and finding qualified individuals can be a challenge for local officials working to appoint these volunteer members. And this can become even more challenging when there's a restriction on how many can come from a certain community within that county. LB304 would give local officials who appoint these board members the ability to find the most qualified individuals, while also determining the level of geographical diversification necessary. LB304 also changes the holding period for abandoned personal property of housing agency tenants from 45 days to 14 days. HUD requires public housing authorities to have apartments turned over and leased back out in 30 days. The current 45-day personal property requirement then means that public housing authorities must pay to move and

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store abandoned belongings. LB304 still provides two weeks for tenants to reclaim abandoned properties and this change brings the requirements for the housing authorities in line with our current state requirements for private landlords that set out in our Landlord Tenant Act. So it provides those same protections that we have for our private landlords. Current statute also requires Nebraska's public housing authorities to submit an annual report to the governing body of the city or county within six months after the end of the fiscal year. Extending this to nine months would align the time period with the current audit requirements and allow financial aspects of the report to be audited and accurate. Another proposed update is to the conflict of interest provisions relating to the amount of goods and services a housing agency can purchase if said goods or services are owned by housing agency official. While it is important that these provisions are left in place, LB304 updates thresholds to reflect current dollar amounts. Updating these thresholds would also allow counties to appoint business leaders without critically limiting the housing agency's ability to secure local products. Finally, LB304 would update language on procurement limits and planning requirements to mirror federal HUD requirements. This includes eliminating the section that refers to annual and five-year plans. The documents produced through these planning requirements, which were mandated under the 1998 federal Quality Housing and Work Responsibility Act, are no longer required of most public housing authorities. For those that are required to create a plan, the plans are already made available to the public through public or local housing agencies or through HUD and do not need to be submitted again to the governing body of the city or county. HUD procurement regulations have also changed since the passage of the Nebraska Housing Agency Act. LB304 would call for sealed bid requirements to start at \$150,000 so that Nebraska statute can mirror existing HUD regulations. Following my testimony, you'll hear from representatives of the Hall County Housing Authority and the Lincoln Housing Authority, who will elaborate on how the changes outlined in LB304 will allow city and county housing agencies to continue to carry out their responsibilities in the most efficient and effective manner. I appreciate the committee's attention to this issue and I would be happy to try and answer any questions that you may have. [LB304]

SENATOR HANSEN: Great. Thank you, Senator Crawford. Are there questions for the senator? Senator Riepe. [LB304]

SENATOR RIEPE: Thank you, Chairman Hansen. And thank you for being here. [LB304]

SENATOR CRAWFORD: You're welcome. [LB304]

SENATOR RIEPE: My question goes down with the residency requirements. I know it says three by any community, I'm not sure what a community is but... [LB304]

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SENATOR CRAWFORD: So you'll hear more about that in the testimony from the housing official from Hall County, but so example...if the current statute restricted the number of members that could come from a particular community. So if you have Hall County, it was restricting how many could come from each particular city in that community, and so that created challenges just in terms of if we have representatives from Hall County restricting who can be a member. Also, you have a county and you may have a very populous community and then, you know, very small ones, and so you're saying that oh, we need just one person from I say Grand Island and one person from these other communities raising the issue of whether that's the best representation of Hall County or any other county on that county board. [LB304]

SENATOR RIEPE: So the town Grand Island or Hastings or wherever, might be the district as such, the de facto district, that says we're going to have one person from (inaudible). [LB304]

SENATOR CRAWFORD: So if you look at your map in your folder, Hall County is an example of a public housing authority that is a county public housing authority, so it's the whole county. And in many of the other cases you're going to see, it is a specific community, so it is Bellevue or some other community. So that issue is an issue in just those county housing departments. [LB304]

SENATOR RIEPE: Okay. If I may do a follow up. [LB304]

SENATOR CRAWFORD: Yes. [LB304]

SENATOR RIEPE: But the second question I have, I know we're moving from...we're proposing to move from 45 days to 14 days, kind of a "hit the road, Jack" clause. Is that...(inaudible). [LB304]

SENATOR CRAWFORD: So...can I just...I was just going to go back. I'm just going to go back and make sure I clarify for the record your earlier question. [LB304]

SENATOR RIEPE: Sure. [LB304]

SENATOR CRAWFORD: So that's actually on Page 2 of the bill and Line 5-7. That language is language that is in the statute right now which says, and it really applies to those county public housing authorities specifically. And there was, for just those ones that are county ones specifically, it was trying to say you have to get your folks from different communities within that county, and that's being stricken. So it just affects those housing authorities that are county-specific housing authorities. So and then back to your... [LB304]

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SENATOR RIEPE: We'll let them figure it out for themselves. [LB304]

SENATOR CRAWFORD: Yeah. And yeah, and they can pick how they best want to represent their county, all right? [LB304]

SENATOR RIEPE: Fair enough. [LB304]

SENATOR CRAWFORD: So back to your next question, go ahead. [LB304]

SENATOR RIEPE: 45 days to 15. [LB304]

SENATOR CRAWFORD: Right. [LB304]

SENATOR RIEPE: We're kind of like move it out fast. [LB304]

SENATOR CRAWFORD: Exactly. And so really the two reasons in terms of why 14, so one reason is that's what we require for private landlords. So two weeks is considered appropriate in the private market and so that...and it was a reason to say that's an appropriate line to draw. Second one is that the housing authorities are required to turn these properties around in 30 days. So that's half the time for making sure people have time to get things out of the property and then two weeks to get that property turned around. [LB304]

SENATOR RIEPE: Excellent. Good rationale, thank you. [LB304]

SENATOR CRAWFORD: Thanks. [LB304]

SENATOR RIEPE: Thank you. [LB304]

SENATOR HANSEN: Great. Thank you, Senator Riepe. Any other questions? All right, seeing none, thank you, Senator Crawford. [LB304]

SENATOR CRAWFORD: Thank you. I'll stay for closing. [LB304]

SENATOR HANSEN: And I'll turn it back to Chairman Wayne. [LB304]

SENATOR WAYNE: Any proponents? [LB304]

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CHRIS LAMBERTY: Good afternoon, Chairman Wayne, committee members. [LB304]

SENATOR WAYNE: Welcome. [LB304]

CHRIS LAMBERTY: (Exhibit 1) My name is Chris Lamberty, C-h-r-i-s L-a-m-b-e-r-t-y, I'm assistant executive director for the Lincoln Housing Authority and also a representative of Nebraska NAHRO, which represents over 100 public housing authorities across the state of Nebraska. I want to thank Senator Crawford and your committee legal counsel, Trevor Fitzgerald, for inviting Nebraska NAHRO and us to participate in their review and gather input as they reviewed the Nebraska Housing Agency Act. Public housing authorities play a central role in housing lower income Nebraskans across the state where a local government bodies overseen by a five to seven-person board of commissioners, which are appointed by the local government. PHAs do not receive state or local tax dollars, we're not taxing entities, we're primarily funded by federal housing programs. As such, we're subjected to quite an extensive federal oversight and a pretty extensive regulatory regime. For that reason, it's important that state law and federal law compliment one another as much as possible in this area. In 1999, the Legislature undertook a comprehensive review and rewrite of the Nebraska Housing Agency Act and really did an excellent job. As Senator Crawford said, that act remains quite relevant and is flexible to allow local agencies of various sizes and locations to fulfill their mission. We took the opportunity, the housing authorities across the state, to go back and review the act again, provide input, and we wholeheartedly endorse the proposed technical changes and updates encompassed in LB304. I've provided a handout of the proposed changes and I'd be happy to answer any questions or highlight any of them for you. [LB304]

SENATOR WAYNE: Any questions from the committee? Seeing none, thank you for coming today. [LB304]

CHRIS LAMBERTY: Thank you. [LB304]

SENATOR WAYNE: Any more proponents? Welcome. [LB304]

RICK RUZICKA: Thank you. Thank you, Chairman Wayne and Urban Affairs Committee members. My name is Rick Ruzicka, R-i-c-k R-u-z-i-c-k-a, 1834 West 7th Street in Grand Island, Nebraska. I'm the executive director of the Hall County Housing Authority, I'm the acting executive director of the Hastings Housing Authority, and I'm the acting executive director of the Ansley Housing Authority. I wear a lot of hats. I'm also an active member of Nebraska NAHRO. I too want to thank Senator Crawford and Trevor Fitzgerald for taking an interest in the important mission that public housing authorities strive to fulfill for our Nebraska communities. As previously mentioned, LB304 is a product of a desire to update and improve upon the current

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Nebraska Housing Agency Act. To that end, as Chris mentioned, we were asked to review the law. We compared the law to the Nebraska Tenant Landlord Act, we compared it to our very active regulatory environment with the federal government and tried to make this as consistent as possible with all the competing regulations that we are to follow. In answer to the specific county question, I'm one of the few counties; and in Hall County you have the city of Grand Island, which is by far and away the largest community. We also have the villages of Doniphan, Alvo, Cairo, and Wood River; Cairo and Wood River have their own housing authorities, so have to provide their own boards and so they have very little interest in being on our board. And all of our public housing is in Grand Island, we have a few Section 8 clients in Alvo and Doniphan. So for me...and I have a seven-member board, so it's virtually impossible for me to have three or less members from one community because I only have three to choose from. And basically, it doesn't make a lot of sense to not have Grand Island overly representative because that's where all of the population in the community is. So it just makes a lot more sense for the county board, who is who appoints our board to make that determination as to what the best representative is. So that's why we really felt it was important to change that because it's really next to impossible for me to follow that particular rule and it pretty much only applies to me. I know, I'm an oddball. So I think Scotts...no, actually Douglas County is the only other one I can think of and I'm wondering if that wasn't what it was designed for. But anyway, with that, I will open up to any questions you may have for me. [LB304]

SENATOR WAYNE: Any questions from the committee? Senator Riepe. [LB304]

SENATOR RIEPE: Chairman Wayne, thank you. It sounds like you have a monopoly there. [LB304]

RICK RUZICKA: Not on purpose. They keep calling me and I don't know how to say no, apparently. [LB304]

SENATOR RIEPE: How many boards of directors do you work with? [LB304]

RICK RUZICKA: Three. [LB304]

SENATOR RIEPE: Three, you must be a very good dancer. Having worked with some boards, that's an interesting challenge. But I simply appreciate your being here and obviously your talent that you're able to bring to the table (inaudible). [LB304]

RICK RUZICKA: Thank you. Thank you, appreciate it. [LB304]

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SENATOR WAYNE: Any other questions? Seeing none, thank you for coming today. Any other proponents? Welcome back. [LB304]

JENNIFER TAYLOR: (Exhibit 2) Good afternoon, again, senators. Thank you for hearing from me I think a third time today. I am Jennifer Taylor, J-e-n-n-i-f-e-r T-a-y-l-o-r, and I am again here on behalf of the Omaha Housing Authority as their chairperson of their board of commissioners. I have with me today a letter of support of LB304 from our staff and from OHA. So I will go ahead and share that with you. But I wanted to briefly note with regard, one, thank you again just Senator Howard and Mr. Fitzgerald for the time they took last year to meet with us and to hear some of the concerns that we may have about the existing Housing Agency Act. One of which, and our primary concern, was the change that was made from 45 days to 14. When I joined the OHA board, as we established earlier six years ago, one of the first concerns that was raised to me by our staff was the frustrations and the problems that we encountered on a regular basis due to the 45-day rule. Not only does the requirement for us to wait 45 days cause us to take extended time to turn over units and not provide housing, it also means we don't bring in revenue from that unit, we're not providing housing to people who need it, and also, as many people here would know, a lot of our funding is based on our vacancy rate and if our vacancy rate is affected by our requirements to have extended times for turnaround that impacts directly the federal funding that we receive. So this has been a long-term problem. What we have encountered, as far as, whether or not our residents would be impacted by this, is the most part by the time we even get to the 14-day process most of our residents are gone by then. So much like in the private world, the 14-day notice we feel is more than sufficient to give our residents the time that they need to vacate the unit, like I said, in most cases they're already out of the unit to begin with. Oftentimes we'll find residents have vacated the unit without notifying us so that by the time we find that they have vacated the unit and then go through the 14-day process after the 45 days we have had a vacant unit for 60 to 90 days. That is a long time to have a vacant unit, that is a long time to have a unit not available to people in our community that need it. So again, I want to thank Senator Crawford for hearing that concern from us and from the other housing authorities and for addressing them in this bill. I'm available for any questions. [LB304]

SENATOR WAYNE: Any questions from the committee? Senator Riepe. [LB304]

SENATOR RIEPE: I have a quick question. Do you have a lot of property destruction when people leave your units? [LB304]

JENNIFER TAYLOR: We have some. We have, actually just last month, we let our annual contract for turnaround services. So we actually employ several outside contractors, as well as our own in-house maintenance staff to deal with turnaround. So even if we have some destruction of property, we have on-staff carpenters, painters, carpet layers, and so we have a

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team of people that are actually tasked with the job of going into a unit and turning it around as quickly as possible. [LB304]

SENATOR RIEPE: Thank you. [LB304]

SENATOR WAYNE: Any other questions from the committee? Seeing none, thank you for coming down today. [LB304]

JENNIFER TAYLOR: Thank you for your time. [LB304]

SENATOR WAYNE: Any other proponents? Seeing none, opponents? Any opponents? Any neutral testifiers? Any neutral testifiers? With that, I'll just read into the record a letter of support from the Omaha Housing Authority, which was just handed to Andrew for the record. And Senator Crawford, you may close. [LB304]

SENATOR CRAWFORD: Thank you, Chairman Wayne. And thank you, committee members, I appreciate your attention to this matter. And I want to echo my gratitude and appreciation to Trevor Fitzgerald, legal counsel, for helping us with this interim study and really making sure that we were combing through the statute and getting feedback from the housing authorities throughout the state. It was an excellent work on his part and I want to thank him for his work and to just provide an opportunity if you have any other questions that you would like to ask. [LB304]

SENATOR WAYNE: See any questions from... [LB304]

SENATOR CRAWFORD: If there are no questions, well, I would just encourage you to forward the bill to General File and look forward to working with you on the bill. Thank you. [LB304]

SENATOR WAYNE: Thank you, Senator Crawford. That will close the hearing for LB304. Now we'll open the hearing on LB383, Senator Quick. Welcome, Senator Quick, to your Urban Affairs Committee. [LB304]

SENATOR QUICK: Thank you, Senator Wayne. And thank you, members of the committee. My name is Dan Quick, D-a-n Q-u-i-c-k, I'm State Senator from Grand Island, representing District 35. And I'm bringing before you today LB383, and LB383 allows a regular or alternate member of a planning commission of a city of the first or second class or village to hold other municipal offices, except as a member of a community redevelopment authority or as a member of a citizen advisory review committee. A small community brought a concern to the League of Nebraska

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Municipalities about the current law, which prevents members of planning commission in small communities to hold any other municipal office, except for the board of adjustment. In smaller communities it is often difficult to get people to serve on various municipal offices, including cemetery boards, library boards, park boards, and others. As you may know from our experience, there are often a handful of people in communities who are very active and it's often difficult to get others involved to serve on various boards and commissioners. There doesn't seem to be a conflict to have people who are active in the community serve on both the planning commission and a library board, for example. With LB383, a regular or alternate member of a planning commission of a city of the first or second class or village may hold other municipal offices, except as member of a community redevelopment authority or as a member of a citizen advisory review committee. The community redevelopment authority is the entity created in communities under the Local Option Municipal Economic Development Act, often referred to as the LB840 programs. The citizen advisory review committee is formed under the Community Development Act, otherwise known as the TIF laws. Since there may be conflicts between these committees and the planning commission, this bill provides that a member of the planning commission is not allowed to also serve on those two boards. After introducing this bill, a concern was raised that a city council member or a mayor might be able to serve on a planning commission. Although I believe there are other statutes that would prohibit a mayor or a city council member from also sitting on the appointed board, I'm offering an amendment to clarify that issue, to ensure it is clear that no municipal elected official is eligible to serve on the planning commission. I don't know if you have any questions for me. [LB383]

SENATOR WAYNE: Done with the introductions, any questions for...Senator Riepe. [LB383]

SENATOR RIEPE: Thank you, Senator Wayne. Thank you, Senator Quick. Question I have, is there external oversight of a board's actions? [LB383]

SENATOR QUICK: That I may have to ask someone who has...I know that someone is coming after me that maybe could answer that question. [LB383]

SENATOR RIEPE: Okay, thank you. Thank you. [LB383]

SENATOR WAYNE: Any other questions from the committee? Thank you for the introduction. Turning to proponents, any proponents? Welcome. [LB383]

MARLON FERGUSON: (Exhibit 1) Thank you, Senator Wayne and members of the Urban Affairs Committee. As I looked at the agenda today, Senator, I... [LB383]

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SENATOR WAYNE: Your name and last name, spelling of your name? [LB383]

MARLON FERGUSON: Oh, yeah. Pardon me. Marlon Ferguson, F-e-r-g-u-s-o-n, I'm the city administrator of the city of Grand Island. As I looked at the agenda today, I saw that LB383 was last. I was a little bit disappointed, Senator. But having sat through the other three bills, I'm kind of glad that we did because all those pertain to cities, and particularly Grand Island. So it was, I guess it was nice that I was able to be here to listen to some of the other testimony today. [LB383]

SENATOR WAYNE: We wanted to save the best for last. [LB383]

MARLON FERGUSON: There you go, absolutely. I see the crowd kind of left. I am testifying in support of LB383. I think Senator Quick outlined the perimeters of the bill, it really allows regular or alternate members of the planning commission of the first class or second class cities or villages to hold other municipal offices. I think initially this bill was the process came through the Nebraska League of Municipalities primarily for second class cities and villages, but I think there were some first class cities that thought that that would be appropriate for their cities as well. Of course, Grand Island is over 50,000, right at 50,000. We don't see a big issue with this, however, I have served on small communities, being Sidney and Aurora, both...one is a small first class city, the other is a second class city, and I saw where there was some issues with trying to find good folks who are qualified for specific boards and commissions that were also on the planning commission. So I think it is appropriate that we look at this legislation. As I mentioned, Grand Island I don't think has a problem now, but as I looked through this morning through all the boards and commissions that we do have 31 boards and commissions in the city of Grand Island. So over time you're going to find a situation where somebody sits on the planning commission and may be an expert on say animal control issue or some other board or commission that we have and would certainly be a valuable member of that board as well. So with that, I'll keep it short and just ask you to support this piece of legislation. I thank Senator Quick for the introduction of this bill and respectfully ask for your support. [LB383]

SENATOR WAYNE: Thank you. Any questions from the committee? Seeing none, thank you for coming today. [LB383]

MARLON FERGUSON: Thank you. [LB383]

SENATOR WAYNE: Any other proponents? [LB383]

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Urban Affairs Committee
January 31, 2017

CHRISTY ABRAHAM: Good afternoon, Chairman Wayne 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, and I'm here representing the League of Nebraska Municipalities. And we just want to echo what you've already heard. We are so grateful for Senator Quick to introduce this bill. The League board did unanimously vote to support this. This issue was brought to us by an attorney who represents some small communities and said that the current language in statute really was pretty limiting, that you couldn't be on the planning commission and serve on any other board and commission except the board of adjustment. And so this just opens it up to let those folks serve on a few more. I thought it was interesting that the legislative committee for the League felt very strongly that they didn't want people sitting on TIF boards and the LB840 boards and the planning commission, so we did put that language in so you can't sit on both. They felt very strongly about that, so that is included in the bill. And we also want to thank Senator Quick for the amendment. As he mentioned, I think that's already covered in the state law that you can't, as an elected municipal officer, serve on any other board or commission, but sometimes it's just easier to have it in the statute in which you're looking to make it absolutely clear. And so that's the reason for the amendment. And I will be happy to answer any questions that you might have. [LB383]

SENATOR WAYNE: Any questions by the committee? Seeing none, thank you for coming today. [LB383]

CHRISTY ABRAHAM: Thank you so much. [LB383]

SENATOR WAYNE: Any other proponents? Any opponents? Anybody in the room? Any other opponents? Any neutral testifiers? Seeing none, Senator Quick, you can close. Senator Quick waives closing. Just want to make for the record, city of Grand Island city administrator provided a letter of support for LB383 for the record. And with that, that will close the hearing on LB383. And this will also close the public hearing for today. [LB383]