

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

WAYNE: Good afternoon and welcome to the Urban Affairs Committee. My name is Senator Justin Wayne. I represent Legislative District 13, which is north Omaha and northeast Douglas County. I am the Chair of the Urban Affairs Committee. We will start off having members introduce themselves, starting with my left, Senator Lowe.

LOWE: John Lowe, District 37, southeast half of Buffalo County.

ARCH: John Arch, District 14, Sarpy County, Papillion, La Vista.

WAYNE: Also assisting us is our committee page, Katie Kissane. She's from Chicago, a political science major and sociology major, and we have staff members, self-introduction.

TREVOR FITZGERALD: Trevor Fitzgerald, committee legal counsel.

ANGENITA PIERRE-LOUIS: Angenita Pierre-Louis, committee clerk.

WAYNE: In light of the ongoing COVID pandemic, we respectfully request you to wear your mask. I have mine right here, but if you're testifying like I am talking right now, we ask you to remove your mask and make sure Transcribers and the committee members can hear you and understand your testimony correctly. This afternoon, we will hear one-- one bill and we will be taking this amendment up in this bill. If you wish to testify, please make sure you have a blue testifier sheet. Fill it out so we can hand it to Angenita so we can have accurate records. Please note that if you wish to have your position listed on the committee statement for a particular bill, you must testify during that position during that bill. And if you do not wish to testify but would like to record your position on the bill, please fill out a gold sheet near the entrance. Also note that the Legislature policy is that all letters for the record must be received via online comment portal by noon the day prior to the hearing. Any handouts, please make sure you have 10 copies. If you don't have 10 copies, please give it to the page before you come up so we can make-- make sure you have 10 copies while you're testifying. Committee for each-- testimony for each bill will begin with the introducer's opening statement. After the opening statement, we will hear from supporters of the bill, then from opposition, followed by those speaking in a neutral capacity. The introducer of the bill will then have an opportunity to close if they wish to do so. We ask that you begin your testimony by stating your first and last name and spell them for the record. We will be using the three-minute light system today. When you begin your testimony, the light will be-- turn green.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

It will turn yellow at the one-minute mark. And red, we ask you to wrap up your thoughts. I would like to remind everyone, including senators, to please turn off or silence your cell phones. With that, we will begin with AM1737. Welcome, Senator Hansen, to Urban Affairs Committee.

M. HANSEN: Thank you. All right. Good afternoon, Chairman Wayne and fellow members of the Urban Affairs Committee. I appreciate you being here this afternoon. I appreciate the committee's willingness to hear the issues today. For the record, my name is Matt Hansen, M-a-t-t H-a-n-s-e-n, and I represent District 26 in northeast Lincoln. I'm here today to introduce AM1737 to LB446, which is a straightforward amendment that would require the Governor to apply for federal funding available to Nebraska for a second round of emergency rental assistance. This amendment replaces the original language of the bill, which was chosen as a vehicle for this hearing due to its focus on housing funding. Some background. So last year, the federal government made emergency rental assistance available to states to help households struggling through the COVID-19 pandemic. Our state government contracted with Deloitte and partnered with the Nebraska Investment Finance Authority, or NIFA, to create our program and disburse the funds. Under this program, individuals are eligible for up to 12 months of back rent and three months of future rent up to \$20,000, which is paid directly to their landlords. Recently, the state has declined to apply for a second round of this funding, leaving over \$120 million on the table. That money has already been allocated and will simply go to other states if we fail to accept it. The spend down rate, excuse me, the spend down date for the second round of funding would be in 2025, which would give us three more years of this program. Currently, 48 other states have accepted the second round of funding. Our failure to apply for this money will have a direct negative impact on families in your districts. You may have heard that the first pot of money was underutilized, but this appears to be the result of issues with the application, lack of outreach and awareness, and the state's decision to define what the money could be spent on. These are all issues we can fix going forward, but only if we apply before the deadline. We know a successful state program is possible, as evidenced by the improvements to the Omaha and Lincoln programs and what they have made to successfully spend down their funding. Although we missed the first deadline, the Treasury Department has extended the deadline to March 30 of this year to give us a chance to change our minds. I hope you'll listen to testimony today from across the state, from folks who are on the ground in their communities and understand the urgency of utilizing these federal

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

dollars. Would like to thank them for being here today for their advocacy. The Governor has said his reasoning in not accepting the funds is that he-- because he doesn't see the need. I hope today, first and foremost, that that need comes through loud and clear. I'll note that, for the record, that any version of this bill moving forward will need an emergency clause in order to allow enactment before the March 30 deadline. I believe committee counsel has drafted some suggested language, which I'm supportive of. Additionally, I have noted I've handed out a few handouts that couldn't be made in time for the record. I would ask the committee members to look at them and consider them part of the committee record. With that, I am happy to answer any questions you might have.

WAYNE: Any questions from the committee? Senator Briese.

BRIESE: Thank you, Chairman Wayne. Can you say again how the existing funds were underutilized? I think you gave maybe three reasons there.

M. HANSEN: Yeah, so kind of-- so some of which is kind of difficulty with the application. People could speak to this in more depth. But when you compare the state application to the Lincoln application, I think the state application had basically more requirements. That partners with kind of an overall lack of awareness and outreach. There were people who were eligible who simply just didn't know they were eligible. And as well as kind of the final thing was we limited the dollars. We didn't necessarily apply it to everything we could. Some of the things you can do are, for example, utility assistance and other things that I think the state just could have spent the money on, but chose not to.

BRIESE: OK, thank you.

M. HANSEN: Yeah, you're welcome.

WAYNE: Any other questions from the committee? Seeing none, thank you for being here.

M. HANSEN: Thank you.

WAYNE: And just so the-- no, nevermind, it's at 1:30. I'm used to having other hearings going on. I was going to say people come and go to other hearings, but today's at noon. Welcome to your Urban Affairs.

ERIN FEICHTINGER: Twice in two weeks, how lucky.

WAYNE: Welcome.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

ERIN FEICHTINGER: Welcome. Chairman Wayne, members of the Urban Affairs Committee, my name is Dr. Erin Feichtinger, E-r-i-n F-e-i-c-h-t-i-n-g-e-r, and I'm the director of advocacy and policy at Together, located in Omaha, here in support for AM1737. As Senator Hansen stated, the U.S. Treasury currently has \$120,515,161.80 set aside for Nebraskans struggling to pay for their rent and utilities. And as you know by now, Nebraska is one of two states, we joined Arkansas, in not applying for this funding. It has been said there is not a need for this fund, and I think you will find today and in the coming days that this idea is categorically false. In your materials, you'll find a breakdown of the first round of ERA funds distributed by the state program broken out by county and legislative district. You'll hear the stories of these communities and their needs from the testifiers behind me. Just to give you an example of the need, in Douglas County Eviction Court this week, there were 135 hearings scheduled, the most since March 2020; 121 of those were for nonpayment. Our organization's experience in distributing close to \$8 million in ERA from the Omaha program since June 2021 and currently working through hundreds of requests for help, also undermine the argument that there is no need. Furthermore, the federal government has allowed for broader uses of ERA funds. Ten percent of the total that we receive can be used for housing stabilization services, which is a category intentionally broad and vague enough that we could creatively solve a lot of the larger issues around housing stability and for which ARPA requests have already been made to this body, thereby providing another funding source for us to address housing issues and-- in our communities and reducing the need for ARPA. It has also been argued that we should not apply for these funds because our existing process is too cumbersome. I want to be very clear that the federal government has, by design, allowed for broad flexibility in each individual program distributing ERA funds. The idea being that we would know our communities better than the federal government does. And this means that any inefficiencies in our state program are by our own design. And this means, too, that we can fix those inefficiencies. But we cannot do so if we don't apply for these funds. I might also point out that 15 percent of our total ERA applica-- allocation in the ERA 2 program can be used to cover any and all administrative costs associated with the program, including outreach, staffing, and technology. This 15 percent is an increase from the 10 percent of ERA 1 and is what we have used to cover the cost of our contract with Deloitte for our existing program, who, per the terms of their contract, could be paid up to \$8.9 million to design and implement an ERA program that has distributed just \$14.9 million to date.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

WAYNE: Can you wrap up your thoughts?

ERIN FEICHTINGER: Yep, absolutely. Just also in your packet taken from Nebraska's website, current eligibility requirements and eligible uses of the funds, you'll note that our current program does not explicitly require COVID impact in the same way that ERA 2 does not explicitly require it. But again, we have flexibility to do that. Thanks for your thoughtful consideration, and I am happy to answer any and all of your questions.

WAYNE: Any questions from the committee? Senator Arch.

ARCH: Thank you for coming to testify today. I have a question. I kind of stumbled on the-- the statement about Deloitte. They will be paid \$8.9 million to design and implement a program that distributes \$14.9 million?

ERIN FEICHTINGER: So the contract that the state signed the Nebraska Military Department and the Nebraska Emergency Management have signed this contract with Deloitte to design the program, assess and review all the applications, also maintain the records that need to be reported to the federal government, which are fairly minimal, and the contract allows for them to be paid up to \$8.9 million for this first round of ERA.

ARCH: Up to I guess is the--

ERIN FEICHTINGER: Up to, yes.

ARCH: All right, thank you.

ERIN FEICHTINGER: Sorry if I didn't make that clear.

WAYNE: You have to raise your hand [LAUGH]. Senator Hunt.

HUNT: Thank you, Chairman Wayne. So a lot of us have followed the Governor's comments about this-- this ERA funding. He has said that it's really cumbersome to apply for. But you've said that the federal government gives the states a lot of broad flexibility to use it. So can you tell me what is it that the federal government requires of states applying for this funding?

ERIN FEICHTINGER: Yeah. So the federal government does have certain reporting requirements right now for our current program. ERA 1 requires a monthly report from any of the programs. There's two questions in that report. It's a high level count of households

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

receiving assistance and also the amount distributed. Quarterly reports are required to the federal government. This is like a recipient profile so like we're the state of Nebraska; here's our tax ID; a project overview; recipients; subawards; direct contracts; and also any entity like a corporate landlord or something receiving over \$30,000 total from that program. And there would also be certain demographic data collected like race, ethnicity, sex, household size, how many months they're applying for, all stuff that you would collect in the normal course of the application. And really--

HUNT: So to you-- to you as someone who works in this field, is that cumbersome?

ERIN FEICHTINGER: That's not. The federal guidelines are not particularly cumbersome. I don't think we as a state and there's a testifier behind me who can speak more directly to the federal requirements. But the state has opted not to adopt the more flexible requirements that the federal government has offered to states such as fact-based proxies or not requiring as much documentation like pay stubs, income.

HUNT: And that's a choice.

ERIN FEICHTINGER: That's a choice that the state has made. So we designed our program, and that's why it is also within our power to redesign it. And I think the examples of Omaha's efficiency in distributing funds as well as Lincoln-Lancaster, you know, and that was in Omaha, particularly they distribute-- the city of Omaha immediately transferred it to an organization that had experience distributing funds like this and knew the communities that they would be distributing to. So we were able to design a more flexible program that has more efficiently distributed funding.

HUNT: Another thing the government-- Governor has said is that he thinks there's a lot of fraud in this program. What do you know about any fraud, if anything?

ERIN FEICHTINGER: So as of--

HUNT: Have you seen that in Douglas County or--

ERIN FEICHTINGER: As of February 2, from what I understand, there have been 843 applications flagged as fraudulent in the state program, which is about 13 percent. That said, only 20 of those, of that 843, have been sent ahead to the State Patrol for investigation. So I don't, you know, I don't know what exactly that says, but those 843

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

could have moved through the process later after follow-up to see, you know, maybe you typed in your address wrong or something like that. And other states have reported less than 1 percent of fraud. So either Nebraskans are particularly fraudulent actors, which I don't believe, or that's another, you know, process that we can work through in a second round of funding is figuring out what's going on there.

HUNT: OK. And another thing you mentioned was-- in this was housing stabilization services. Can you briefly mention what you mean by that?

ERIN FEICHTINGER: Sure. Again, the federal government has made that category broad, intentionally so to allow flexibility in communities to meet their unique and specific needs. What we've been able to do with 10 percent of funding from other programs, not the state program, but in Douglas County, we allocated 10 percent of the ERA 1 funds to the Nebraska State Bar Volunteer Lawyers Project to provide free legal-- volunteer legal counsel for people facing evictions, which has reduced our immediate eviction rate and allowed for a lot more, a lot more homeless prevention services than we've ever been able to provide. Lancaster and Lincoln have also recently made the same move. We could do things like staff for emergency housing programs. We could get creative and figure out, you know, do we need more case managers? Do we need outreach? Do we need someone, you know. Really, there's organizations behind me that would be able to talk about the programs that they run that this would be able to help, but that would be 10 percent of \$120 million, \$12 million for us to be able to figure out these situations that we wouldn't otherwise have.

HUNT: And I have one more clarifying question about the fraud. You said 20 cases out of how many were sent to the State Patrol?

ERIN FEICHTINGER: 843.

HUNT: 843 out of-- and how many applications were there total? Because you said 843 was like 13 percent.

ERIN FEICHTINGER: Yeah. So I think there's something like 67-- a little over 6,700 awards so far in the state's program as of February 9 and--

HUNT: And that doesn't include the, like how many applications?

ERIN FEICHTINGER: Yeah, I think the closest number that I could give you and I would-- I can get you the exact number and follow up with you, but a little over 11,000 since the start of the program.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

HUNT: So 20 out of 11,000 is not like an insane amount of fraud.

ERIN FEICHTINGER: Yeah.

HUNT: OK, thank you.

WAYNE: Any other questions from the committee? I have a few questions. Well, I got a lot of questions actually.

ERIN FEICHTINGER: I hopefully have a lot of answers. But I--

WAYNE: Douglas County and Lancaster aren't included in a lot of this data. Do you know why?

ERIN FEICHTINGER: Yeah. So the federal government allocated ERA funds to five different jurisdictions. So Douglas received money, Lancaster received money, the city of Omaha received money, and the city of Lincoln received money. Everything outside of that is the balance of state, which is covered by the state program. So that's where we're at.

WAYNE: So how would the second round impact Douglas-- Douglas and Lancaster County?

ERIN FEICHTINGER: I imagine it would look a lot like what we've just recently done with the statewide program, which is allocate-- reallocate \$84.7 million from our initial ERA 1 allocation of \$158 million. And how that breaks down is \$50 million is now in the city of Omaha's bank account, and the city council will vote on that on Tuesday to start distributing that quickly.

WAYNE: Well, because I see this number on this thing says 84.7

ERIN FEICHTINGER: 84.7 is being reallocated from the state's program.

WAYNE: OK. When I hear reallocation, that scares me. Can you walk me through what happened and why are we reallocating?

ERIN FEICHTINGER: Yep. When it became clear that we were not going to meet the Treasury thresholds for the first round of ERA 1, which I believe was 65 percent spent by September of 2021, and hopefully someone behind me can correct me if I'm wrong, we were asked to submit an improvement plan as to how to more efficiently distribute those funds in lieu of giving it back to Treasury. So could we figure out a way to more efficiently to get money to the Nebraskans who needed it? And what the state decided to do was to take \$84.7 million of that one

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

\$158 million and transfer it to the jurisdictions who were out of money. So Omaha has spent all of its ERA 1 and ERA 2 at this point to the tune of, I think, \$39 million since April 2021. So we're going to have \$50 million to redistribute or to-- to-- to continue to process applications because there's been a pause on them for the last two weeks.

WAYNE: When did Omaha run out of money?

ERIN FEICHTINGER: Well, I think we ran out of the ERA 1 and most of ERA 2 by probably November 2021.

WAYNE: And at that time, the state had plenty of dollars but didn't know what to do with it.

ERIN FEICHTINGER: Yeah, but they had-- to-- to their credit, they were already in the-- in the process of figuring out what the need was and contacting the other ERA jurisdictions and figuring out what their projected need was going to be through September 2022.

WAYNE: So this transfer of 84.7, that's federal dollars being transferred to those jurisdictions?

ERIN FEICHTINGER: Um-hum.

WAYNE: So by the definition of transferring \$84 million to those-- to those jurisdictions to disburse, isn't that like a prima facie case that there's still a need in those jurisdictions?

ERIN FEICHTINGER: I am not a lawyer, and I hope someone behind me can answer that question for you. I only play one on TV.

WAYNE: Otherwise we would have gave-- otherwise we would have gave the money back, right, I mean, at the end of the day?

ERIN FEICHTINGER: Right. That-- that is what would have happened and we-- that Treasury would have taken that money back and reallocated it to other emergency rental assistance programs because this money is not going to anything else except for other emergency rental assistance programs. So the idea being that they would transfer the money to places that needed the need-- that needed those funds, and if that's not in the state of Nebraska, it would have gone to a program in Des Moines or-- I can't name other cities at this point.

WAYNE: Right. So let me just get this right. We're going to pay them up to \$8 million to come up with the program. We got sent basically a

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

letter or something from the Treasury saying you need to have a needs improvement because you're not going to meet your threshold. And now their-- their idea was to reallocate it to the city of Omaha, who they also have a contract with to manage ARPA funds. Is that what I'm hearing?

ERIN FEICHTINGER: I don't believe-- I don't know the details of-- I know the city of Omaha has contracted with Deloitte to manage their ARPA funds, and I would not be able to tell you with any degree of certainty if that includes the management of Omaha's ERA distribution, since they have subcontracted to the Metro Area Continuum of Care for the Homeless.

WAYNE: And this is not, more of a statement. So we pay them up to \$8 million to get on a needs improvement plan to transfer money to Omaha, \$8 million. Give me \$2 million. I could figure this out a lot faster. OK. Anyway, so the last question I have is pretty-- pretty broad and pretty simple. What happens if we don't apply?

ERIN FEICHTINGER: This money will go to ERA programs in other states who need it. They will go to other jurisdictions. It will not remain in Nebraska because like, for instance, Omaha, Lincoln, like Lancaster and Douglas would not be able to be reallocated the money because it never came to us in the first place. So it would go to, I'm just going to pick on Des Moines, I guess-- Des Moines, Council Bluffs, other regional midwestern cities or really anywhere in the country that needs emergency rental assistance and utilities.

WAYNE: There were two young kids sitting over there, and I'm going to say this, they're not sitting there. I don't know where Paul went, but for anybody who doesn't believe one person can make a difference--

ERIN FEICHTINGER: Oh, no.

WAYNE: --this young lady right here has been contacting pretty much many people on this committee and has raised it to a level of where we're having a hearing. So one person can make a difference. Thank you for all your help.

ERIN FEICHTINGER: I was really just talking to Senator Arch about vacationing in Mexico.

ARCH: That's right.

ERIN FEICHTINGER: That's been our main subject.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

ARCH: I've got one other question.

WAYNE: Senator Arch.

ARCH: Thank you.

ERIN FEICHTINGER: It's not about Mexico, right?

ARCH: It's not about Mexico. This-- this question mean, I mean, maybe somebody behind you can answer this. Do we have information on-- on timing of these applications? In other words, did we see a rush of applications early and now it has-- it has declined? Has it been flat? Has it?

ERIN FEICHTINGER: So when it started, it was a rough process. I think-- I was checking my data from the last couple of months and I think by maybe July or August we had spent only \$4 million. So in the last couple months, there has been an increase. In the last week and a half or two weeks, we've distributed another million dollars, so it has increased the amount. I will tell you that when I ran the data for each legislative district two weeks ago, every single legislative district has seen an increase when I checked again yesterday and updated the numbers. And some of them have been fairly significant increases. In one, you know, there is one county that just got one application in, but that one application went to make sure a person stayed in their home and a landlord could pay their mortgage. So it's, you know, it all matters.

ARCH: OK, all right. Thank you.

WAYNE: Any other questions from the committee? Seeing none, thank you for being here.

ERIN FEICHTINGER: Thank you.

WAYNE: Next these two in the front, if you're going to testify, kind of move to the front so we can kind of keep it moving. Welcome to your Urban Affairs Committee and thank you for the drive to come down here.

KAREN RATHKE: Thank you.

WAYNE: How many testifiers do we have here? OK, thank you. Will you let him go next because they got to get back on the road? Thank you.

KAREN RATHKE: OK, well, thank you, Chairman Wayne and senators of the Urban Affairs Committee. I'm Karen Rathke, K-a-r-e-n R-a-t-h-k-e, and

serve as president of the Heartland United Way in Grand Island, Nebraska. I'm here to speak in support for Amendment-- AM1737 to LB446. The emergency rental assistance funds for our area is absolutely necessary to provide people in need of rental and utility assistance a short-term fix to stabilize housing. A letter of support signed by our board of directors has been provided to you. So the Heartland United Way is a local community impact and fundraising organization with a mission to improve lives and create possibilities for people in Hall, Hamilton, Howard, and Merrick Counties. With our mission in mind, the Heartland United Way began providing direct short-term financial assistance to help struggling people get their lives back on track and become self-supporting. The families we serve are working families in a fragile balance, living in a fragile balance of paycheck to paycheck and struggling with the cost burden of affordable housing. Their life problems escalate when a family experiences a disruption: illness, injury, loss of hours, loss of job. Rental and utility assistance is just one of the many ways local trusted partner-- providers can assist to stabilize housing during this disruption. The second round of ERA funds would benefit thousands of Nebraska families by truly providing them a lifeline as they continue to navigate their way through the pandemic and in this time of high inflation. At a local level, especially in the rural area or balance of the state, there are very limited resources to assist people with short-term assistance, so we could desperately use these dollars to help people. The need for ERA funds, which is great, should not be measured by use of the cumbersome online ERA application portal, which one of our landlords will speak to next and his reasons for that underutilization. Throughout the pandemic, our resources have disproportionately shrunk, while the need for resources have increased. To illustrate, in 2020, we assisted 664 households with \$429,000, meeting 80 percent of the need. In 2021, 529 households totaling \$217,000, meeting 40 percent of the need. And in the first five weeks of 2022, we average five to eight applications a day and have assisted \$38,000, but have left unmet need of \$17,228 because we do not have the dollars. About 50 percent of the applications are from people who have never applied for assistance in the past. Across the state, whether you're a United Way, a community action agency, a homeless shelter, or a domestic violence shelter or numerous other providers, there's 120 million reasons to apply for these funds and trust in the dedicated service providers to do the right thing in meeting the need that's here. So we are strongly advocating for AM1737 and also a reconsideration on not using the state portal system, but trusting local people, boots on the ground who then can provide support services, refer people to food, mental, medical, other kind of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

housing stability programs, education programs, other opportunities. And so we just ask that consideration and I'm happy to answer any questions because I was kind of biting my tongue on some of those questions you had just to represent the balance of state because we have no dollars, no dollars. We have no ERA funds. The only way people can access in the whole balance of the state any of these ERA 1 funds are through this portal and it takes hours for people to go through.

WAYNE: We'll get you-- I'm sure somebody is going to ask you that question.

KAREN RATHKE: Yes. [INAUDIBLE]

WAYNE: Any questions from the committee? Senator Hunt.

HUNT: Thank you. I have-- I have a question for you. But do you want to just finish that thought about the portal?

KAREN RATHKE: Well, I was just going to say that we assist a lot of people to navigate that portal, as would-- Andy would attest. And we have no dollars to even provide that assistance to help them do this hour to two and a half hour long process because there are so many documents that you have to upload and the landlords have to participate. And if they don't, then the checks go directly to the tenant, which is kind of an interesting process in and of itself. But the original first dollars that came out during the COVID pandemic were CARES dollars, and they were distributed to a lot of the nonprofits who were doing this work. They got them out quickly. We spent every one of them and they, you know, did a lot of really great things.

HUNT: And we didn't need a portal to distribute those funds.

KAREN RATHKE: We didn't need an \$8 million contract to do the work that we're doing. I mean, \$8 million for all the nonprofits in the balance of the state would have been an amazing investment.

HUNT: So we have this demonstrated need by the number of people trying to use the portal, but we haven't spent all of the funds. Can you speak to why that is?

KAREN RATHKE: Not without my blood pressure going up. [LAUGHTER] You know, the only resources that we have when they looked at redistributing or re-- you know, an improvement plan, they never once came to any of our providers that were doing the work and needed these funds. The conversations, you know, happened at a-- at a different

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

level than at the local level. And so we are really in a famine. We have \$9,000 in local dollars to assist and we run out the third day of the month. We do have some local CDBG dollars, so it has a lot of the other regular federal guidelines and reporting, and we do all of that. We ask for pay stubs. We ask for a COVID test just because our dollars are so limited. We want to make sure we're doing the right things with those dollars. And so these dollars really are a lifeline to Nebraskans. And in the more variant, you know, with the "contagiency" of this Omicron variant has had more people become sick, more children miss school and have to stay home, so a lot of less hours working and they're all coming to us saying we don't have the money for rent. We don't have the money for food, for this car repair, whatever it might be, because they unfortunately live paycheck to paycheck. And those are the people we need to help. And it's hard.

HUNT: One thing we've heard from the Governor is that we have-- we have resources from ERA that haven't even been allocated yet. And do you think that-- are you saying that like some of the reason for that is that people aren't getting through the portal for you to allocate those funds or what is the?

KAREN RATHKE: Well, there's those funds. There's funds left in the portal from my understanding, but there is still \$40 million, maybe 32, so there's a pot of money--

HUNT: OK.

KAREN RATHKE: --that have not been allocated that have to be spent, to my understanding, by the end of September. And we would desperately appreciate having some of those resources. And-- and on behalf of the people that need this and they're not-- we-- by trusting local providers, we know, we have relationships with the landlords, with the utility companies. We know those dollars are going directly there. We see the eviction notice, we see the disconnect notice. There's, I wouldn't say zero chance of fraud, but we vet it as closely as we possibly can. And I'm sure all the other providers do the same. But we didn't have the chance with these ERA funds like Lincoln and Omaha did; and it's burning a lot of service providers out, myself included. I-- I take applications that's not, you know, and it's just because there's a need. And every time you have to turn somebody, no, and they have kids in front of you--

HUNT: Yeah.

KAREN RATHKE: --can't do it.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

HUNT: Yeah. Thank you, Ms. Rathke.

WAYNE: Any other questions from the committee? Well, I thank you for your work, and I thank you for driving all the way up here. You have a senator who made sure you were going to be testifying first so you can get back on the road so.

KAREN RATHKE: Yes.

WAYNE: Thank you.

KAREN RATHKE: I'm happy to be here. Happy to have one of our landlords to speak to the portal system.

WAYNE: Thank you.

KAREN RATHKE: Thank you.

WAYNE: Next-- next proponent. Thank you, Dave. Welcome to your Urban Affairs Committee.

ANDY MARSH: Thank you for having me. My name is Andy Marsh, A-n-d-y M-a-r-s-h. I own and operate Keystone Properties. We're in Grand Island, own roughly just shy of 600 properties between Hastings and Grand Island. I'm here to speak about the ERA process that we went through and experienced. Some may want-- and I-- my properties fall on the balance of the state that we refer to. So some of that \$84.7 million, my understanding, got reallocated from my area, balance of state, to other areas. I started in early on in 2020 with the portal, and that's since I'm in balance of state, we are required to use the portal. The portal at that point was cumbersome, time consuming, and assumed certain criteria. It assumed that my tenant had a working cell phone. It assumed they had a laptop or interconnect-- Internet connection or lights and electricity on at their apartment to complete. It assumed they had transportation to go to a local library to complete the portal. Those are some of the things that we ran on early on with the portal, and I just printed off this morning. I've still got two pages of applications out there that have either-- I'm having to work through appeal process or are in review and trying to get answers. Our application process, has been told, is different from Omaha/Lincoln. Our funding pools are different-- different from the Omaha and Lincoln area. Early on what Mrs. Rathke spoke about was the COVID funds that were directed to local and entrusted agencies within our region that were divvied up worked well. It rehoused and kept people from becoming homeless. But with the portal situation, I've got a couple of examples as to why the system has-- has failed. We-- I

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

put-- I reallocated my staff, bought them laptops to go out and knock on doors and help these tenants out through this process to make sure that they could stay home or not become homeless to get the portal, the applications processed. Most recently, honestly, because I know I'm running out of time, but one case in point we had one of my tenants who was deployed; when returning to the states was promised a job. When returned, that job was eliminated due to COVID. She was out, unemployed. She's also within and serves the Nebraska Guard, went through, went to her house, helped her get applied and was denied because the state recognized her National Guard pay, which was minimal, as a disqualifier. And I had to work through her-- her and I worked through the portal system for six months to get her her rent and finally-- finally did. But the first application that I--

WAYNE: [INAUDIBLE] interrupt you.

ANDY MARSH: --went through and submitted in January--

WAYNE: We're trying to keep time restrictions.

ANDY MARSH: Yep.

WAYNE: But I'll ask the first question. Can you finish your story?

ANDY MARSH: The first applicant-- the first application submitted was early and right when the portal came out. I didn't receive a first check for assistance until May. It was a six, five- to six-month waiting period.

WAYNE: For-- for one person.

ANDY MARSH: That was the first application.

WAYNE: What was-- what was the time gap you felt on average the time gap between application, appeal, and final? And then what happens to those individuals who you rented to as you eat that cost is the other part?

ANDY MARSH: I think there's multiple answers there, Senator Wayne. Number one: Me, my staff, and tenants had to call in to babysit the application. There was never follow up. There was never a call back, an email from the company administrating the system. Sometimes they were as little as, you know, hey, you were missing a photo of your ID. It didn't come through clearly. Well, we didn't know that. That would have sped up, you know, we waited 45 days to call in and sit on hold for three hours to find out that was what we were waiting for. So then

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

it started the process all over. It was another 45 days. Sometimes those cases, then oh, your pay stub didn't come through clearly, minute details that delay the process. Others were just, you know, some mistypes, you know, email mistypes, OK, human error factors. The process that we started early in January of 2020, I don't know the timing. My understanding was when we were waiting and waiting and waiting and waiting, making multiple calls, we were getting sent to a call center in Texas. People in the call center in Texas couldn't give us answers. Finally, Mrs. Rathke-- I served on her board. At some point we got-- and I served on our homeless shelter board for six years in-- in Grand Island as well. So I'm close to this side of humanistic and I want to keep people housed. I was able to get a contact at NIFA and that's honestly what probably set me aside from any other landlord in the balance of the state was I made that connection, was able to [INAUDIBLE] to email and communicate with that individual directly. It felt as though I was getting praf-- preferential treatment, but I was going to use it to make sure I was not putting people on the street. They were able to manipulate behind the scenes to expedite some, some systems. So I-- it's been cumbersome.

WAYNE: Questions from the committee? Senator Brieese.

BRIESE: Thank you, Chairman Wayne. Thanks for coming here today and testifying. What percent of your tenants access ERA funds, or rely on them?

ANDY MARSH: I would say right now this is a close estimate, probably 12 percent.

BRIESE: 12 percent. It's still quite a few people though, isn't it?

ANDY MARSH: Yes, and I've got applications that I met with yesterday to help get applied. It-- you know, we applied for one and got applied here about 27 days ago, and I got the check in the mail yesterday.

BRIESE: OK, OK. Thank you.

ANDY MARSH: Just--

WAYNE: Any other questions from the committee? Seeing none, thank you for being here.

ANDY MARSH: Thank you.

WAYNE: Next proponent. Welcome to your Urban Affairs Committee.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

DAVE PANTOS: Thank you very much. Chairperson Wayne, members of the committee, my name is Dave Pantos, D-a-v-e P-a-n-t-o-s. I'm testifying in support of AM1737 in my capacity as a volunteer attorney with the Nebraska Tenant Assistance Project or TAP in Douglas County. I've been a member of the Nebraska State Bar since 2006. I've been a lawyer for 25 years total, and I volunteered with TAP since last summer, working with tenants facing eviction and homelessness every week in Courtroom 20 in Douglas County's County Court. TAP brings together a nonpartisan group of volunteer attorneys and other volunteers in the community to stem the onslaught of eviction filings since the end of the CDC eviction moratorium in August of 2021. I'll be as straight as I can be. Nebraska residents need these funds considered by AM1737 to prevent a tsunami of homelessness in our communities. Since the CDC eviction moratorium ended, the availability of ERAP funds has been the primary tool we volunteer attorneys have had at our disposal to prevent our clients from being evicted. The contrast is stark. When a tenant has no representation and no access to these funds, their eviction hearing will usually last about 60 seconds, and the next step for them is a sheriff's deputy removing their belongings from their home. When volunteer attorneys are available, as well as ERAP funds, evictions are prevented over 90 percent of the time. It's true. The ERAP funds have allowed me, a volunteer attorney with limited prior experience in landlord tenant law, to successfully negotiate with landlord attorneys and property managers just a few extra weeks of time with the expectation of that funds transferred from ERAP. Since August, I've prevented approximately 50 evictions this way. If Nebraska prematurely ran out of these funds due to the failure to apply for them, I as a volunteer attorney will similarly run out of arguments to keep my clients housed. ERAP funds can benefit tenants, the community, but also landlords. These funds keep the rent paid so that landlords can count on being able to pay their bills too. I applaud Senator Hansen for sponsoring this legislation, and I urge this committee to pass it. Let's keep these landlords paid and keep these tenants housed. Thank you very much, and I'm happy to answer any questions.

WAYNE: Any questions from the committee? On average, what are you seeing on Thursdays, sometimes other days in the courthouse, but on average, how many evictions are you seeing due to lack of payment?

DAVE PANTOS: Oh, so these are the seven-day notices. We're getting to the point of like 60 or 70 eviction cases per day, four days a week in Douglas County. It's-- and it's-- it's going up. Yeah, as soon as that eviction moratorium ended--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

WAYNE: Right.

DAVE PANTOS: --exponential.

WAYNE: I used to see you at the courthouse a lot so, yeah. Any other questions from the committee? Seeing none, thank you for being here today.

DAVE PANTOS: Thank you very much.

WAYNE: Next proponent. Welcome to your Urban Affairs.

ALAN DUGGER: Thank you, Senator. Good afternoon. My name's Alan Dugger, A-l-a-n D-u-g-g-e-r. I'm a student attorney for the civil clinic at Nebraska Law. I'm testifying and speaking on behalf of AM1737 in my personal capacity as a student of the law and housing advocate. I've been volunteering in the Lancaster County Tenant Assistance Project daily since the summer of 2020, right at the height of the first wave of the pandemic. I'm probably one of the few people who have seen how eviction court proceedings have evolved over the course of TAP's existence. In my short legal career, I have helped countless families avoid eviction. I can tell you the most effective tool we've ever had to keep families housed is the Emergency Rental Assistance Program. It is the only thing that has held back a storm evictions in Lincoln, where hundreds are being filed every month. The ability to offer rental assistance only to landlords has utterly changed Eviction Court Lancaster County. Now, tenants are routinely able to remain in their homes and repair their relationships with their landlords as opposed to being evicted immediately and often forced into homelessness. It has been a sea change in the eviction realm and the positive outcomes we regularly achieve. The most common scenario for us is a win-win for both parties rather than a contentious hearing. That's incredible when you consider how litigation usually goes. And I think all Nebraskans should have this opportunity, not just here in Lancaster or Douglas Counties where ERA funds are being allocated separately. The Governor's refusal to accept these funds denies the possibility of similar outcomes to Greater Nebraska families and landlords for no coherent reason. As every testifier has stated in Greater Nebraska, there's far less money and far more barriers to access here, and that's not equitable. It's a misnomer that there's no need for these funds. Nebraskans need to get back to work. Our unemployment rate here is 1.7 percent. We don't have any problems in Nebraskans being unwilling to get back to work. So the most common tenant we see in Lancaster County is someone just one month behind, having fallen behind long ago due to illness or job

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

loss. The tenants are usually employed when they come to us. They're living paycheck to paycheck and that means they never catch up and they never will without help. The Sword of Damocles of rental eviction sits dangling over their heads until their landlord files suit. Being behind on rent means eviction is not a matter of if, it's a matter of when. These are working families that need help recovering from an ongoing pandemic. It is senseless and ruinous to deny Nebraskans this aid. I cannot think of one good reason why we'd refuse this tool to divert evictions that would keep families housed and allow landlords to pay their bills. I ask this committee to signal its support for accepting these funds on behalf of all of us. Thank you.

WAYNE: Thank you. Any questions from the committee? Seeing none, thank you for being here today. Next proponent. Welcome to your Urban Affairs Committee.

SARA MEADOWS: Thank you. Good afternoon, Chairperson Wayne and members of the Urban Affairs Committee. My name is Sara Meadows, S-a-r-a M-e-a-d-o-w-s, and I am the director of the homeless prevention and diversion at Heartland Family Service in Omaha, Nebraska. Through our homeless prevention and diversion programs, we work with individuals and families who are experiencing a housing crisis and will soon face eviction and homelessness, if not for supportive services or financial assistance. During the past 20 years, I've worked with individuals and families who live near or under the federal poverty line in both Omaha and Lincoln. I've served on the Governor's Commission on Housing and Homelessness and the vice chair of Lincoln Homeless Coalition. Through these experiences, I have seen how cuts in funding negatively affect those in need by removing essential services. Today, I'm here in support of AM1737, a call to action opposing Nebraska Governor's decision not to accept additional state of emergency rental assistance, and would like to thank Senator Hansen for bringing forth this amendment. Our failure to apply for ERA 2 will directly impact communities across Nebraska. If the deadline passes without us accepting these funds, we will lose three years' worth of assistance. Community organizations providing financial assistance to struggling Nebraskans will lose a critical line of funding and be forced to rely on extremely limited funding. The current statewide ERA program ends September 30 of this year; and a valuable lifeline for renters, rental housing providers, and communities will be gone. Allowing this money to be allocated to another state would be irresponsible, unfair to Nebraskans, and could lead to catastrophic outcomes. Currently in Heartland Family Service, we have over 1,000 unanswered calls on our homeless prevention line and 500 unanswered calls on our homeless diversion line. Although dedicated staff work tirelessly to assist

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

everyone who is looking for some hope, we cannot fully meet the current level of need, let alone the demands that the future will hold. Our community is in desperate need of these ERA funds that the government is offering citizens of Nebraska. Also with the eviction moratorium coming to an end, we have just begun to see an increase in requests for financial assistance. We have not yet witnessed the lasting effects of COVID-19 on many Nebraskans. If we do not apply for these funds now, we'll see an influx of adults and children seeking assistance through our shelter providers who are currently overwhelmed and already serving to their maximum capacity. The funds we're requesting today can significantly reduce the number of children and adults, some of the most vulnerable Nebraskans, from entering homelessness. The money that AM1737 will allow us to receive will keep families and individuals housed, reduce the trauma that so many have experienced this global pandemic, and help service providers-- help service providers increase our clients' stability and self-sufficiency. We urgently seek legislative support to require the state to apply for these ERA funds and urge you to vote in favor of this amendment. Thank you for your time, and I'm happy to answer any questions.

WAYNE: Any questions from the committee? Seeing none, thank you for being here today.

SARA MEADOWS: Thank you.

WAYNE: Next proponent. Welcome to your Urban Affairs. Good to see you.

MAHAMED JIMALE: Thanks. Thank you. Good afternoon. My name is Mahamed Jimale, M-a-h-a-m-e-d, my last name, J-i-m-a-l-e. I am representative of East African Development Association of Nebraska. It's a nonprofit located in Omaha, Nebraska. Basically, the community we serve are mostly refugees from East African countries. I would like to support for AM1737 because ERA funding. A lot of my community worry about getting-- becoming homeless if they do not accept this funding because the people we represent mostly are single mothers. And some of them, they are feeling that they will be becoming homeless because some of this we don't manage for ERA funding. But we basically support families for application process to get approval. We submit at different agencies in greater Omaha, but we have a small program called HPS that's a homeless prevention program that we support these families. So I would like to support for this AM1737. If this isn't accepted, I'm sure a lot of families from my community will facing challenge for becoming homeless because they are very vulnerable people due to their body language, they don't speak English, they

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

are-- they speak in their own language. And they have, some of them, they worry about if they become homeless who could of be supported because they don't have extended families in Nebraska. They just started for new American people, they just start a new life in Nebraska, state of Nebraska. So they don't have extended families. So I would like the state to support this program so my-- my-- my people will get some support from this program so they can still have their own house or their apartment, so they continue life. So basically, that's why I'm here today. Thank you so much for you doing this, supporting this thing. Thanks so much.

WAYNE: Thank you. Any questions from the committee? I still owe you an email and a call so we'll get in contact.

MAHAMED JIMALE: Thanks.

WAYNE: Thank you. Next proponent.

KAREN BELL-DANCY: Good afternoon, Senator Wayne and members of the Urban Affairs Committee. My name is Karen Bell-Dancy, K-a-r-e-n B-e-l-l-D-a-n-c-y, and I am the executive director of the YWCA of Lincoln. The mission of the YWCA is the elimination of racism and the empowerment of women and the promotion of peace, justice and dignity for all. We fit in this Lincoln community. I know we've heard so much about Omaha this morning, but with Lincoln, we've been here over 135 years. We are part of a national network that serves over 200 million individuals in the U.S. nationwide. I am here today in support of AM1737. I also want to express my gratitude to Senator Hansen for introducing this very important amendment. Housing is a basic human right, but there are thousands of families right here in our state, including here in Lincoln, that struggle to pay rent along with other basic needs. We see these families coming into the YWCA daily. Forty percent of American families report that they face an unexpected expense of \$400 or more-- if they face one of \$400 or more like a breakdown in a car or a medical emergency, they would be unable to pay their bills. That is especially true for those who participate in our YWCA programs. When a family receives an eviction notice, it sets off a downward spiral that becomes harder and harder for them to recover from. An eviction record threatens the family's ability to form-- to fund future housing. It causes them to lose possessions and damages their credit. The impacts to an individual's mental health, children's education, and the threat of homelessness are very real. Throughout the pandemic, many individuals who participate in our programs have applied for and received emergency rental assistance bonds from the city of Lincoln. Many more are eligible for assistance but have not

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

yet applied. When emergency rental assistance is paid out, landlords receive a family's back rent owed to them and then several months of future rent. This provides the tenants with time to get back on their feet and avoid eviction. Officials at the city of Lincoln predict that given the amount of need in our community, the remaining rental assistance funds will only last to the end of the year. In the interest of time, I would just like to sum up that we were one of the organizations that received some of the CARES funding. We applied for and we received \$70,000. I wish we had applied for more. That money was immediately allocated out to support families within five months. The need continues to come to our door. We don't have those funds. I do wish that we would apply for the additional funds and those funds come back into the nonprofits for us to get those out to the citizens that need it here in our community.

WAYNE: Thank you. Any questions from the committee? Can you-- this is an unfair question. Can you kind of demonstrate, like right now the number of calls or how-- how many people you're hearing, just an estimate? I hear from Omaha kind of what the need is.

KAREN BELL-DANCY: Yes. Well, through our community and family engagement, we receive about 40 requests a month and it varies. Sometimes there's like at least 10 a week and they-- and it spans the gamut with-- with housing, with basic needs. It's deodorant, it's toothpaste, it's mileage assistance. It's all those things.

WAYNE: OK. Thank you.

KAREN BELL-DANCY: Yes.

WAYNE: Other questions from the committee? Seeing none, thank you for being here today. Next proponent.

KAREN BELL-DANCY: Thank you.

WAYNE: Welcome.

TINA ROCKENBACH: Welcome. Thank you. Good afternoon, Chairman Wayne and members of the Urban Affairs Committee. My name is Tina Rockenbach, T-i-n-a R-o-c-k-e-n-b-a-c-h, and I'm the executive director for Community Action of Nebraska. We are the state association of Community Action, representing all nine of community action agencies in Nebraska, serving all 93 counties. I'm here to testify in support of AM1737 as it relates to emergency rental assistance. Since the inception of Community Action in the '60s, we've been the expert network working to assist individuals and families out

of the effects of the cycle of poverty. I understand that our unemployment rate is low and is used for the basis of making some of these financial decisions. However, that is not the only factor we should be gauging need by. I agree our economy is showing a rebound and we're slowly moving towards normalcy. However, we have a ways to go. And if we limit additional funds to help Nebraskans get caught up on their rent and utility balances, we're only willingly feeding that cycle of poverty in a pandemic environment. If you look at the handout I've provided with my testimony, this is a very quick snapshot of Community Action's efforts to help citizens with rent and utilities. These totals are by agency for approximately the last six months, and they represent all of our sources of revenue, including CARES money and assistance that are separate and above and beyond any state level ARPA, Emergency Rental Assistance that would be available through the portal process. These numbers also do not include the number of clients our agencies have assisted in completing those applications for that state level Emergency Rental Assistance through the portal. You can see by these astronomical numbers how the load on our agencies will increase the second round. And I might also note that while we have CARES money right now, the end of September, that goes away, and that's really what's helping us keep some of these people in their homes. I surveyed all of our agencies and you can see my pie chart on the bottom. Six out of nine of the agencies right now are reporting an increase in requests for rent and utilities. And among this influx, seven of the nine agencies are reporting that the steady influx of requests is higher than pre-COVID, so higher than the norm. A lot of what we're hearing from our agencies is the majority of these families are working or getting back to work. However, their balances are four to six months in arrears. And with the portal system, it's, as we've already heard, is-- is a cumbersome process, but it's also a long approval process. So some of our agencies are scrambling to try to help with what we can, because by the time they're getting an approval back through that process, through that portal, it's too late. They're already getting eviction notices, things like that. Along with that, our agency, everything is eligibility by the federal poverty level. Our complications and our struggles, challenges have been complicated by the federal poverty level being back down in Nebraska to 125 percent where federally right now, temporarily, that is allowed for a state to stay at 200. So just to kind of wrap up my thoughts, I'd be happy to answer any questions that you have and you have the rest of my testimony there.

WAYNE: Any questions from the committee? Seeing none, thank you for being here.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

TINA ROCKENBACH: Thank you.

WAYNE: Welcome to your Urban Affairs Committee.

MEGAN McCAUL: Hi. Thank you. My name is Megan McCaul. It's M-e-g-a-n, last name spelled M-c-C-a-u-l. I am a single mom of three kids, two of them with disabilities, and one is going to the Shriners to see if he needs further evaluation. I have been heavily affected by the pandemic. My children go to school and day care and, sorry, when their day care shuts down for two weeks, I take my kids out, both of them, because it would be one room. Another, as soon as they get back, that room gets shut down because they were exposed to COVID. So that's one month of me not being able to work. So therefore, I've lost several jobs during this pandemic. And right now, I'm sorry because I just got a letter on my door saying that I have 30 days to come up with my rent or I'm evicted. So it's kind of been a stressful day. So because I have children with disabilities, I do have to miss work a lot. I think this is going to be a really good thing for especially families like me who is really trying to provide for their families and just, I need to live. I need to live. I do work. I love to work. If I could, I can work all the time and just hope that my kids are happy and healthy. But I don't have that option. I have a special heart for kids. I was a day care teacher for a long time and I've seen kids that are struggled, lived in cars. I-- I give them rides to the mission when I've seen them walking down the road. So it is hard being a parent, especially during a pandemic, is really, really hard and very frustrating. And I just really hope that we can have the extra three years so we can come back from this because I'm still struggling. I've had COVID a couple of different times. My children had it once. My son has been pulled out of school, is now behind on his education. He has to go to-- he has to go speech therapy now because he missed so much of his speech therapy in school. He's also getting screened for autism just because I've noticed some things that are not quite right. He has ADHD and then he requires so much doctors and medicals and stuff like that. And I miss work and it's-- it's not ideal. And I take the bus, too, because I lost my car. After I lost my job, it got "repoed." So now I spend about five to six hours on a bus transporting everybody. So I have an hour to myself to try to find a job because the Lincoln bus system is not really feasible for a single parent. And I try to apply for other help to get them to and from day care or school also. And if I do have any extra money, I do get food assistance and I have a gluten free allergy. My-- so does my son. He-- we have celiac, so all that extra money that I have if I run out of food stamps has to go, and a box of macaroni and cheese for regular people is 99 cents. For me, it's \$2.32.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

WAYNE: I have to ask you to wrap up.

MEGAN McCAUL: So again, I just really hope that we can make this work and help families, not just me.

WAYNE: Thank you.

MEGAN McCAUL: Thank you.

WAYNE: Any questions from the committee? Seeing-- Senator Hunt.

HUNT: I have no questions. I just wanted to thank you for coming to speak with us because in the Legislature, we hear from a lot of organizations and nonprofits and lobbyists, and it's hard to get people in here during the workday to share their personal experiences. So I wanted to-- I don't want you to leave without having that acknowledged. So thank you for that.

MEGAN McCAUL: Thank you, guys, so much for your time. I really appreciate it.

WAYNE: No problem. You have a great day.

MEGAN McCAUL: Thank you.

WAYNE: Any other questions? Seeing none, next proponent.

TANYA GIFFORD: Good afternoon, Chairman Wayne and committee. Thank you for allowing us to have testimonies today. Tanya Gifford with-- the executive director of Lift Up Sarpy County. I come to you today as someone who was financially impacted by COVID and had to reach out for assistance and as a community partner in helping so many other families with their needs. Lift Up Sarpy County is blessed to have almost 100 collaborative partners we get to work with daily to address those life challenges people face in Sarpy County. The flood of 2019 permanently took away about 300 homes from our families in Bellevue and damaged thousands more. What we didn't know was this would only be the preface to the story, and COVID would be the next chapters in what could be a horror-- horror story. Sarpy County is the fastest growing county in Nebraska and perceived to be economically independent and not in need of any financial assistance. Just two weeks ago, though, volunteers gathered to do a point-in-time count of the homeless population. Senators, just my report to them of the families that I knew about in Sarpy County was 13 families at a local hotel, all victims of evictions and/or domestic violence; 3 families living out of their car in the Gretna Walmart; and 7 other families at the truck

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

stop. By the end of the count, they had confirmed over 70 homeless individuals. Sarpy County, where everyone takes care of their own and money is no object, doesn't seem so true. Since the inception of ERAP, over \$4.9 million has been allocated to families in Sarpy County. Lift Up Sarpy, with our collaboratives, have awarded out an additional \$1.5 million. Our own county has only allocated \$500,000 of their \$38.6 million in ARPA funds through Sarpy County Human Services to address the needs. The rest is all grant funding and private donors. So it's no surprise that the Governor doesn't understand the need because we are battling our own county on the extent of the need. ERAP, as of the end of January, had assisted 2,019 applicants since the inception in Sarpy County. Yet we, as a collaborative, answered 1,757 referrals just in January. So many applicants don't even know that ERAP is out there because the news channels and social media reference Douglas and Lancaster County assistance programs and not the remainder of the state. For those that do know about ERAP, many find the process frustrating or have technical challenges that cause them to just give up and call us. These calls for help are recently being turned down unless they have a seven-day letter or an actual eviction court date due to the depleting access to funds. Senators, if we do not get the second round of ERAP, we in Sarpy County will not be able to prevent thousands of families from eviction and possibly homelessness. The second round allows for what Erin had talked about earlier as case management and funding for low-income housing projects. The first round didn't allow any flexibility in those areas. It's kind of like helping an addict. We send them to treatment and we expect once they leave treatment, that they're going to automatically be better. That's not the case. We can't put a Band-Aid on these families and just make a payment and expect that everything's going to be better. Let's take the second round of ERAP and invest in the future, invest in getting families sustainable instead of just putting a Band-Aid on the problem that's not going away anytime soon.

WAYNE: I need you to wrap up.

TANYA GIFFORD: I'm asking you today to turn this horror story into a feel good success story. Let the chapters include stories about families staying in their homes, caseworkers helping out and closing files, and getting this low-income housing crisis taken care of. Thank you.

WAYNE: Any questions? Senator-- Senator Lowe.

LOWE: Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

TANYA GIFFORD: Yes, sir.

LOWE: For the Transcribers, could you spell your name, please?

TANYA GIFFORD: Absolutely. Sorry about that. T-a-n-y-a G-i-f-f-o-r-d.
Thank you, Senator Lowe.

WAYNE: You could have sent me a note, Angenita.

ANGENITA PIERRE-LOUIS: I did [INAUDIBLE]

WAYNE: Oh. Thank you.

TANYA GIFFORD: Thank you, Senator Wayne.

WAYNE: Both me and Trevor missed it. Sorry.

LOWE: Lowe saved the day.

WAYNE: Welcome to your Urban Affairs Committee.

SCOTT MERTZ: Thank you. Thank you, Senator Wayne. Thank you, Urban Affairs Committee. My name is Scott Mertz, S-c-o-t-t M-e-r-t-z. I am the director of Legal Aid of Nebraska's Housing Justice Project, and I have extensive experience representing low-income tenants over nearly 13 years. I've experienced both as an individual, practicing attorney, and collectively with my entire Housing Justice Project team representing low-income tenants all across the state. I thank you for the opportunity to appear today in support of AM1737. And I also want to specifically thank Senator Hansen for using this amendment and inviting Legal Aid of Nebraska to testify today. Included in the material is a bit of background of our organization, which again is the only statewide provider of free legal service for low-income Nebraskans. One of our priorities is housing, and our primary goal at the Housing Justice Project is to ensure that all Nebraskans are able to preserve quality, affordable housing. That's what we strive for. We strive to provide quality defense and eviction actions all across the state. But legal representation alone is often inadequate to prevent an entire family from becoming homeless. Households ultimately do need rent money in order to be housing secure. That's why all of our clients at Legal Aid of Nebraska have benefited from this Emergency Rental Assistance program. Without the money to pay not just accrued rent, but also accrued late fees that can really pile up and add to the balance of money due, our attorneys may be able to delay eviction, make arrangements to voluntarily move out at a later date. But there is no long-term solution to housing insecurity without this financial

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

component. With the availability of ERA funds, our attorneys are able to combine legal representation with the financial aid in order to keep families in their homes permanently. We have seen this work. We see this work every single day. We have helped families delay eviction proceedings so that they can then access the rental assistance necessary to get caught up. As testifiers have already accounted for, the process can take time. With the combination of getting that time in court, people can get connected to this money, and this money can actually keep people housed and prevent the eviction entirely. There is need for this money and the need is going to continue so long as there are low-income renters that suffer any manner of financial hardship in these coming years. If there were no need, we would not see eviction numbers continue to rise all across the state, not just in Douglas County or Lancaster County. And while it is unfortunate that the eviction numbers are increasing, there is no doubt in my mind that those numbers be far higher than they are at their current levels if there was no Emergency Rental Assistance funding on the ground. That money has done tremendous work to keep the numbers low, keep them manageable to the extent that people can connect with attorneys and attorneys can actually provide adequate representation and connect people to the ERA funds. I do not wish to be duplicative of testimony that's come before, but we at Legal Aid of Nebraska see the need because we hear from people all across the state, not just in Omaha or Lincoln. And we have connected people to this-- to this assistance program, and it has benefited people demonstrably. So with that, if there are any questions, I'd be happy to answer them.

WAYNE: Thank you. Any questions from the committee? Senator-- Senator Briese.

BRIESE: Thank you, Chairman Wayne. Thanks for your testimony here today. You're on one side of the eviction process. Any ballpark guess or estimate as to what the eviction process might cost a landlord in legal fees?

SCOTT MERTZ: Yeah, ballpark, usually you're paying an attorney 300 bucks, and that will include, sometimes not, the actual filing fee that goes with it. Sometimes the service costs as well that goes with it. So you're talking a range between \$300 and \$500. Again, if the landlords, who again can start the application process for ERA funds, do that prior to an eviction process. And we have heard testimony today from one representing the landlords, they can save that money, too, by ensuring that they're still getting caught up and avoiding the financial cost that they're incurring by going to Eviction Court.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

BRIESE: OK, thank you.

WAYNE: Any other questions from the committee? Seeing none, thank you for being here today.

SCOTT MERTZ: Thank you.

WAYNE: Next proponent. How many more proponents do we have left? How many opponents? Anybody testify in a neutral capacity? OK. Welcome.

CAROLYN POSPISIL: Hi. My name is Carolyn Pospisil, C-a-r-o-l-y-n P-o-s-p-i-s-i-l. I'm the executive director for Housing Foundation for Sarpy County and Bellevue Housing Authority. First and foremost, we want to thank this committee for your ongoing support of housing stability in Nebraska. This committee passed LB446 to General File with unanimous vote. We are here today to request that support continue by amending the bill to include AM1737 to require the state to apply for available ERAP funding. We continue to receive phone calls daily from individuals who have been impacted by COVID. Since 2020 CARES Act dollars, our agency has operated our rental assistance program with a staff of two. Since March of 2021 when the current ERAP funding process began, we have continued a process and as of now have done \$376,281 in housing and utility assistance through philanthropic funding. While ERAP funding through the state program has been available, the process is slower than many property owners are willing to wait for the assistance. We have been able to bridge that gap by 80 renters who have eviction notices and would otherwise lose their housing. We've assisted many renters that have never had to ask for assistance before. COVID doesn't have any income targets. We have assisted rents as high as \$2,400 a month. That isn't just low-income households that need assistance. From the first day we receive the application referral, it takes us 7 to 10 days to process the paperwork and submit a check to the property owner. When we receive an application referral, we speak with the tenant, all tenants and all adults in the household and the landlord. Everyone today has done a great job of telling you about ERAP funding is essential for stabilizing renters. Just as important, ERAP funding is stabilizing rental property owners. When you have rental property, you plan for a few months of income loss into your financial well-being. Very few property owners are prepared for renters to not be able to pay their rent for months. Without assistance provided by the property owner on behalf of the tenant, many owners face losing their income property. In the last year, we have provided such income reimbursement to 144 property owners in Sarpy County. Without this assistance, many of them would not continue to be landlords. These business owners have been--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

have had to raise current rents to try and recover from past income losses. This is choking renters that are already struggling to afford to stay in Sarpy. In 2019, we championed a housing study for the Sarpy County to determine housing needs across all housing types and income levels. It was determined that our area needed more than 2,500 units of rental housing in a five-year time frame. COVID construction delays and steeply increased construction costs slowed down that progress. We cannot afford to lose any more housing affordability. Not in my notes, but two things that have come up in questions, the question was asked and [INAUDIBLE] excuse me, references were made to nonprofits and how they were able to process CARES Act funds. My staff of three people at the time was able to process \$900,000 in CARES Act funds in four months.

WAYNE: Any questions from the committee? Seeing none, thank you for being here today.

CAROLYN POSPISIL: Thank you.

WAYNE: Next proponent. Just so people know, at 1:30 other hearings start, so some of our senators will leave. This will still be transcribed, they will review the transcripts or the online video. So this-- this room will be available. We'll finish this hearing. But just so you know if senators leave, it isn't that they don't care about the topic. They have to go to their other committees. Go ahead, sir.

WAYNE MORTENSEN: Thank you, committee members and staff. Wayne Mortensen, W-a-y-n-e M-o-r-t-e-n-s-e-n. I'm the CEO of NeighborWorks Lincoln, here to speak on behalf of that organization and our board of directors. I learned this morning that I also share a birthday with Senator Hansen. I want to thank Senator Matt Hansen for introducing this amendment for this critical purpose. We've spent for 35 years, we've been almost predominantly focused on helping people achieve the dream of first-time homeownership. But I'm here today to represent and advocate for renters across the state because we've seen the chaos that this pandemic has had in the housing market. Stable and affordable housing, I'll try to focus on the point of my written comments that hasn't been addressed yet. Stable and affordable housing is fundamental to household and family health. It is a harbinger of success, and it's inverse has deleterious effects on the social, physical and economic health of families and children. Homelessness and housing insecurity for children, for example, are forced to frequently change schools. And with each change, performance suffers and academic loss occurs. A better idea of homelessness and housing

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

insecurity is not necessarily looking at the housing, the homeless shelters or the lines at Matt Talbot, because in Lincoln, homelessness looks like couch surfing amongst various family, friends, and coworkers. It looks like sleeping in your car in a public parking lot. And as you can imagine, the effects of that on children are severe. The same is true for the mental and physical health of adults, where housing insecurity exacerbates preexisting conditions and leads to hypertension and depression. The costs of managing the outcomes of all of that healthcare, drug abuse, homeless shelters, food pantries, social workers, and law enforcement personnel and public school supports are exponentially higher than the provision of rental and utility assistance to get ahead of these problems upstream in the first place. We're here as a housing agency that supports homeownership because we've seen that the more desperate renters become, the more difficult it is for us to have a market that works, a housing market that works. The more desperate someone is to get into housing, the worse condition of housing they're willing to accept. And that doesn't serve anybody in Lincoln well. Thank you for your time, and I appreciate the opportunity.

WAYNE: Thank you. Any questions from the committee? Seeing none, thank you for being here.

KASEY OGLE: Good afternoon. My name is Kasey Ogle, K-a-s-e-y O-g-l-e. I'm a staff attorney at Nebraska Appleseed. Nebraska Appleseed is a nonprofit organization that fights for justice and opportunity for all Nebraskans. I think we've heard a lot so far today about the continued need for Emergency Rental Assistance, so I don't want to sort of belabor that point except to say that it's very clear that there is additional need for this emergency rental assistance. And it can be used over a longer period of time for an additional three and a half years, whereas current funds will expire at the end of September. What I would like to do is try to address some of the questions that the committee had earlier about documentation requirements and the flexibilities that the federal government and the Treasury Department allows with regard to the application for Emergency Rental Assistance. So there's been some question about why hasn't ERA 1 funds, why haven't they been distributed more widely across the state? And one of the reasons is because of the difficulty of the application, as you've heard today, but just to talk a little bit more in detail about what that looks like. There are generally like three things that need to be shown in an application for Emergency Rental Assistance. You need to show that there's some sort of need due indirect-- directly or indirectly because of the COVID-19 pandemic. You need to show that you are at risk of homelessness or housing insecurity, and that your

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

household income is generally at or below 80 percent of area median income. It's a little different between ERA 1 and ERA 2, but if that's the guideline that you use for ERA 1, you're allowed to use that same guideline 80 percent AMI for ERA 2. So the Treasury has really great and concise guidance on the sort of ways that you can prove these things. And with all of them, it tends to be self-attestation. So a tenant can show that they have a need due directly or indirectly to COVID-19 with self-attestation. The Nebraska Emergency Rental Assistance application instead requires a lot of documentation, like a verification of unemployment and receiving Unemployment Assistance, pay stubs to show a difference in income, a layoff letter. These are examples that are listed in the guidance that the Nebraska program has put out on their website. You can also show a risk of homelessness or housing insecurity with self-attestation. So these would be really simple. A tenant would say I meet the income requirements. It's another one. You can also use a fact-- the state of Nebraska could adopt fact-specific proxies specific to household income, and that would generally say an area has people living in a geographic area will meet the income requirements, generally meet the income requirements so.

WAYNE: Thank you.

KASEY OGLE: Yes.

WAYNE: Any questions from the committee? Senator Briese.

BRIESE: Thank you, Chairman Wayne. Thank you for your testimony. How do other states handle the application process then as far as self-attestation regarding risk of homelessness and--

KASEY OGLE: Yeah.

BRIESE: --what are other states doing?

KASEY OGLE: A lot of other grantees will adopt-- have adopted those self-attestation, allowing tenants to self-attest to those COVID impacts or income, things like that. We can see that in the Lincoln application, for example--

BRIESE: OK.

KASEY OGLE: --as well.

BRIESE: Most-- most states go that route.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

KASEY OGLE: I can't speak to all states, but I know that other states have gotten their Emergency Rental Assistance out a lot more efficiently than we have. And generally, the problems that people are facing are the documentation requirements.

BRIESE: I see. Fair enough, thank you.

KASEY OGLE: Um-hum.

WAYNE: Any other questions from the committee? Seeing none, thank you for being here.

KASEY OGLE: Thank you.

WAYNE: After this testimony, I'm going to ask if Paul can go next out of courtesy. His two grandkids are here and they're getting a little restless. Thank you.

HANNAH YOUNG: Good afternoon, Chairman Wayne and members of the Urban Affairs Committee. My name is Hannah Young, H-a-n-n-a-h Y-o-u-n-g. And I am here with Nonprofit-- for Nonprofit Association of the Midlands, or NAM. NAM is a nonprofit organization with over 725 members dedicated to strengthening the collective voice, leadership, and capacity of Nebraska-- of nonprofit organizations enriching the quality of community life through Nebraska and Western Iowa. We help nonprofits help their communities. There are over 13,000 nonprofits in our state, each trying to make a difference on their own. We bring them together so that each member can benefit from our collective strength. We are writing to show our support for AM1737. The COVID-19 public health crisis has made Nebraska families and communities even more vulnerable, with people-- with many people struggling to access food and housing. This is not a time to stop the support Nebraskans need. Rejecting the money in Emergency Rental Assistance not only puts a burden on families, but also nonprofits who are stepping up to support the most vulnerable in our communities. In our last survey, 29 percent of those nonprofits surveyed said the effects of COVID-19 have been moderate and their organization needs additional financial support to overcome these difficulties and anticipates long-term impacts. The state of Nebraska taking the \$120 million that would otherwise be allocated to different states would help lessen the burden for nonprofits and allow them to direct their limited funds to other needs in the communities. Because of this, NAM is supportive of AM1737. We thank you for your time and consideration. Happy to answer any questions.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

WAYNE: Thank you. Any questions from the committee? Seeing none, thank you.

HANNAH YOUNG: Thank you.

WAYNE: This is going to dwindle down to a committee of one real quick. I-- we do appreciate all the testimony though so. Welcome back, Paul.

PAUL FEILMANN: Try not to take too much time, but I put together--

WAYNE: Spell your name for the record.

PAUL FEILMANN: Paul Feilmann, F as in Frank-e-i-l-m-a-n-n. When I did mental health counseling, I got to see some impact of poverty on kids. I testified last week about the mental health impact of poverty, which is pretty extensive. I worked with a sixth grader back many years ago, and since then he's now working in Omaha, but he gave me permission to share his story because of the impact of homelessness in his life. It's pretty well laid out in this article. Mike Kelly, columnist, wrote this article about David Love a few years ago, and I pulled it out to share with you. He talks-- when I first met him, he was in sixth grade living with his mom. She had some health issues, mental health issues, and I worked with them in trying to help him with some school issues. After a while I was working with them, some complications came up and they ended up losing their home and they ended up living in a van behind Family Fun Center. That's where I did my therapy for a while. I would go out there. The van wasn't running. I got help for them to get the van running. But he said, David is great. I mean, he's just so resilient. He told me all these funny things. He said, The best place in Omaha to be homeless is 72nd and Dodge because you can just roam around all the different stores and nobody really notices you. But I would-- I finally helped him get the van-- get the van running. And he ended up getting into a shelter with his mom. But the psychological impact of that homelessness phase of being in the shelter and living-- in fact, one of these pictures is where his van was many years ago. But since then, what-- what I'm trying to get across is the impact of homelessness, you-- you lose out on so much stuff that could be accomplished. And what he did with his life after this was he got through Creighton Prep and worked at Target, rode the bus from North Omaha and applied to Harvard and got into Harvard and has since graduated and now working at LinkedIn, and has a nice apartment and supporting his mom. But every time he keeps a family from going into homelessness, this is the kind of opportunities you offer our citizens, our youth and the trauma of the impact of the homelessness is avoided. So that's-- that was my message today. This

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

is a really amazing story. He-- his interview in there is really powerful so.

WAYNE: Thank you. Any questions from the committee? Seeing none, thank you for being here. Have fun at Revenue. Welcome to your Urban Affair. [LAUGHTER] It's just me. Thank you for being here.

CINDY MAXWELL-OSTDIEK: Hi. My name is Cindy Maxwell-Ostdiek, and that's C-i-n-d-y M-a-x-w-e-l-l-O-s-t-d-i-e-k. And I'm a mom, a small business owner, and a taxpayer. And I'm here to ask you to pass AM13-- excuse me, AM1737 as quickly as possible. I'm a co-founder of the Nebraska Legislative Study Group, and I'm testifying on behalf of myself and the members of our group. When I learned that Governor Ricketts refused to apply for these emergency dollars for--

WAYNE: I told you they were getting restless.

CINDY MAXWELL-OSTDIEK: They want to stay.

WAYNE: Go ahead.

CINDY MAXWELL-OSTDIEK: --to apply for these emergency dollars for renters and landlords, I was-- I was in disbelief. Since then, I have been even more surprised to learn the Governor is implementing an emergency assistance fund for Nebraska homeowners. And as a member of the community, I can't fathom why our state would only serve some Nebraskans, and not all. People of good conscience don't want their neighbors to lose their home. Erin Feichtinger with Together, Inc., regularly invites community members to Eviction Court to learn about how this impacts our community. I attended this court on Wednesday morning and saw firsthand that there were evictions avoided. And I'd like to express gratitude to the TAP and Legal Aid volunteers there. As a candidate running for Legislature, I can recommend that all of the current legislators accept her invite and attend that-- those hearings. As a mother, I'm ashamed that our state would refuse emergency aid to help struggling families stay in their homes and keep a roof over their children's heads. It's hard for me to understand that our Governor wouldn't realize some of the landlords are struggling too. As a small business owner, I'm outraged, actually, that Nebraska would forgo \$120 million to infuse in our state and for landlords to invest in their businesses. It's an investment in our communities. We have an extremely low unemployment rate right now, and employers need talented workers to grow their businesses. And housing issues like this impacts employees who are renters and their ability to find good work. Some employers check credit background as a

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

condition of employment. As a federal taxpayer, I can't wrap my head around the reasoning of refusing federal dollars that Nebraskans pay in, and send-- will be sending to other states. I'm running out of time, so I'll finish, but I will say it's too bad the Legislature has had to take this step. I thank you for using your authority for the good of the state and I ask you to pass it immediately.

WAYNE: Any questions from Senator Hunt?

HUNT: Thank you for being here.

CINDY MAXWELL-OSTDIEK: Thank you.

WAYNE: Thank you again. Next proponent. Welcome to your Urban Affairs Committee.

KRISTEN DUPREE: Why, thank you. I promise nothing I'm going to say is going to be redundant since I'm kind of pulling up the rear here. Good afternoon, Chairman Wayne and Senator Hunt. My name is Kristen Dupree. That's K-r-i-s-t-e-n D-u-p-r-e-e. I'm here in support of this amendment, and I'm going to take my time to address one of the reasons our Governor rejected the rental assistance, the surging national debt and its alleged impact on inflation. So we often hear sayings related to the level of national debt meant to scare voters into opposing policies that directly benefit them. Sayings like our grandchildren are going to pay for it, or the fact that a big, scary debt clock even exists. But perhaps the most pernicious thing is the federal government should balance its budget just like a household. People who say this fail to recognize that the U.S. government is the currency issuer and everyone else are currency users. That is a very important distinction. Currency issuers don't have the same constraints as currency users. These things are misguided and not a representation of how fiscal policy at the federal level of our government functions. Furthermore, they exploit the general public's lack of knowledge of these macroeconomic topics, and this leads to the continued flow of funds to the wealthy at the expense of people living in poverty and the middle class. The federal relief spending packages are not the driving force behind inflation. What people are usually talking about when they say this is that increased federal spending leads to an increase in aggregate demand. And that means more people have more money to spend, which results in too many dollars chasing too few goods. But that's not what's happening here. The current annualized inflation rate is 7.5 percent. But when you break that down by spending category, you'll see that the price increases from energy and new and used cars are responsible for half of that 7.5 percent. Price

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

increases are due to supply constraints. I'm sure everyone's heard about semiconductor chip shortage affecting the supply of new cars, which is prompting buyers to substitute used cars and drives up the price. And the energy price is a bit more complex, but I think everyone would agree that people don't go out and spend their extra money on more gas and electricity. So why am I telling you this? I keep hearing people in positions of power point to the big, scary debt number and point to record inflation and say, see, we can't devote federal budget dollars to things like paid family leave or green energy or rental assistance programs, and it's just not true. These myths are causing direct harm to vulnerable people today and are laying the groundwork for harm to our future generations. So please vote this amendment out of committee. And with that, be happy to entertain any questions.

WAYNE: Any questions from the committee? Seeing none, thank you for being here.

KRISTEN DUPREE: Yeah, thank you.

WAYNE: Next proponent. One more time, next, proponent. Next-- well, do we have letters in support?

ANGENITA PIERRE-LOUIS: Yes, yes, we do.

WAYNE: We have 58 letters of support. They'll be listed in the record. I'm not going to read them off right now. Next up, we'll have opponent. Any opponents? Welcome to your Urban Affairs Committee.

LEE WILL: Chairman Wayne and members of the Urban Affairs Committee, my name is Lee Will, L-e-e W-i-l-l, and I'm the state budget administrator of the Department of Administrative Services Budget Division. I'm appearing today representing Governor Ricketts to help inform the conversation around AM1737 and to provide information about Emergency Rental Assistance Program known as ERAP 1 and the available federal funding for ERAP 2. The U.S. Treasury provided \$200 million in February '21 to the state of Nebraska for ERAP 1. The-- the Budget Division partnered with the Military Department and the Nebraska Investment Finance Authority, or NIFA, to provide aid to eligible renters in need. The state also contracted with 15 or so community collaboratives to assist with this effort. The \$200 million provided to the state was initially allocated by the federal government in the following amounts: State of Nebraska, \$158.6 million; Omaha, \$22.2 million; Lincoln, \$13.5 million; Douglas County, \$4.3 million; and Lancaster County, \$1.4 million. The state undertook marketing efforts,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

which included printed ads, social media, radio ads, and billboards. Outreach efforts also included communications and presentations through Nebraska via the Continuum of Care Network, the State Central Navigation Network, and the Nebraska Emergency Management Agency, NEMA, Long-Term Recovery Group Network. Outreach was also made with the Volunteer Lawyers Project, which works with the Tenants Assistance Project. NIFA appeared before several groups of service providers and landlords to explain the ERAP application process and provided guidance whenever requested. They participated in landlord summits in Fremont, Kearney, Crete, and North Platte. They also used ERA clinics and open houses organized by local providers to offer technical assistance and help coordinate and support these efforts. Early in the implementation of the program, I spoke to U.S. Treasury officials and let them know that the formula for determining the allocation of funding was disproportionately based on the amount of funding coming in the state versus the localities. And to shorten my testimony a little bit, \$84.7 million was allocated to the communities and you can see in the testimony where those fundings-- funding went. I also wanted to address the Homeowners Assistance Fund, last paragraph, and provide some information around that. So this \$50 million specific-- specific ARPA program was recently announced by the Governor with the assistance of NIFA for homeowners who experience a hardship related to COVID-19 and have equal or less than 100 percent of area median income of the county of residence. The application for this program can be found at HAF.NIFA.org or dial 844-565-7146. These two programs can work in concert to assist both renters and homeowners impacted by the pandemic. I'd be happy to take any questions.

WAYNE: Any questions from the committee? Senator Hunt.

HUNT: Thank you, Chairman Wayne. What is the reason?

LEE WILL: What is the reason for what?

HUNT: What is the reason for opposition?

LEE WILL: What is the reason? Because the amendment is to make the Governor apply for Emergency Rental Assistance. He doesn't believe it's a need for the state.

HUNT: OK. Do you have any response to the comments that were made by other testifiers about the--

LEE WILL: Portal.

HUNT: -- the administration? Yeah, the portal--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

LEE WILL: Sure.

HUNT: --administration in a way that seems to be clogging people up.

LEE WILL: Yeah, I think there was two paths you could essentially take. And somebody behind me kind of talked about the self-attestation route or putting, you know, implementation or fraud mitigation places in check. So you could say, my name is Lee Will; I reside at this residence; my income is this and I am due rental payments. Or you could go down the path of, hey, we're going to take driver's licenses; we're going to take that pay stub; we're going to take all these things to inherently make sure that there's no fraud in the program. And I heard you referenced the 804-- 840 cases. Those have been turned over to-- to the Auditor. And also FBI opened up a portal that we're gathering all the information to submit on to the FBI. Because those are international IP addresses, local enforcement don't have the ability to bring in those actors.

HUNT: OK.

WAYNE: I got a few--

LEE WILL: Yeah.

WAYNE: --questions. So right now, the state has \$32 million available.

LEE WILL: Correct. Yes.

WAYNE: Above it says you only have \$14 million for-- utilized \$14 million.

LEE WILL: That's right.

WAYNE: So let me understand this right. We paid \$8 million to an organization to distribute \$14 million.

LEE WILL: Up to. And that's part of the problem with the program is it's so cumbersome, Senator Wayne. And the other thing is--

WAYNE: OK, let's break this apart though.

LEE WILL: Yeah--

WAYNE: If it's so cumbersome--

LEE WILL: Yeah.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

WAYNE: --how come the city of Omaha and Lincoln can get rid of theirs?

LEE WILL: They're reliant-- well, city of Omaha I can't speak for, but Lincoln specifically is relying on self-attestation. And that is what I'm said, I'm Lee Will; I reside at this place; I'm due this amount of cash.

WAYNE: So then if they're relying on that, and clearly it's more efficient because you just reallocated \$84 million to those two--

LEE WILL: More efficient but more fraud arguably.

WAYNE: So is the Governor's position, and this isn't fair to you because he's not here testifying--

LEE WILL: That's fine.

WAYNE: --but is the Governor's position-- why wouldn't the Governor just apply for it and then turn it back over to the same or to-- to the local organizations?

LEE WILL: Well, Treasury has to provide for the ability to voluntarily reallocate, so that takes the risk off of the state and then puts it on the locality. Right?

WAYNE: But there isn't any restrictions of allowing a grant process to provide to-- to home-- to-- to organizations to distribute the funds.

LEE WILL: Yes, but they would still be in a subrecipient relationship and the state would be responsible for any fraud mitigation. And we have talked about the 10 percent housing stability services towards the end of the program utilizing that and with the, you know, end of the program to help those folks, you know, with that \$10 million or so.

WAYNE: So why is the Governor willing to do homeowners but not renters?

LEE WILL: Well, renters got \$200 million and they got it a year ago. Homeowners throughout this whole pandemic did not receive assistance through a program. That was passed in the CARES Act or, I'm sorry, in the ARPA bill. So it was \$200 million for renters, \$50 million for homeowners.

WAYNE: So it is the Governor's position that the need is not there.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

LEE WILL: It is the Governor's position that the need is going to be taken care of through the end of the year. And this rent will probably, if we did apply, go for another three-year period. When you look at the economic impact-- if you look at the economics within the state, 1.7 percent unemployment, there are opportunities there. I believe that we are taking care of those that are impacted by the pandemic. The program through the end of September will be around two years and will provide for up to 15 months' rental assistance.

WAYNE: So what you heard just for an hour now--

LEE WILL: Sure.

WAYNE: --is a lot of people talking about need.

LEE WILL: Yes.

WAYNE: So where's the disconnect between the Governor's office and all these people who testified?

LEE WILL: Well, I think the data, Senator. I mean, we've seen \$14.7 million actually applied and be approved. I do hear some, you know, some stories of need, but we're just not seeing it through a year of running the program [INAUDIBLE].

WAYNE: You just reallocated money, though--

LEE WILL: We reallocated to Omaha and Lincoln.

WAYNE: --from rural Nebraska to urban Nebraska.

LEE WILL: That's correct. And they-- and Treasury actually asked if we wanted to reallocate any more funds. I asked the localities if they needed any funding through the-- the end of this year and they indicated they did not, other than Douglas County.

WAYNE: So 85 percent of the evictions that are seen in Douglas County and Lancaster County are based off of lack of payment.

LEE WILL: Yep.

WAYNE: How does that data not support need?

LEE WILL: So part of the issue with this, and I had a call at the localities, is the state of Nebraska authorized a voluntary reallocation process towards the middle of December. Those payments have still not gone to the city of Lincoln yet. So city of Omaha had

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

to pause applications because the \$50 million that we voluntarily reallocated, the U.S. Treasury took two months to get them the dollars.

WAYNE: I appreciate your answer, but you didn't answer the question.

LEE WILL: Oh, sorry. Can you repeat it?

WAYNE: The question is if 85 and the stats are 85 percent of the evictions in Douglas County and Lancaster County are based off of failure to make a payment,--

LEE WILL: Yes.

WAYNE: --how does that not establish a need?

LEE WILL: I petitioned those localities that run those programs, and I said, \$11.7 million is going to be clawed back by the federal government. This was last week. Only Douglas County intimated that they need another million dollars to maintain their program through the end of the year.

WAYNE: So you're saying Douglas County, Douglas County is saying they don't need the money.

LEE WILL: They said that they needed a million dollars and we wrote in the Treasury to try to get them another million dollars out of that \$12 million the Treasury is going to recoup from us.

WAYNE: I'll follow up with Douglas County on that. I find it hard to--

LEE WILL: We--

WAYNE: You're more than welcome to come with me on any day and we can go to the county clerk and see all the people. It's 30 to 40 evictions daily.

LEE WILL: I appreciate the offer.

HUNT: But Senator Wayne, the data doesn't show that.

LEE WILL: Well, again, I talked-- I talked to the localities and they indicated that the data does not show that. So I actually talked with those folks that are running that program. And they said it's not needed. So I don't know who else to ask in that community.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

HUNT: Well, if the math doesn't add up, then all of these people who came here to testify must not know what they're talking about. Is that--

LEE WILL: That's not my position.

HUNT: --your position and the Governor's position?

LEE WILL: I think that's putting words [INAUDIBLE]

HUNT: What do you say to people where that's how they hear it?

LEE WILL: I think that he's making decisions based on data. So right now, we've used \$14.7 million out of \$158 million. We have talked with all localities to make sure that the rent is going to be in place through the end of this fiscal year or through the end of the calendar year, excuse me. So that is two years of rental assistance that we have been paying out for COVID. ERAP 2 no longer needs COVID-related impacts. Now you can structure it that way. But the federal government is giving another \$120 million to help for another assistance program for another three-year period. I mean, at some point, the assistance has to end.

HUNT: Why is it fiscally responsible to take all of this assistance that Nebraska taxpayers have already paid for and give it to another state?

LEE WILL: Sure. So that's a fair question. I look at the initial allocation of the \$200 million was the floor, right? So the-- the Low Income Housing Coalition did a study on New York for each needy renter, which is 30 percent or under AMI. New York received \$1,300. For Nebraska, they received \$3,800 per renter. So we can see it's obviously more expensive to live in New York and others and those states are asking for more dollars. They're out of money. We are not out of money.

HUNT: So it's out of the goodness of our hearts.

LEE WILL: I don't understand the question.

HUNT: Because we want to be charitable to the other states and we want--

LEE WILL: No, it's because they're out of money.

HUNT: [INAUDIBLE]

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

LEE WILL: And they need-- they are-- they are showing that they have a need. We are not showing that same need.

HUNT: OK. I heard a lot of need in this room today so--

LEE WILL: And we have reallocated those dollars through the end of the year.

HUNT: I have to say it took you a lot of guts to come in here and say all that. Thank you.

LEE WILL: Thank you very much. I appreciate it.

WAYNE: So I'm-- so clearly Grand Island has need.

LEE WILL: Yes.

WAYNE: How are-- how are you going to work with Grand Island to address that need?

LEE WILL: Well, you know, some of the testifiers I heard her saying a three-hour wait time. I've seen under a minute as the average. So I took those-- those cards to make sure I could follow up to see what's going on with those cases, because that doesn't sound like an efficiently run program when you hear three hours long. If there's a need in Grand Island, I would want them to reach out to us, NIFA, to see what that is. And I think we are going to use those housing stability services toward the end of this program to help some of those communities, like the nonprofits that they talked about.

WAYNE: So if this bill passes the Governor's position, he's not going to buck?

LEE WILL: If this bill passes?

WAYNE: Yes.

LEE WILL: That's the Governor's prerogative. I'm not [INAUDIBLE] to answer that question. You'd have to follow up with him.

WAYNE: Is the need not there or is the problem with the portal? And how do you decipher that?

LEE WILL: Again, we're talking about how much, you know, we talked about the UI Trust Fund last year. There's daylongs hearing about how there's fraud within that program. If you think there's fraud within the Unemployment Trust Fund, I would, you know, I hear California talk

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

about 1 percent fraud. It's easy to not have fraud if you ain't looking for it. And they rely on self-attestation. If you're not bringing in IDs, you're not bringing in paystubs, you're not bringing in all these things to try to find those actors, you're not going to find it. I mean, I think those are the things that we did here through mitigation, and some may find it cumbersome. I would say that we're not paying fraudulent actors.

HUNT: Self-attestation is only for COVID, and it's only if you don't have a job. It's not for ID purposes.

LEE WILL: For-- for Oregon specifically, you can self-attest, self-attest what your wage are or why you're impacted by COVID. There are a lot of things in other states they can do self-attestation for.

HUNT: So is it the-- the portal, though? I didn't understand your answer to his question.

LEE WILL: What is what portal? Excuse me.

HUNT: Is there no need or is the portal jamming people up? And you say, well, if they're so cumbersome, it's so cumbersome so we're really doing our best with the portal. Why is it cumbersome?

LEE WILL: Because it's cumbersome, because you have to have the tenant come into the portal. You have to have the landlord to come into the portal.

HUNT: Who made the portal?

LEE WILL: The Treasury requires that you go through fraud mitigation tactics and they have things that you have to go through and comply with. You have to get AMI statements. You have to receive driver's license. You have to make certain-- now they did later on say, well, we're going to allow you the ability to self-attest. But I can tell you that they're going to come back later and make sure that you didn't have fraud in your program as well.

HUNT: Who made Nebraska's portal?

LEE WILL: Who made it?

HUNT: Yeah.

LEE WILL: Deloitte.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

WAYNE: I have a few more.

HUNT: So-- so Deloitte made a cumbersome portal that is preventing people from accessing funds.

LEE WILL: Deloitte--

HUNT: --that has caused the Governor to think nobody needs funds.

LEE WILL: Deloitte put mitigation policies in place to make sure that there wasn't fraud that we heard about for days on end on the fraud within the Unemployment Insurance Fund. We were making sure that that does not occur within this program.

HUNT: Well, I'm glad Deloitte made some money.

LEE WILL: And they-- and the federal government provided up to 10 percent for admin because they knew that this program was going to be cumbersome to run, Senator.

WAYNE: Absolutely. So you said that the assistance has to end. My question to you is why does the assistance have to end?

LEE WILL: I mean, if you're looking at the economic value and we have 1.7 percent, I think you have to offer that there are opportunities out there. Now we have to connect those people with those opportunities. But it is time that at some point it's not a COVID-related impact anymore and we have to get back to after COVID.

WAYNE: So then are we after COVID now?

LEE WILL: I don't believe so. I would-- I would hope by the end of this year we would be.

WAYNE: But does the Governor feel the same-- this again, does the Governor feel the same way about all the aid we give to farmers, the assistance we give them? When does that assistance have to end?

LEE WILL: I think that that's-- that's outside of this conversation, Senator.

WAYNE: I don't think it is because it's federal dollars and it's what we apply for all the time, right? It's federal dollars and we're assisting. In fact, the Governor has a budget that deals with ARPA funds that has to deal with COVID.

LEE WILL: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

WAYNE: And he wants to provide renter assistance for commercial property--

LEE WILL: Correct.

WAYNE: --commercial landowners.

LEE WILL: Yes.

WAYNE: Why are they getting a break but not homeowners, I mean, not renters?

LEE WILL: Renters received \$200 million throughout this onset. Commercial real estate received zero dollars. During the CARES Act, we took care of convention centers. We took care of complexes. We took care of all those things, and commen-- and commercial real estate was not part of that. What we're seeing is small businesses aren't able to make their obligations. Inherently, we're having commercial real estate not able to operate. Nobody wants to see a dilapidated commercial building in their legislative district, and we're afraid that if we don't support that, it may happen.

HUNT: Do you think any of those business owners are renters?

LEE WILL: Absolutely, yes. It's not eligible under this program. It's only for residential.

WAYNE: Can you give us the exact amount that we've sent-- what Deloitte has billed and we've paid up to this date?

LEE WILL: I can get you that information. The one thing I would caveat is as part of that cost is to run the contact center. So that'll be with, you know, two years, 8:00 to 5:00 Monday through Friday. So, you know, you do hear Deloitte and the accounting and other things, but the vast majority of the cost is to run that call center for two years' time frame, and that's within that \$8.9 million up to amount.

WAYNE: I would also like to make the call times.

LEE WILL: Sure. Yeah, we're under a minute now. I know that.

WAYNE: Where were you before?

LEE WILL: I want to say a minute and a half. I actually checked with a testifier who said he was on the line for three hours because I had

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

never heard that case, and I want to kind of follow up to see what happened there.

WAYNE: Well, this just might have become a committee priority for me, so.

HUNT: I have a question.

WAYNE: Thank you. One more question.

HUNT: Are-- are landlords eligible for the Homeowners Assistance Fund?

LEE WILL: Are-- no, I don't believe so.

HUNT: If you're a landlord, you're not eligible for the Homeowners--

LEE WILL: No.

HUNT: Assistance Fund?

LEE WILL: I don't believe so.

HUNT: You're sure about that?

LEE WILL: I'd have to double-check with you. I may be mistaken on that.

HUNT: You should double-check.

LEE WILL: OK. Because if they own a rental unit or you're saying that they can also receive Homeowners Assistance?

WAYNE: That's the way I read it.

LEE WILL: OK. I can follow up with you, Senator.

WAYNE: Any other questions from the committee? Senator Lowe, Arch, Briese, Blood? Thank you for being here today.

LEE WILL: Thanks.

WAYNE: Any other opponents? Anybody in the neutral capacity? Senator Hansen, would you like to close?

M. HANSEN: Yes. Thank you, Chairman Wayne. Thank you, Senator Hunt. Thank you, members of the committee who gave up their lunch hour to be here. A couple of things, just kind of logistically first. One, the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

Apartment Association of Nebraska wanted to testify in support. They had an issue with a COVID exposure, and they couldn't attend. I believe that letter has already been passed out, but I just wanted to say that--

WAYNE: Can I have you answer this real quick. When have them two ever came together in front of Urban Affairs?

M. HANSEN: Sorry.

WAYNE: When have those two organizations ever came together?

M. HANSEN: Oh, yeah. I'm going to upset them in Judiciary in about like 20 minutes, too. [LAUGHTER] Like this is-- this is a rare meeting of the minds between direct service providers, landlords, people like, it's just everyone. I mean, and that's-- that's kind of the odd thing for--

WAYNE: Sorry, go ahead.

M. HANSEN: No, I appreciate it. A couple of other things. Some of the things that we were proposing to use from ARPA money could potentially be used by this money if we accepted it. I think some of the ARPA bills in Appropriations deal with homelessness or utilities that could conceivably fall under this statute.

HUNT: So it's not just that funds applied for through the portal.

WAYNE: He's closing.

HUNT: I'm sorry. I'm sorry.

M. HANSEN: Yeah. So--

HUNT: [INAUDIBLE] activated.

M. HANSEN: So-- so there's that. Additionally, kind of the notion on fraud, I would point out that again, fraud, including like in Lincoln, I'm pretty confident that 100 percent of Lincoln's assistance or nearabouts went directly to the landlord. So in order for there to be like a legitimate, fraudulent case, I presume you would have to create a fake landlord organization to accept the check because, again, it's not going to the tenant. It's going to the landlord. It's direct assistance in that direction. And then finally, kind of and addressing the closing, it kind of seems like the Governor's position is that in order to avoid a single case of fraud, it's worth it to just not

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2022

accept the money. And again, to see that we have some need, some existence, but it's going to expire in September of this year, we kind of have three years to go back and forth to keep going. And kind of the notion of, as you pointed out, post-COVID, I mean, we've had senators test positive. I'm wearing an N95 today because I was almost a close contacted this week. Like-- like, we're not out of this. And additionally, you know, even if somebody has gone and weathered COVID pretty well, I don't think there's anybody who can't afford their rent who-- who, you know, if you survive COVID in some sort of way where you didn't get laid off, you didn't get furloughed, you didn't get downsized, you know, if you somehow, you know, the supply chain didn't impact you, increased prices didn't impact you, if you somehow managed all of that and weren't impacted by COVID, you're not struggling to meet your rent. Even if you today are fully employed, you know, you burned down your savings, you took out a loan, you did what you needed to do over the past two years. I'm appreciative to hear this is a priority. It's a priority of mine and we're going to work to get it done, whatever it takes. So with that, I'll be happy to answer any questions.

WAYNE: Any questions? Senator Hunt.

HUNT: On-- on the idea that we-- that the help has to end, we have to stop giving money at some point because COVID is going to be over and hopefully by the end of this year, you know, the opponent of the bill testified that he does think we're still in COVID and hopefully it's over the end of the year, but we have to apply for this by what date?

M. HANSEN: March 30.

HUNT: So by not applying for these funds, we are taking the bet that we're not going to have any more COVID expenses or jobs lost or time taken off work or evictions after March 31.

M. HANSEN: Basically.

HUNT: That's how I heard that too. Thank you.

M. HANSEN: You're welcome.

WAYNE: Again, we have no letters in opposition; no letters in neutral; 58 letters in support. Thank everybody for coming down today. And I thank you, Lee, for coming from the Governor's office. I appreciate it. That ends the hearing on AM1737. Thank you.