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Nebraska Commission on Housing & Homelessness Meeting

Wednesday, May 17, 2023

12:30 p.m. (Central Time)

Elkhorn Valley Bank and Trust - Conference Room

404 South 25th Street, Norfolk, NE 68701

**Notice Published**: Nebraska Public Meeting Calendar (April 17, 2023)

NCHH Website (April 17, 2023)

**Open Meetings Act:** A copy of the Open Meetings Act was linked on the agenda and a copy was available on the sign-in table. All votes were taken by roll call vote of Commissioners, pursuant to [Nebraska Revised Statute §§ 84-1407 through 84-1414](https://nebraskalegislature.gov/laws/statutes.php?statute=84-1407).

Start Time 12:38 PM (CT)

## Roll Call

Brittany Piper called roll.

Commissioners: Eleven (11) of fifteen commissioners were present: Nancy Bentley, Jeff Chambers, Lee Heflebower, Tera Kucera, Mindy Paces, Kathy Mesner, Roger Nadrchal, Judy Pederson, Judy Petersen, John Turner, and Amy Thelander.

Absent commissioners: Ryan Durant, Paul Hamelink, Ashley Milner, and Brent Williams.

Guests: Darin Zuhlke, Zuhlke Properties; Krista Mettscher, USDA Rural Development; Josh Moenning; Mayor of Norfolk; Mike Sullivan, Lincolnshire Investment; Quelbin Izaguirre, NeighborWorks Northeast Nebraska; Alex Labenz, Nebraska Children and Families Foundation, and Leonor Fuhrer, Nebraska Children and Families Foundation.

Department of Economic Development (DED) Staff: Lynn Kohout, Matt Anderson, Mechele Grimes, Kim Jasa-Harris, Ben Mellema, Brittany Piper, and Chris Rasmussen.

## Call Meeting to Order

Chair Heflebower declared a quorum with 11 commissioners present and 4 absent. The meeting was called to order by Chair Lee Heflebower at 12:38 pm (CT).

## Introductions

Chair Heflebower welcomed all commissioners and guests. All in attendance were asked to introduce themselves.

## Public Comments

**Chair Heflebower asked for public comments. None were made.**

## Approval of February 15, 2023 Meeting Minutes

Chair Heflebower asked for a motion to approve the February 15, 2023 meeting minutes.

Commissioner Nadrchal introduced a motion to approve the minutes. Commissioner Petersen seconded this motion.

Commissioner Chambers noted a need for a correction in the minutes on page 2, section VIII(b). The sentence “The Lincoln ERA1 for the entire state has ended” should be amended to read “The ERA1 program for the Balance of State has ended.” This change will be adopted.

A roll call vote was taken with 9 yeas and 2 abstentions by Commissioners Mesner and Paces, as they were not present at the February meeting. Motion to approve the February 15, 2023 meeting minutes with one revision was carried.

## Reports from Standing Committees

* 1. Executive Committee

Chair Heflebower reported the executive committee is working on reviewing the commission by-laws. Review of the by-laws is ongoing, and the commissioners will be notified of all proposals for revision of the by-laws when the review process concludes.

* 1. Continuum of Care

Committee Chair Turner provided a report. Turner referred to the Opening Doors: 10 Year Plan to Prevent and End Homelessness in the State of Nebraska and its goal to end homelessness in 10 years.

NIFA Strategic Housing Council continues to work with a consultant to implement the Strategic Housing Framework. The goal of the Framework is to increase affordable and attainable housing across the state.

Turner continued to report that NIFA has been managing the Nebraska Homeowner Assistance Fund (NHAF). NHAF has received more than 7,000 applications and has approximately $9 million left to distribute. At this point, they will need to identify when they will stop accepting applications to spend down the fund balance.

NIFA will continue collaboration on the $48 million allocation of ERA2 for the BOS, which was made possible because Governor Pillen agreed to accept the federal funding for the Emergency Rental Assistance program across rural Nebraska. Turner is optimistic about ERA2 BOS because once 75 percent of the fund ha been committed, the remaining 25 percent will be available for development projects. He suggested this amount will likely be used for gap funding for LIHTC housing projects. ERA 2 must be fully obligated by September of 2025.

Commissioner Chambers remarked that the HOME-ARP program is upcoming, and he believes HOME-ARP will be tied into current plans to build housing and use the BOS Continuum to provide supportive services across the state.

Chambers raised the importance of coordinating with public housing authorities (PHA) to provide project-based vouchers and noted a dearth of PHA involvement on NHAF projects. Commissioner Kucera suggested one reason a PHA may refuse the offer of vouchers is a lack of available housing units in their community in which to use the vouchers. Chambers added that new rental housing development projects and the use of project-based vouchers must occur in alignment.

* 1. Education and Awareness

Committee Chair Pederson provided a report. Pederson thanked NIFA staff for allowing the commission to present the annual housing awards at the conference in April, acknowledged the work of DED staff, and recognized that three groups related to housing issues received awards at the NIFA Conference in April 2023. The Commission continues to have a desire to increase awareness of the work being done on homelessness issues by presenting awards to agencies that receive Homeless Shelter Assistance Trust Fund dollars at the next NIFA Conference in 2024, so their hard work can be recognized as well.

* 1. Policy and Issues

Committee Chair Petersen provided a report. Petersen recognized Carol Bodeen for providing data and reports to the subcommittee to write memos and letters to the Nebraska Legislature this past legislative session.

Of note, three bills have been introduced during the current session and will go to Final Reading in front of the Nebraska Legislature on Thursday, May 18, 2023. These bills have the potential to impact state funding for housing programs, including:

* LB504 – State intent to transfer and appropriate funds for housing. This bill was introduced by Senators Aguilar and Briese and would appropriate $25 million to the Rural Workforce Housing Investment Fund for the fiscal year 2023-24 and another $25 million to this fund in fiscal year 2024-25.
* LB741 – State intent to transfer money and appropriate funds relating to housing. This bill was introduced by Senator Vargas and would appropriate $25 million to the Rural Workforce Housing Investment Fund for fiscal year 2023-24 and $25 million to the same fund for fiscal year 2024-25.
* LB801 – State intent to transfer money to the Middle Income Workforce Housing Investment Fund and the Affordable Housing Trust Fund. This bill was introduced by Senators Vargas and Aguilar and would appropriate $100 million to the Middle Income Workforce Housing Investment Fund and $100 million to the Affordable Housing Trust Fund for the fiscal year 2024-25.

Petersen also discussed another bill that would loosen the current restrictions on grant funding to nonprofit awards:

* LB191 – Adopt the Critical Infrastructure Utility Worker Protection Act and change provisions relating to the Contractor Registration Act, the Employment Security Law, the Nebraska Workers’ Compensation Act, and the Rural Workforce Housing Investment Act. This bill was introduced by Senator Halloran and was advanced to final reading on May 2, 2023. Among other things, this bill would add the extension of water and sewer service in support of workforce housing as an eligible activity; permit nonprofit development organizations to apply to more than one grant per program year; increase the maximum amount of grant funds awarded to a nonprofit in a two-year period to $5 million; and remove the aggregate limit on the amount of grant funds awarded to a nonprofit.

Commissioners discussed the need to increase the documentary stamp tax to generate additional funding for housing programs.

Commissioners also discussed the need to educate State Senators about the importance of housing for the underhoused and homelessness prevention, in addition to their current focus on rural workforce housing. Housing initiatives for the underhoused and for homelessness prevention are currently not framed as economic development. Commissioner Chambers cited recent data that identified 24 individuals in Lincoln experiencing chronic homelessness pose a cost of more than $3 million to the City for acute care services over a two-year period. The cost savings in the provision of these services by providing housing to people experiencing homelessness is a financially prudent decision. Commissioner Kucera stated that each dollar invested in rehousing saves seven dollars in the provision of acute care services and eases the burden placed on acute care services, including emergency services and personnel, healthcare and medical treatment, the legal system, and other social services. Guest Alex Labenz from

Nebraska Children and Families Foundation inquired whether the data included the cost to DHHS for foster care and social work interventions, and Chambers said it was not included as the data are still preliminary. Commissioners agreed a critical need exists to educate State legislators about the cost effectiveness of rehousing the homeless population, which aligns with Pillar 3 of the Strategic Housing Framework.

## Report/Communication on Nebraska Olmstead Plan

Commissioner Turner provided a brief update. The next meeting of the Nebraska Olmstead Advisory Committee will be held on May 25, 2023 via Zoom. The Olmstead Plan is comprised of new efforts and enhancements to support community integration via community-based services and supports for persons with disabilities. Turner cited this as an important component of Pillar 3 of the Strategic Housing Framework.

## Reports from Agencies

A. Department of Economic Development

DED Director of Housing, Lynn Kohout, provided an update to the Commission on the State and Federally funded housing programs administered by the Department of Economic Development including the Nebraska Affordable Housing Trust Fund (NAHTF), Rural Workforce Housing Fund (RWHF), Middle Income Housing Fund (MIHF), HOME Investment Partnerships Fund (HOME), National Housing Trust Fund (HTF), HOME-ARP, Rural Workforce Housing Land Development Program and Pandemic Relief Housing Program.

B. Department of Health and Human Services Agency

Nebraska Homeless Assistance Program (NHAP) Coordinator Niki Tuzicka was not in attendance but provided an update in writing to the Commission on the Homeless Shelter Assistance Trust Fund (HSATF). Chair Lee provided a summary of the report. Of note, HSATF is projected to have $5.13 million in documentary stamp tax revenue by the end of the fiscal year (June 30, 2023), however, NHAP has spending authority for only $3.3 million of the fund balance.

## Reports from Partner Organizations

* 1. Assistive Technology Partnership

No report.

* 1. Community Action Agencies of Nebraska

No report.

* 1. Federal Home Loan Bank of Topeka

No report.

* 1. Housing Opportunities for Persons with HIV/AIDS

No report.

* 1. Nebraska Chapter of Association of Housing and Redevelopment Officials (NAHRO)

No report.

* 1. Nebraska Housing Developers Association

Quelbin Izaguirre, Chief Operating Officer at NeighborWorks Northeast Nebraska, provided a report. Mr. Izaguirre cited the widespread success of homebuyer education programs. Less than one percent of loans issued in the purchase/resell/rehab program go into default status. Mr. Izaguirre added that Nebraska RentWise is showing success rates for renter education classes, and he encourages all tenants to complete the RentWise curriculum.

* 1. Nebraska Investment Finance Authority

Commissioner Turner provided a report, including the updates to the Strategic Housing Framework and the success of the NIFA conference in April 2023. NIFA has partnered with FindHelp (nebraska.findhelp.com) as a centralized repository of available supportive services across the state. Turner mentioned that housing developments are being added to this database and encouraged individual organizations and agencies to check that their programs and services are updated on this site.

Commissioner Turner cited the usefulness of this resource for client referrals in social service roles and mentioned the reporting capability on the website to comply with LIHTC program requirements.

Commissioner Turner discussed the success of the Teaching Nebraska Trades (TNT) program, which partnered with Central, Mid-Plains, and Northeast community colleges to hire and retrain trade instructors to ensure construction-focused courses are available to interested students. The first year of this program saw 100 percent retention of instructors in these roles. NIFA also partnered with Builders of the Future, an organization that educates high school students interested in construction trade specialties.

* 1. U.S. Department of Agriculture, Rural Development

Krista Mettscher, Single Family Housing Program Director at USDA Rural Development, provided a report. Funding is available through grants and low-interest loans (currently 4.25%) for homeowners in rural communities for home repair or rehabilitation. USDA RD has three current packagers for the 502 Direct Loan program, including NeighborWorks Northeast Nebraska, LIFT Community Action Agency, Inc., and High Plains Community Development Corporation in Chadron.

Director Mettscher mentioned that the definition of “rural community” contains some flexibility if she is able to make the case that a community has rural characteristics despite its population exceeding the definition limits. She anticipates that some communities that are currently defined as “rural” will be concerned about exclusion to that category, but she is confident that no class categorization will ultimately occur. Commissioner Nadrchal volunteered that Norfolk is one such community and has been in communication with Director Mettscher about Norfolk’s ongoing rural classification.

* 1. U.S. Department of Housing and Urban Development

No department report. Commissioner Turner notified the Commission that Kitty Amaya is the new Field Director in Omaha and requested that she is included on future invitations to NCHH meetings.

* 1. Nebraska Children and Families Foundation

Alex Labenz, Associate Vice President of Housing Sustainability, provided a report.

## 2023 NCHH Meeting Dates

* 1. Wednesday, August 16, 2023 in Fremont
  2. Wednesday, November 15, 2023 in Lincoln

## Other Business

* 1. Commissioner Terms

The following commissioners have terms that expire in June 2023: Nancy Bentley, Ashley Milner, Judy Petersen, Amy Thelander, and John Turner.

Commissioner Petersen is retiring from her position at CNEDD and will thus not seek another term on this Commission. As Commissioner Petersen is also the Chair of the Policies and Issues Committee, the Commission must identify a new chair to fill her vacancy. Chair Heflebower suggested that two co-chairs may be needed for this committee because of its scope. Chair Heflebower encouraged Commissioners to consider their participation in this capacity.

## Adjournment

Chair Heflebower adjourned the meeting of the Commission at 2:21 pm (CT).

**Adjourn Time 2:21 PM**