

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee February 11, 2025

McKINNEY: Good afternoon. Welcome to your Urban Affairs Committee. I am Senator Terrell McKinney from Omaha, representing District 11 in the Legislature, which is in north Omaha. I serve as chair of the committee. The committee will take up bills in the order posed. The public hearing is your opportunity to be a part of the legislative process and to express your position on the proposed legislation before us. If you're planning to testify today, please fill out one of the green testifier sheets that are on the table at the back of the room. Be sure to print clearly and fill it out completely. When it is your turn to come forward to testify, give the testifier sheet to the page or the committee clerk. If you do not wish to testify but would like to indicate your position on a bill, there are also yellow sheets-- yellow sign-in sheets on the back table for each bill. These bill sheets will be included as an exhibit for the official record. When you come up to testify, please speak clearly into the microphone and tell us your name and spell your first and last name to ensure we get an accurate record. We will begin each bill hearing today with the introducer's opening statement, followed by proponents of the bill, then opponents, and finally by anyone speaking in a neutral capacity. We will finish with the closing statement by the introducer if they wish to give one. We will be using the 5-minute light system for all testifiers. We begin your testimony, the light on the table will be green. When the yellow light comes on, you will have 1 minute remaining. And the red light indicates you need to wrap up and give your final, final thoughts and stop. Questions from the committee may follow. Also, committee members may come and go during the hearing. This has nothing to do with the importance of the bills being heard. It's just part of the process of senators who may have to introduce bills in other committees. A few items to facilitate-- to facilitate today's hearing. If you have handouts or copies of your testimony, please bring up at least 12 copies and give them to the page. Please silence or turn off your cell phones. Verbal outbursts or applause are not permitted in the hearing room, as such behavior may be cause for you to be asked to leave the hearing room. Finally, committee procedures for all committees state that written position testimony on a bill to be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at nebraskalegislature.gov. Written testimony-- written position letters will be included in the official record, but only those testifying in person before the committee will be included on the, on the committee statement. I will now have the committee members with us introduce themselves starting at my right.

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QUICK: Dan Quick, District 35, Grand Island.

ROUNTREE: Victor Rountree, District 3, which includes Bellevue and Papillion.

CLOUSE: Stan Clouse, District 37, which is Kearney, Shelton, and Gibbon in Buffalo County.

ANDERSEN: Good afternoon, I'm Bob Andersen, District 49, which is northwest Sarpy County in Omaha.

SORRENTINO: Tony Sorrentino, District 39, Elkhorn and Waterloo.

McKINNEY: Thank you. Also assisting the committee today to my right is legal counsel Elsa Knight, and to my left is committee clerk Sally Schultz. Our pages for today are Wesley Earhart, a senior at UNL, a political science major; and Arnav Rishi, a junior at UNL, political science major. With that, we'll begin today's hearing with LB90. Senator Clouse, you're welcome to open.

CLOUSE: OK. Thank you, Senator McKinney and, and members of the Urban Affairs Committee. My name is Stan Clouse, S-t-a-n C-l-o-u-s-e, representing District 37. What we have before us is LB90, which would amend several statutes in Chapter 16 relating to street improvement districts in the cities of the first class to more closely match the statutes governing street improvement districts for cities in the second-- of the second class and villages. And to elaborate on that, street improvements could be, like, street repairs, sidewalks, gutters, things of that nature, anything involving those types of improvements and you create a district to have those repaired. So, currently, a city of the first class is required to levy special assessments for improvements made within a street improvement district, while cities of the second class and villages have the option of whether to levy special assessments or have the improvements funded at public cost. So, as it's written, cities of the first class are required to assign a special assessment to the property owners-- adjacent property owners based on linear feet through the criteria that's in there. Whereas, second class cities and villages, they can option to do that or they have the ability-- say, if they've got money in, in their coffers that they could just go ahead and fix it with that type of situation. And so LB90 would provide the same option to the cities of the first class. It would also harmonize certain permitted improvements and modernize other provisions. In other words, just kind of cleaning up some language and, and specifying-- and clarifying it. The added protection for citizens when special assessments are to be levied will remain in effect, and would include

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clarifying heightened notice requirements and enhancing objection rights to stop formation of a street improvement district. In other words, if they want to vote it out they can-- or petition it out they can do that. That doesn't take any of that away. The enhanced objection rights when special assessments that are levied have been in place since the early 1900s, and they serve Nebraskans well. And so they're continued in this statutory framework. So I have before you also a letter that was handed out from the United Cities of Sarpy County in support of this. Well, it's a class one, I think all those-- well, Springfield is not, and I think the others are all class one cities. So that is representation on this letter that was handed out. So I thank the committee for its time and I'm open to any questions that you may have.

McKINNEY: Thank you. Are there any questions from the committee? Senator Quick.

QUICK: Yeah, thank you. Chairman McKinney. Is, is this similar to, like, a sewer improvement district or something to that effect?

CLOUSE: I would-- I don't know if that's spelled out in there. On page 2, about line 22, Section 22 [SIC], it talks about a lot of that, that lighting system. I don't, I don't-- I, I guess I don't know. We'll have some other folks that will come up and answer that one.

QUICK: OK. All right. All right. Thank you.

CLOUSE: I, I don't think it is, but we'll get that clarified.

QUICK: OK.

McKINNEY: Thank you. Are there any other-- Senator Sorrentino.

SORRENTINO: Thank you, Chairman McKinney. Senator, do we know why this difference existed to begin with? Is it just a matter of size and of expensive improvements?

CLOUSE: Yeah, I, I don't know that for sure. But I can tell you in, in Kearney when we've done that, we've always sent out notification to the adjacent property owners because generally it is a lot bigger and this just allows-- gives you a flexibility. So for example, if, if-- and, again, I'm going to speak to the community that I was in, in Kearney that if we had some money and we just needed it to go replace it, we would do it at no cost to the property owners. But we were required to do-- send out the notice and then fund it in some manner. Now, we did have a couple of instances where they were petitioned out.

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So when they were petitioned out-- in other words, 51% said, no, we don't want this assessment. We don't want to pay for this. So then we had a couple options. One of them was, you don't do the project or another one was you find a legal way of funding it, in which we would-- had moved a CDBG grant, what's allowable by law to make that improvement, which meant another project didn't get done because we felt it was important enough to do it.

SORRENTINO: Refresh my memory, Kearney is a first-class city, right?

CLOUSE: First-class city. Yes.

SORRENTINO: Thank you.

CLOUSE: Yeah. So that's how that process works, which is a good process. You give the adjacent property owners, based on the lineal footage, the opportunity to express their displeasure and not want it or-- and this just gives first-class cities the ability to, to pay for it in some other manner.

SORRENTINO: OK. Thank you.

McKINNEY: Thank you. Any other questions? No? Thank you.

CLOUSE: OK. Thank you.

McKINNEY: We'll welcome up any proponents.

MIKE ROGERS: Good afternoon, Chairman Kinney-- McKinney-- excuse me-- and members of the committee. My name is Mike Rogers. I'm a bond attorney with Gilmore and Bell in Omaha. Name is M-i-k-e R-o-g-e-r-s. I'm a bond attorney. I practice all over the state and represent many cities of the first class, including La Vista, Grand Island, Bellevue, Papillion. I used to do work for Kearney when I was at a different law firm, but. So cities of the first class are, are cities that I interact with a lot. This-- and I also do a lot of work for cities of the second class and villages. So I'm, I'm very familiar with the distinctions and the differences as, as to how they're treated, which has always been a little bit of a mystery to me. And this is one of the, the differences that has always been a little unclear as to why the, the differences have existed. And this would, would clear up one of the primary ones, which is cities of the first class being required to levy special assessments if they create a street improvement district and proceed to make improvements in that street improvement district, while cities of the second class and villages have the flexibility to either levy special assessments after they follow all

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of the requisite notice requirements and give property owners rights to object and all of those things or they can fund the improvements at general cost of the city if they have funds in their budget that, that are available to do so. This would give that same flexibility to cities of the first class as exist for the smaller communities in the state. And I'm happy to stop there and see if there are questions. It's-- and then there are other harmonizing provisions and things that modernize the, the statutes and how they work together for, for other, other things. So I'm happy to-- happy to answer questions if there are any.

McKINNEY: Thank you. Are there any questions from the committee?
Senator Quick.

QUICK: Thank you, Chairman McKinney. So I had asked the-- Senator Clouse about, like, a sewer improvement district. Are they kind of similar? I know they do some different things, but is that--

MIKE ROGERS: Yeah. So cities, they are different in that they're governed by separate statutes,--

QUICK: OK.

MIKE ROGERS: --they have similar features and it depends on what kind of city you're talking about. Again, cities of the second class and villages have a different procedure for establishing a sewer district. But all of them if-- almost all, there are some that don't require the heightened notice requirements, but all of them, if they're going to levy special assessments for larger districts or larger areas, they all include the kind of notice provision that would set a hearing date out in the future, require multiple notices, be published in the newspaper, notices be mailed to the affected property owners. And then a right for those property owners to object if they don't want the improvements to be made or to show up at a hearing and talk about why they don't think whatever the plan is, is a, is a good idea. And that, that conceptually has been around for since the early part of the 1900s in Nebraska and has functioned well. And my view on it, is it's a, it's a way to strike a balance between just giving a city council the right to just go make the improvements and levy special assessments without any kind of ability for property owners to weigh in versus having an election or something else that would slow progress considerably in a, in a community and, and tries to get-- give a venue for community input and for effective property owners to weigh in without stopping progress and stopping, you know, improvements that the, that the general community wants to see done locally. So that was not-- the, the question you asked, is this-- it's

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similar to sewer improvement districts in that if there are going to be special assessments levied people would receive notice. The city has to follow the statutory process to create, whether it's a street improvement district or a sewer district to outline what properties are included, what are the improvements that are proposed to be made, what's the estimate for the costs of those improvements? And then go through the process of helping the community understand what's happening so that they can know whether or not they want to object to, to that plan. And the other thing that does for cities, knowing that there will be those heightened objection rights, is I think cities are thoughtful, generally, but they, they then are very careful as to when they decide to proceed with those kinds of improvements locally, whether it's a sewer district or a street district.

QUICK: Thank you.

MIKE ROGERS: Yeah.

McKINNEY: Thank you. Any other questions? No? Thank you for your testimony.

MIKE ROGERS: Thank you.

McKINNEY: Any other proponents?

CHRISTY ABRAHAM: Senator McKinney and members of the Urban Affairs Committee, my name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m. I'm here representing the League of Nebraska Municipalities. We first want to thank Senator Clouse for introducing this bill. I sort of want to give just a little bit of background. This bill went through the League legislative process. And for those new members, what that, what that entails is the League meets three times a year with our larger cities and our smaller cities to talk about legislation. So this bill came before the League legislative process. So both the larger committees, which we consider to be, like, in Omaha and first-class cities and then our smaller municipalities, cities of the second class and villages, all reviewed this piece of legislation and it was unanimously supported by everyone and the League Executive Board. So I did want to note we had gone through the process of everyone has had a chance to look at it and are very much in favor of this. I think Senator Clouse and Mr. Rogers have done a great job of explaining to you what this bill does. The League is always in favor of making bills or in favor of bills that make consistency between classes of cities when appropriate. And as they've talked about this, I think really makes an important consistency between second-class cities and first-class cities about how they can levy and assess for these street

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improvements. So if you have any questions, I'm happy to answer them for you.

McKINNEY: Thank you. Are there any questions from the committee? No? Thank you.

CHRISTY ABRAHAM: Thanks so much.

McKINNEY: Any other proponents? Are there any opponents? Anybody here to testify in the neutral? Senator Clouse, you're welcome to close.

CLOUSE: Yes. Thank you. I hope your questions got answered. There is a difference-- there's similarly a difference between the sewer and, and street improvements. The process is very similar. With that, if there's no questions, I just ask for you to approve this LB90.

McKINNEY: Thank you. Are there any questions? No. And for the record, there were two proponents online, zero opponents, and zero neutral. And that'll close our hearing for LB90 and we'll open up the LB450. Senator Fredrickson. Hey.

FREDRICKSON: Hello. This is my first bill ever in front of Urban Affairs. This is kind of exciting. Good afternoon, Chair McKinney and members of the Urban Affairs Committee. My name is John Fredrickson, J-o-h-n F-r-e-d-r-i-c-k-s-o-n. And I represent the 20th Legislative District in central-west Omaha. I'm here today to introduce LB450, a bill that would update Nebraska's Property Assessed Clean Energy Act or PACE. On July 31, last summer, the eastern part of Nebraska experienced a severe storm that saw winds reach 80 to 100 miles an hour. The damages from this storm were widespread across the Lincoln and Omaha metro areas, including thousands of damaged trees and properties. Most seriously, was the damage experienced by Lincoln and Omaha's power infrastructure. In Omaha, over 200,000 residents lost power and many, many residents and businesses were without power for 7 days. To date, this was the largest power outage in OPPD history. My district, District 20, saw many residents, including those in care facilities without power for those full 7 days. So I began to look into ways we could bolster grid resiliency down the line and closer to the actual customers and I learned about Omaha's commercial PACE program. The Property Assessed Clean Energy Act was passed with bipartisan support here in, in Nebraska in 2016 and was enabling legislation that allows municipalities to opt in and create PACE districts in their communities. Currently, there are several communities throughout the state that have created PACE districts, including Beatrice, Columbus, Fremont, La Vista, Papillion, and Norfolk. But Omaha is the only municipality with an active PACE

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program. PACE-enabling legislation has been passed in 40 states plus D.C. and there are currently 32 active PACE programs in states including D.C. PACE is a financing tool that provides low-cost, fixed-rate financing for energy-efficient updates to properties that are designed to reduce the electric, gas, water, or other utility demand or consumption. Examples of energy-efficient updates include heating or cooling distribution systems, energy-efficient windows, air sealing, updating electrical wiring, and energy-efficient water heaters. The loan is then repaid as an assessment assigned to the property and, therefore, transfers automatically if the property is sold. LB450 updates the Property Assessed Energy Act to include grid resiliency improvements and is defined as, quote, any acquisition, installation, or modification benefiting publicly or privately owned property that is designed to anticipate, prepare for, withstand, respond to, and rapidly recover from major power disruptions, unquote. These include things such as backup power generators, backup power generators powered by renewable energy resources, solar panels with battery, battery storage and smart grid technology. LB450 is still permissive legislation, the same way LB1012 was when it was passed in 2016. Nothing requires cities to create PACE programs, this just allows existing and new PACE programs to expand their offerings and allow property owners to better prepare for severe weather events. I have a couple of testifiers here today to give some background on PACE, on PACE programs that have been created across the state in the original PACE legislation. Thank you for your time and attention to this bill, and I'd be happy to take any questions.

McKINNEY: Thank you, Senator Fredrickson. Are there any questions from the committee? Senator Clouse.

CLOUSE: Yes, thank you, Senator McKinney. It was interesting reading on this, Senator Fredrickson, when you added the various-- and not all of them were renewable, first I thought backup power generators. But then you also specified the next one, power generators powered by renewable. The, the situation you described was in the middle of the summer.

FREDRICKSON: Yes.

CLOUSE: During the winter,--

FREDRICKSON: Yes.

CLOUSE: --my experience has been sometimes the sun is not shining, the wind is not blowing, and you can't totally depend on, on renewables so-- as a backup source. So I, I thought this was interesting reading

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that you do allow other types of backup generation. And then also grid resiliency, I've always thought that was the responsibility of the utilities. But if we can help out, you know, the citizens and probably this helps us to do that. So good bill. Thank you.

FREDRICKSON: Yeah, no, I appreciate that. And I think it's-- you know, cities like Omaha, for example, if you have a smart thermostat, there are certain times in the summertime, for example, when the grid is really overwhelmed that there's sort of these powersave rush hours, etcetera, so. The real goal here is to sort of see what are ways that individuals can take action that might ensure that the rest of the city, you know, maintains stability with their electric.

McKINNEY: Thank you. Any other questions? Senator Andersen.

ANDERSEN: Yeah, thank you, Chairman. And thank you, Senator, for being here. How, how is the PACE Act funded?

FREDRICKSON: So in Nebraska--

ANDERSEN: I see, I see the fiscal note on here.

FREDRICKSON: Yeah. So it's privately financed. So these are-- private organizations provide these, these loans. And what happens is that these loans are then given to individuals who apply for them and they are paid back through their property taxes. So they're included within their property tax statement.

ANDERSEN: Is it true that the PACE, the PACE loans take first position on the loans?

FREDRICKSON: I don't believe so. But someone behind me could probably answer that question better than I could.

ANDERSEN: OK. Thank you.

McKINNEY: Thank you. Any other questions? Senator Sorrentino.

SORRENTINO: Thank you, Chair. On an average homeowner, do we have any idea what the assessment would be? Is it \$100, \$500, \$1,000?

FREDRICKSON: If someone were to take a loan?

SORRENTINO: Right.

FREDRICKSON: So I think it would be depending on what they're planning to do to the home. So if they were to get, for example, a backup

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generator, they could apply for a loan with that. And that would be kind of contingent upon the loan approval to determine, one, if they're qualified and, two, if so, what that would look like.

SORRENTINO: And then it'd become-- if unpaid, it's a lien against the property, I would assume.

FREDRICKSON: Right. So--

SORRENTINO: Sort of like Senator Andersen's question, but not necessarily in what order, but the financing costs stay with the property as opposed to being with the owner. Is that correct?

FREDRICKSON: That's correct. Yeah. So they-- it's only, only updates that are permanent to the property. So, so, for example, it's not something that the owner could take with them when they leave. So if you were selling the home, that would certainly be something you would disclose that there's a, there's a PACE loan.

SORRENTINO: Got it. Thank you.

McKINNEY: Thank you. Any other questions? Senator Clouse.

CLOUSE: Yes, thank you, Senator McKinney. On the PACE program in the state, do you know how many communities and what the-- because this, this talks about what's going on nationally. And I can just tell you, Kearney is a PACE community and no one signed up for it.

FREDRICKSON: Yeah. So we-- so it's all enabling legislation, right, so this doesn't mandate anything. This is something that-- and it's incumbent upon municipalities to, to opt in for, for PACE programs. Omaha's the only municipality in the state with, currently, that has an active PACE program. But other areas include Beatrice, Columbus, Fremont, La Vista, Papillion, and Norfolk that have opted in. But Omaha is the only one with an active PACE program.

CLOUSE: OK. Thank you.

McKINNEY: Thank you. Senator Andersen.

ANDERSEN: Thank you, Chair McKinney, Senator Fredrickson. How are the-- and maybe you're not the right guy to ask, but how are the PACE [INAUDIBLE] loans approved?

FREDRICKSON: How, how are they approved?

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ANDERSEN: Yes. Is it based on the income of the people or the value of the property? Because you're adding solar panels, wind farms, all sorts of things to it, right?

FREDRICKSON: Well, no. So essentially-- so, so PACE is-- the program itself is all for clean energy. So this already exists in Nebraska and our state and Omaha has an active program. I'm just adding grid resiliency as something you can use PACE for. So we already have PACE for all the things you've, you've mentioned. This is basically saying-- the reason I brought this bill was-- I don't know if you remember last summer that, that bad storm. I had a number of constituents who were out of power for up to a week, and they were sort of saying things like, look, how do we sort of improve grid resiliency on an individual basis? Ideally, you know, we would have all of our power lines buried and all these other things, but that's billions and billions of dollars. So this is more of a small step that an individual homeowner could say-- so you might say, look, I want to put in a, a generator on my home. So if we have, you know, bad weather or another tornado hits, for example, that's something I want to do to improve my property and improve my property's value. A PACE loan would be something that you would apply for if it were something you were, for example, unable to afford out of pocket. And if approved, then you would be able to get that generator and then pay back that loan through your property tax assessment.

ANDERSEN: Is it-- thank you. And to be frank with you, I, I have more reading on your bill to read. Is it-- [INAUDIBLE] intuitive Freddie and Frannie don't want to finance the loans that have PACE liens against them. Is that true?

FREDRICKSON: So in Nebraska, the majority of our PACE loans are funded by what's called PACE Equity. It's a private organization. I've handed out of thing from PACENation, which is a national organization that kind of gives some more breakdown on that. And one of the testifiers behind me might be able to sort of get a bit more into the weeds on, on those specifics as well.

ANDERSEN: Yeah, I'm just-- my concern is that someone with all the great intentions of being, you know, solar, you know, power resilient renewables and all of that stuff, that they end up getting in a, in a very difficult place that they have a hard time getting out of.

FREDRICKSON: Sure. So-- I, I mean, my, my response to that would be that this bill is really not about-- that, that, that infrastructure already exists. This would just be adding grid resilience to one of the functions that people can use, use PACE for.

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ANDERSEN: Thank you.

FREDRICKSON: Yeah. Um-hum.

McKINNEY: Thank you. Any other questions? No? Thank you, Senator Fredrickson.

FREDRICKSON: You're welcome.

McKINNEY: Welcome up any proponents.

CHRIS PETERSON: Chairman McKinney, members of the Urban Affairs Committee. My name is Chris Peterson, C-h-r-i-s P-e-t-e-r-s-o-n. This afternoon, I'm appearing here not as a registered lobbyist, but in my personal capacity. I was a registered lobbyist when the PACE program was originally passed by the Legislature and worked closely with the bill sponsor, then Senator Heath Mello, and the Bankers Association, the League of Municipalities to craft a PACE bill and eventually law that made sense for Nebraska. As you've heard from Senator Fredrickson, who, who I would like to acknowledge and thank for bringing this bill, the PACE legislation has been implemented in multiple state-- multiple communities across the state. I actually worked with the city of Omaha to set up the first PACE program in Nebraska and then Lincoln and several communities, thereafter. Some of those communities, as Senator Clouse has indicated, may not have used the program if they've set it up. Others have. I, I know that the PACE program has been used in Omaha, Lincoln, La Vista, Hastings, Columbus, North Platte, Norfolk, and I believe Papillion, and possibly elsewhere. Dozens of projects have benefited from the PACE program in Nebraska, and I would argue that this is among the most successful economic development tools that the Legislature has put in the, in the toolbox at no cost to taxpayers. And so Senator Mello had real foresight to push for this legislation some 10 or so years ago. And I'm happy to answer questions about how the program works. But I would express my support for Senator Fredrickson modestly expanding the eligible items that, that could be financed with a PACE loan.

McKINNEY: Thank you. Are there any questions from the committee? No? Thank you. Any other proponents?

CHRISTY ABRAHAM: Senator McKinney and members of the Urban Affairs Committee, my name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m, here representing the League of Nebraska Municipalities. I, too, want to thank Senator Fredrickson for introducing this legislation. As both Mr. Peterson and Senator Fredrickson mentioned, the League has been involved in the PACE law since 2016 when it first went into effect.

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And they are correct that there are many municipalities who have adopted PACE programs. I'm counting around 12. And, again, they are probably your larger municipalities like in Omaha, cities of the first class. These do provide important avenues for property owners to assess the financing for energy efficiency and clean energy that they may not, in other circumstances, be able to afford. What happens is they're kind of allowed to pay these improvements off slowly. I think the term is something about for the useful life of the energy project, however long that equipment or whatever they install is, whatever the life of that is. That's kind of how long those payments can happen, up to 20 years, I believe. So, again, it just allows people sort of that flexibility to make these improvements and have a little bit more time to pay them off. I just-- I, I usually don't bring my phone up. I apologize, Senator McKinney, but I was going to try to answer Senator Andersen's question about the PACE lien. Your excellent legal counsel, I'm sure will give you the statute. It's 13-3206. And in that statute, it talks about the PACE lien created under the section shall for single-family properties be subordinate to all liens on the qualifying property recorded prior to the PACE lien and be subordinate to the first mortgage or trustor deed on that property. So I hope that that answers your question.

ANDERSEN: Thank you.

CHRISTY ABRAHAM: Again, we appreciate Senator Fredrickson and we, we are very supportive of the PACE program, and I'm happy to answer any questions that you might have.

McKINNEY: Thank you. Any questions? Senator Clouse.

CLOUSE: Yes, thank you, Senator McKinney Just to be clear, those that have been approved so far have been, like, energy-efficiency insulation window, things like that.

CHRISTY ABRAHAM: That's my--

CLOUSE: Because, because we've never had generation until this one came into play.

CHRISTY ABRAHAM: Right. Right. As-- and I think Senator Fredrickson did a nice job of explaining, you know, when storms hit, it would be nice to have some grid resiliency that added to the PACE program so, so folks could use that as a, as a possibility.

McKINNEY: Thank you. Senator Sorrentino then Senator--

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SORRENTINO: Thank you, Chairman McKinney. Walk me through the difference. I, I want to improve my property, we'll say it's my residential property, to make it more resistant to things like Senator Fredrickson talked about. I could use the PACE program to do that?

CHRISTY ABRAHAM: Yes.

SORRENTINO: I could go to a local bank, correct, and do that? My mortgage company, could I not? And what would be the difference?

CHRISTY ABRAHAM: And I apologize, Mr. Peterson may have been in a better position to answer that for you. I can sort of tell you what the law envisions. I think the law envisions that the municipality itself can create these loans to give out to people. It's my understanding that a lot of municipalities work with a third-party contractor to sort of create the, the mechanism for these loans and liens to happen.

SORRENTINO: I'm guessing there's advantages using PACE over your standard bank. Right?

CHRISTY ABRAHAM: I think that's, I think that's true. And as, as I mentioned, I think what the law at least envisions is it's going to allow you sort of a longer period to pay it off as long as it's-- like I said, I, I apologize. I wish I could find the words, but basically the useful life of the--

SORRENTINO: No, I apologize, I asked the--

CHRISTY ABRAHAM: --right, the useful life of the improvement.

SORRENTINO: And if some other wants to weigh in, that's fine. Thank you.

CHRISTY ABRAHAM: Yep. I appreciate it. Thank you, Senator.

McKINNEY: Thank you. Senator Rountree.

ROUNTREE: Thank you, Chairman McKinney. Yes, and in the program, thank you so much for all that you've shared with us thus far. So as Senator Fredrickson said back on July the 31st, there was a devastating storm that had long-- long-lasting impact. So I want to get a generator. How is this information put out to the general populace that may be municipality run, but how does the common citizen understand and know that this is available?

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CHRISTY ABRAHAM: That's a great question, Senator, and I appreciate that. I-- when I was preparing for this bill, I just sort of was looking on municipalities' websites. Do they have a PACE program? Omaha, Lincoln, all the big communities, they all have it on their website. And then usually it's a link of here's the forms to fill out and apply for a PACE program. If there-- and maybe Senator Clouse can even add more insight to this, I don't know individually in municipalities if they do additional promotion of their program letting people know of this. Like I said, the only thing that I searched was on their website and they all have information on their website and, typically, a link to the forms to fill out in order to get started.

ROUNTREE: Thank you so much.

CHRISTY ABRAHAM: Yep. You bet.

McKINNEY: Thank you. Any other questions? No? Thank you.

CHRISTY ABRAHAM: Thanks, Senator.

McKINNEY: Yep. Other proponents? Any opponents? Anybody here to testify in the neutral? Senator Fredrickson, you're welcome to close. And for the record, there were 12 proponent comments online, 1 opponent, zero neutral.

FREDRICKSON: Thank you, Senator McKinney. Thank you to the committee for your engagement with this bill. And thank you to all the testifiers who came in to offer their support. I did want to answer, hopefully, a couple of questions that came up. I looked into a few of those during the hearing. So I think-- Senator Andersen, I think you had asked a little bit about who approves these loans or who approves the process? So PACE lenders, they go through a due diligence process just like any other loan provider would do. So credit checks, etcetera, etcetera, to sort of ensure that those are being doled out in a way that's responsible. Senator Sorrentino, you had asked about kind of why, why someone might choose this route versus another one? So one of the benefits of, of, of the PACE program is the competitive financing rates. So someone might have kind of their traditional bank loan, they might have kind of cash on hand, with that gap between the two they might have, this, this would provide a bit more of a competitive rate for that individual. Sort of the typical reason someone might look at the, at the PACE program for that.

SORRENTINO: Thank you.

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FREDRICKSON: I think that answered the primary questions that came up, but I'm happy to answer any other questions from the committee. Like I said, I'm really hoping this bill can help folks in simply an enabling way that, that choose to increase their grid resilience for, for their homes.

McKINNEY: Thank you. Any other-- any questions? Senator Clouse.

CLOUSE: Yeah, thank you, Chairman McKinney. Senator Fredrickson, I was looking again-- I was reading through this and Section 9 talks about all the renewables, but it, it just looks like this just compliments or that compliments what we're doing with the addition of this description is what it looks like to me. Thank you.

FREDRICKSON: Yep.

McKINNEY: Thank you. Senator Andersen.

ANDERSEN: Thank you, Chairman. And, Senator Fredrickson, thanks, thanks again for being here. One of things I'm trying to, trying to get my arms around is the, the funding side. So I don't know if you can shine, shine a light on that. I mean, is, is it, is it truly that there are people that are philanthropic in nature and want renewables and all that that are contributing-- I think it said-- giving back to \$29 billion in funding for people to buy power generations to fund their power generators. Is that, is that, is that true?

FREDRICKSON: I don't know the specific breakdowns. I, I, I would-- I mean, there are-- this is privately funded primarily. So my, my presumption would be yes, but Mr. Peterson might be a better person to elaborate further on that.

ANDERSEN: OK. Thank you.

McKINNEY: Thank you. Thanks. Any other questions? No? Close our hearing on LB450.

FREDRICKSON: Thank you.

CLOUSE: OK. Thank you. Next up is LB287. And Chairman-- Senator McKinney will open this up as a committee bill. Senator McKinney, whenever you're ready.

McKINNEY: Thank you. Good afternoon, everyone. My name is Terrell McKinney, T-e-r-r-e-l-l M-c-K-i-n-n-e-y. I represent District 11, which is in north Omaha, and I'm here to present LB287. LB287 creates responsibilities for the Omaha Housing Authority in response to

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bedbugs in the facilities. These responsibilities include requiring the housing agency to visually inspect the unit for any evidence for the presence of bedbugs, not show, rent, or lease any vacant dwelling unit that the housing agency knows or reasonably suspects has a current bedbug infestation, disclose to a prospective tenant if an adjacent unit are currently infested with or being treated for bedbugs. Upon notification by a person who finds infestation, provide remedial services and maintain a written record of all complaints. This bill also requires the housing agency to be responsible for the cost of investigating and remediating any bedbug infestation. If you Google search the Omaha Housing Authority and turn to the news tab, you will immediately see article after article reporting the horrible conditions in the Omaha Housing Authority. In the January, in the January 6 article titled: Omaha Housing Authority tenants allege insidious infestation of bedbugs in a complaint filed Monday. Tenants complain they suffered painful welts on their bodies, sleeplessness, fear, and isolation due, due to bedbugs. Posted on the same day of the article, after months of outcry, low-income tenants sue Omaha Housing Authority over bedbug infestation. Attorney Jeff Lipman states, literally, every tower in the Housing Authority has got an issue sustaining infestation. And we can go on and on about repeated stories. But what, what we're hear is horrific and we, as a legislative body, can't just sit by and do nothing. LB287 adds much-needed responsibilities to the Omaha Housing Authority, requiring them to inspect, inspect, disclose, and remediate any bedbug incidents in their facilities. And I, I just think it's very important, you know, they have multiple lawsuits, class action lawsuits against them because of this and other situations. And I feel it's important because we have to-- I have in my district, I believe, two towers in my district. And many residents have reached out to me over the last couple of years about complaints about OHA. Last year we passed LB840, which addressed a lot of issues, but we didn't address the bedbug issue. And I brought this because that was an issue that kept coming to the top of the concerns. And many residents were still coming to me over the interim saying what are you guys going to do in the Legislature about the bedbug issue? Because the city of Omaha refuses to do anything, the city council refuses to do anything, primarily because they say they don't have the authority to do anything. So I brought this bill and that's why I brought it, because I think it's important to take care of the people that we represent, because nobody should have to live through these type of conditions. And if you go online and look at the videos and if you've seen the videos you're, like, what is going on here? This can't be the, the America that so many people want to come to. This can't be the, the place that so many people dream to come to because these are our communities, these are

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our residents, and we have to begin to do something to address these issues. And this is a step in trying to address the issue of the bedbug situation. So with that, I'll answer any questions. Thank you.

CLOUSE: Thank you, Senator McKinney. Does the committee have any questions for Senator McKinney? OK. Senator Andersen.

ANDERSEN: Thank you, Vice Chairman. Thank you, Senator McKinney, for being here. Not, not awfully familiar with the, the housing agency. But in here, it talks about how they show, rent, or lease properties. Right? Do they inspect for anything else? I, I would assume that they would have to be a reasonable renter.

McKINNEY: Renters? Does the housing agency?

ANDERSEN: Yes.

McKINNEY: I would, I would assume so.

ANDERSEN: So what do they inspect for now then? If bedbugs are on the list, that's kind of a fundamental bug in a house part of on--

McKINNEY: I'm not sure what's on the list of things they inspect.

ANDERSEN: And, and, I guess, to extrapolate a little further. If they're not looking for bedbugs, we don't know what they are looking for, maybe we need to put together a more comprehensive list like cockroaches and, and things like that--

McKINNEY: We could.

ANDERSEN: --that they should be inspecting for and not renting properties out in these, you know, unfit areas.

McKINNEY: Yeah, for sure. Like, we could make them more comprehensive. I'm open to that.

ANDERSEN: Well, we don't know what they do now.

McKINNEY: Yeah.

ANDERSEN: If we're just going to add bedbug, maybe we should be adding a whole list of things that say it's unsanitary conditions just by the nature of the--

McKINNEY: True.

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ANDERSEN: --the insects that are there and rodents,--

McKINNEY: Yep.

ANDERSEN: --rats and--

McKINNEY: No, I think that's fair. Thank you.

CLOUSE: OK. Thank you. Any other questions? All right, I do have a question, Senator McKinney. Do you know what the cost is? Do they do it by apartment or the whole building or it seemed like it'd be kind of a [INAUDIBLE] effort?

McKINNEY: So I did meet with them, I think, in November or December. I think they're doing it kind of by unit by unit or floor by floor or something if I remember right. I could be messing it up. I don't know what the cost is exactly. I don't.

CLOUSE: OK. Thank you.

McKINNEY: Yep.

CLOUSE: Any other questions for Senator McKinney? OK. Thank you, Senator, you'll be--

McKINNEY: No problem.

CLOUSE: --around to close?

McKINNEY: Thank you.

CLOUSE: OK. OK, we'll open up to proponents. Anyone in proponent?

TOM MILLER: Good afternoon, Chairman McKinney and members of the Urban Affairs Committee. My name is Tom Miller, T-o-m M-i-l-l-e-r. And my testimony is in favor of LB287. I just want to talk briefly about two of my siblings who ended up with bedbug issues and how serious it was and what they had to do to get rid of them and why I'm a real proponent of this bill. Plus, I've met some of the residents who have been bitten by bedbugs and seen them on their body and know how difficult it would be to live like that. My brother Joe [PHONETIC] and his wife, Christine [PHONETIC], had bedbugs several years ago. They live in Littleton, Colorado. A friend had come over with one bedbug, and before long their home was infested with bedbugs. My brother at the time was a rocket scientist for Lockheed Martin. He really did work on rockets. He still does that. And he's a researcher. He's very bright. So he went online to try to figure out how to get rid of them.

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He read that sprays are ineffective because they do not kill the bedbug eggs. So he learned it's important to put plastic sheeting on the mattresses. He also put diatomaceous earth around the bed posts and the entire perimeter of each room of his basement. Diatomaceous earth does kill bedbugs, but it's very harmful to, to use. So he had to get a respirator to, to put it around his house. They used heat treatments which was-- is really the only effective way to get rid of bedbugs. And he rented butane tanks and got each room up to 120 degrees for at least a couple of hours. They had to remove all the electronics in each room. They had to leave their house for a couple of days. So it was an expensive, time-consuming task that was eventually successful. Then my sister Mary [PHONETIC] lives in Denver and she lived in an independent housing unit for people over 65. She had only lived there a few weeks when her unit became covered with bedbugs because she had probably gotten one bedbug from the laundry room. And she found out later that there was a person living below her whose house was infested with bedbugs. And she's a person that is very sensitive. She was miserable most nights. She had trouble sleeping. She talked to the management where she lived, but they did nothing. So she hired a company that came out and for \$1,500, they heated her room up to the appropriate heat and kill the bedbugs. But within a couple of weeks, because there was people down below with bedbugs, bedbugs came back. She called another company. They came back and sprayed with a poison. They used another heat treatment. They sprayed with poison again. So she started spraying everything with alcohol. So, in other words, it's a very difficult, time-consuming process. And she lost the battle because another bedbug came back. And it doesn't take long before your whole house is infested. So my brother and sister have a great deal of empathy for those people who have to live in units that have bedbugs. I've met several people at the Omaha-- who live in Omaha Housing Authority homes that show me their bedbugs. They suffer the pain of those bites and the emotional stress-- distress of living with them. So I urge you to support LB287 and its provisions to inspect units. And if there are bedbugs, provide professional remedies to get rid of the infestation. So-- questions?

CLOUSE: Thank you. Do we have any questions for Mr. Miller?

TOM MILLER: OK.

CLOUSE: Thank you.

TOM MILLER: Thank you very much.

CLOUSE: Are there any other proponents?

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ALICIA CHRISTENSEN: Good afternoon. I'm Alicia Christensen, A-l-i-c-i-a C-h-r-i-s-t-e-n-s-e-n, and I'm here in support of LB287 on behalf of Together, an Omaha nonprofit committed to ensuring that everyone in our community has access to healthy food and a safe, affordable home. The ongoing affordable housing crisis in Nebraska has made it increasingly difficult to help individuals and families achieve and maintain housing stability. Omaha's housing shortage and rising rents are especially hard on the very low-income households that Together serves. In the Omaha area, there are only 25 affordable and available rental units for every 100 very low-income households. That's why the Omaha Housing Authority is such an essential resource in our community, particularly public housing, which provides a stable inventory of dedicated, affordable units that aren't subject to private market forces or participation like housing choice vouchers are, like Section 8. But the current conditions at many OHA properties materially affect tenants' health and safety. While many have seen coverage of OHA's bedbug problems in local media for years, Together's case managers see it up close each day and are often called upon to help tenants deal with, deal with or mitigate the effects. We also see how stigma surrounding a bedbug infestation, particularly a reoccurring one in public housing, harms OHA tenants. Often the myth that's been perpetuated and is kind of a commonly held belief that bedbugs are the result of dirty conditions or poor hygiene is deployed by property owners and managers as a convenient justification for declaiming their obligation to maintain pest-free premises, particularly when it's a multifamily unit and the property owner is in the best position to fully eradicate an infestation. As the prior testimony illustrated conveniently for me. Congress has chronically underfunded public housing, resulting in a backlog of repairs, renovation, and rehabilitation that continues to take a toll on the physical and mental health of public housing residents. While we recognize that this consequently affects our OHA operations, our participants are our priority, and we must be able to rely on OHA to provide decent and safe rental housing for the city's low-income families, seniors, and persons with disabilities. Therefore, I urge this committee to support and advance LB287 because it will help ensure OHA will fulfill its obligation to fully address a problem that has persisted for years and help improve the health and well-being of countless households. Thank you for your time, Senators, and I'm available to answer any questions if you have them.

CLOUSE: OK. Thank you. Questions? Anyone have any questions?

ANDERSEN: I have a question.

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CLOUSE: We do have one. Senator Andersen.

ANDERSEN: Thank you, Vice Chair. On the question I asked earlier, do you-- how familiar are you with the housing agency? Do you know what they inspect for?

ALICIA CHRISTENSEN: Well, I-- I'm more familiar with what they inspect for, inspect for when they're doing a scatter site. So if you have a voucher, your landlord accepts your voucher and then the tenant makes up the difference. So that's like what you would be familiar with, with Section 8. They have pretty rigorous inspections that the property owner has to go through to be eligible for that. I don't know what sort of-- because these are-- we're talking about OHA-owned properties in this instance so I'm not sure if it's the same inspection process that they would apply to, like, an outside property owner or if it's just a typical in between tenants where a landlord does a-- repaints, cleans the carpet. I mean that's kind of a standard procedure for most landlords, is to have that sort of upkeep in between tenants and I would imagine usually just like a site inspection as far as that goes.

ANDERSEN: So there's actually both kinds of property, some that are owned by the housing agency and some that are just the vouchers given for--

ALICIA CHRISTENSEN: Yes.

ANDERSEN: OK. Thank you.

ALICIA CHRISTENSEN: Yeah, of course.

CLOUSE: Any other questions?

ALICIA CHRISTENSEN: Thank you.

CHRISTY ABRAHAM: Thank you. Do we have any other proponents?

PAUL FEILMANN: My name is Paul Feilmann, F-e-i-l-m-a-n-n, and live at 317 Clear Creek Drive, Yutan, Nebraska. I'm a licensed mental health therapist, retired, did social work for about 25 years. I worked with a lot of folks dealing with poverty and serious problems. Since I retired, I've been doing some community advocacy and I've, I've learned about bedbugs. The, the flier I handed out to you will give you a little bit of a kind of a quick primer on some issues that I've learned about bedbugs. It's really a very complex issue, and it affects people in really very strange ways and in ways that a lot of

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people don't know about. I first learned about it about a year ago when there was an individual that was on television. He had moved here from California to help his 76-year-old veteran father in Underwood Tower with medical conditions. He had liver failure and was having to get some help. And when he got here, he found major problems of habitability in that apartment, one of which was bedbugs. And the bedbugs were so widespread in his apartment that they were in his CPAP machine. And, and if you, if you start to learn about bedbugs, the top two cards there give you kind of a-- that's put out by the Extension Office. If you think of little ticks or mosquitoes, they, they, they hide and they reproduce very, very rapidly. They hide at night. They come out, they-- they'll go through building walls, they hide in furniture and they come out at night and they're drawn, just like mosquitoes, they're drawn to your CO2 breath and to body heat. They'll basically work their way into your bed. Any place that your body sleeps, if you sleep on the couch, that's where they're going to migrate to. They anesthetize the skin with a small puncture so you don't feel it a lot of times. And then they basically draw blood and some people have major allergic reactions. And you can see pictures on here. So I started advocating with that gentleman, trying to learn more about the bedbug situation and what I found out over the last year, I met probably up to 50 tenants in multiple towers. What happens with bedbugs-- the gentleman who spoke earlier talked about when bedbugs get into your living situation, they can spread really rapidly and they reproduce and so forth. And you get them into a large building, they'll spread through the walls, and they basically migrate through the walls. And the only way that you-- and right now you have buildings like the Salvation Army, they keep bedbugs out of their buildings by heat treating everybody's property before it comes in. And then they monitor closely for bedbugs. And that's how they keep their bedbug-free facilities. But if you-- once you let a building become infested, it's impossible to do anything with that situation unless you do a whole building treatment. And what-- I've talked to experts that have done this and they have gotten buildings completely clear, I talked to one organization that's working on a building in St. Louis, it had 100% infestation. What they do is they bring in trailers with, with large propane heaters and they run large hoses in and they basically heat up each floor up to about 100-- anywhere from 130, 150 degrees. Bedbugs and their eggs die completely at that level. You can use insecticides and all the other things, they won't kill the bedbugs' eggs. And if you don't get to them, then they can continue to live and they can live actually 6 months without, without ever eating anything. So that's what we've been trying to do, is look at the infestation level. On here-- the picture here shows a gentleman who had to get rid of his bed because he had bedbugs. Then he had a cot.

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This picture is what happened to his cot. Shortly after that, you can see the bedbugs in there. These are bedbug bites of just one person. I've got dozens of pictures in my phone that tenants have sent me and they-- so, basically, we're trying to push for maintaining bedbug-free facilities. And to do that, you'd have to bring in specialists. The people that we're looking at, experts right now that we're looking at bringing in have national expertise. They would inspect every unit in every building, and then they would do whole-building treatment. And then like they did in Des Moines, the two buildings that they did there, they would set up treatment professionals in each building to maintain those buildings and maintain bedbug-free settings after that. That's-- then after that, is what this law looks at, is maintaining inspections and letting people know if there's any, you know, bedbug infestation problems in their apartments. Anyway, that's, that's what I've learned. And that's kind of what I'm hoping this bill will do, is add to the treatments that we're trying to get for these buildings.

CLOUSE: OK. Thank you. Any questions? Senator Cavanaugh.

J. CAVANAUGH: Thanks, Vice Chair. Thanks for being here, Mr. Feilmann. Nice to see you. In the case of the gentleman you're talking about with the CPAP machine, had he filed a complaint or--

PAUL FEILMANN: No. No, a lot of people. There's a lot of people with disabilities, mental disabilities, physical disabilities. They're all fearful of losing their housing because they're, they're kind of in a situation where they're-- this is the last possible way of getting housing. And if they lose that, then they are going to be homeless. That's, that's typically why people don't or they don't understand. The Housing Authority typically required them to go to a portal online. These people don't even have access to a computer. And I just found out from a tenant that they cut off the Internet-- excuse me-- the Internet to the dayroom at the Underwood Tower recently. They'd always have computer access in the dayroom but they don't anymore. So what I would do is have people contact the maintenance department by phone. I would help them. I would call the maintenance department, press the right number, give them the phone. They would report the apartment number and then they would get a response usually after that. But it was only those kind of efforts that were made.

J. CAVANAUGH: So-- and, and that effort, it's not the official mechanism to make a report is what you're saying?

PAUL FEILMANN: The portal is, the computer portal. And I tried that out. I, I figured out how to do it myself just to kind of see what people were supposed to be doing. But the problem is you've got 11

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towers with probably 1,200 to 1,500 units, and infestation in all of these towers and people living with this every day. I mean, these pictures are-- the guy that sent me-- this guy's, he sends me pictures every week where he is still getting bit because we're still waiting for-- the, the legal steps are being taken now are, are supposed to be designed to get company to come in and get inspections done of all the buildings and all the apartments and then find out exactly how bad the conditions are and then design a program to remediate all the buildings.

J. CAVANAUGH: OK. Thank you.

PAUL FEILMANN: Yeah.

CLOUSE: OK. Any other-- Senator Andersen.

ANDERSEN: Thank you, Vice Chair. Thank you for your testimony. Thank you for everything you do to help those people, those people who can't help-- don't seem to be able to help themselves. Since you're familiar with the process, what do they do with the people whenever they go in to remediate? And I know you've talked about the whole floor, whole building. I mean, you can't expect the people to stay in the building when you're heating it up to 140 degrees.

PAUL FEILMANN: Right. Yeah, the one company--

ANDERSEN: Do they locate them somewhere to--

PAUL FEILMANN: Yeah. It's, it's not a long process, usually a period of hours. And, yeah, they basically move-- there's an option of basically moving them out of that floor to a dayroom or I know, like, the community center has been used in Omaha. When Yale Park was a major disaster several years ago, they had to move everybody out of an entire apartment complex. And I know a, a gentleman that works for the city. He was involved and they moved everybody to a community center for a period of time. But this is only for, like, an afternoon that you would need to do it. If-- and I-- if you get bedbugs in your house today, manage-- they're hitchhikers, too. They can get on your clothes. And they can-- you can't see them. And then once they're in your house, they'll start reproducing. If you get those-- if I get them, I'm calling one of these professional companies and they're going to have their trailer heat treating my house tomorrow. And it's an unmarked trailer, but that's what I'm going to have it done in my house because you, you just can't live this way. These pictures are not an exaggeration. I mean, this is how people are living today, have been living for 10, 20 years. It's escalated. The gentleman-- one

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professional I know said that he started his company when he used to work on the East Coast for Marriott and they treated things that-- he saw that this was moving towards the Midwest and it kind of migrates the problem if you don't deal with it. And, you know, every tenant that leaves a building and goes somewhere, takes these bedbugs with them. I took a gentleman to the DMV and she opened his birth certificate bag and a bedbug fell out. And so it's, it's a very pervasive problem that affects the community. And the other thing I didn't talk about is the psychological. I'm a mental health therapist. You-- if you have bedbugs and your family knows about it, you don't have a family anymore. They're not-- you're not going to their house. They're not coming to your house. And people live like this all the time. All these tenants are living this way at night and then they can't have anybody come to visit or anything. So that's why we've gone to the, to the lengths we've had to do to recruit some out-of-state attorneys, to bring in some out-of-state organizations that can do these inspections and try to find out truly what's going on, because the housing authority keeps saying it's not a problem, you know. And so these inspections, if you look at every unit professionally, and that's not a complicated process. You can do a whole building in a day or a few days. Just go through. They-- and one company has \$10,000 canines that can come into your house and they'll find a bedbug. They're better trained than drug dogs. He uses them in Omaha all over. He said-- he, he tells me the companies that he works for, but he doesn't-- they don't want their names out there because they're-- he does businesses. You know, he goes in a movie theater. I had one gentleman come and talk to me and he said, I work with a lot of hotel owners and they all have an emergency bedbug plan. Bedbug-- one staff reports a bedbug in a hotel, they've got these heaters that they bring immediately to that unit, tape it off, heat that unit up to 120, 130 degrees, and all the units around that. And that kills everything, guaranteed. They have a plan like that and he was just curious what the plan for housing authority is. This is a marginalized population and these people have lived like this for years. And I didn't know about it. Now that I know about it, I'm just not willing to accept it. And I'm working on this proposal or this project with Senator McKinney and other people to try and get help for these folks. They're not down here. They're not coming down here. I can tell you there's a-- there's one person lost, lost his wife because of bedbugs. Another lady got kicked out of her degree program because they found out she had bedbugs. Another person, you know, had major disruption in her life when someone found out that she lived someplace that had bedbugs. They just said you can't come back here anymore.

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ANDERSEN: So is there a tracking mechanism? Does the, the housing agency, do they track where they've found bedbugs?

PAUL FEILMANN: No. It's-- it is just-- it's, it's a massive problem. What's happened is a long time ago-- several years ago, they were keeping it at bay sort of, but then they made some cutbacks. In meetings, I've talked to the union people and they made cutbacks in staffing that were doing extermination. And then it just blossomed into a massive infestation of these buildings. And it's like termites in a building. Once they're in there, you've got to-- termites are a lot harder. These bedbugs-- truly 130 degrees kills bedbugs in a matter of a couple of hours, their eggs and everything. And, and we're just trying to-- it, it is not going to be cheap to do this. Once you let it go, 11 towers, it's not going to be cheap to do it. But you can't have people living this way either. You wouldn't let anybody in your family live in a housing authority tower. I wouldn't.

CLOUSE: Thank you. Any other questions? Thank you.

PAUL FEILMANN: Thanks.

CLOUSE: Do we have any other proponents? OK. Do we have any opponents?

DAVID LEVY: Members of the Urban Affairs Committee, good afternoon. My name is David Levy. It's D-a-v-i-d L-e-v-y. I have the honor of serving as Chairman of the Board of Commissioners of the Omaha Housing Authority. And I'm here testifying in opposition to LB287. There's been a lot of things said in the proponent testimony that I would like to respond to, but my time is limited, so I will try and be brief and, and hit the high points. I can assure you that the Omaha Housing Authority takes bedbugs and these issues that have been described very seriously. Clearly, nobody wants bedbugs and clearly they are very difficult to get rid of. I think you've heard Mr. Feilmann say it's a pervasive problem. You heard the first testimony or testifier talk about bedbugs in the home of a rocket scientist in Colorado and how difficult of a time they had getting rid of those bedbugs. So the first point I would like to make in opposition to this bill is that it, it is improperly targeted at the Omaha Housing Authority, it's special legislation. It only applies to the Omaha Housing Authority. And if bedbugs are so pervasive, and we heard about that again from the proponent testifiers, we heard about them being in Marriott Hotels, we should be looking at this problem more broadly than just looking at the Omaha Housing Authority. That said, so you know what the Omaha Housing Authority does and, and I've got some answers to some of the questions that some of you raised. But we have implemented a pest management system that includes routine inspections and

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treatments. We employ licensed pest management staff to eliminate bedbugs at OHA properties to the extent we can. Tenant units are treated proactively on a regular basis and also are treated in response to an infestation. And the housing authority, not the tenant, pays for these services. We continue to take steps to address resident concerns and public housing property conditions always. We can always do better. The Omaha Housing Authority provides one of the most basic needs, shelter, to around 30,000 of the poorest and most vulnerable residents of the community. We take that job extremely seriously. It is a difficult job and we are always striving to do better, including as to the issues of bedbugs. On January 6, 2025, former state-- Nebraska State Senator Justin Wayne and other attorneys filed a class action lawsuit against the Omaha Housing Authority Foundation, alleging damages from bedbugs. And due to the pendency of that litigation and advice of legal counsel, I will be unable to answer questions from the committee related to issues that are the subject of the lawsuit. I apologize for that, but I hope you understand. I want to try and address while I still have a little bit of time, Senator Andersen. You had-- you asked about the inspections that the housing authority does of all the properties, public housing properties and Section 8 properties, as required by the federal Department of Housing and Urban Development. Those inspections include inspection, in addition to all kinds of building code type things, inspection for bedbugs, cockroaches, mice, rats. There's, there's a whole list of things. The checklist that the HUD inspectors inspect for is, is many pages long. The last thing I would say is, you know, many, many of the things in this bill are things that we, at the Omaha Housing Authority, already do. And, you know, we-- I think in, in government, we try and, and balance, especially at the legislative level, what you want to require cities and political subdivisions like the housing authority to do and, and what you see them doing on their own. I, I wonder if so narrowly directed this bill isn't a, a form of overreach, given that these are things that we already do. And I also wonder if better communication and more communication might not be a better solution than, than mandates and lawsuits. I know that may sound trite. I'm a big believer in that. I found over the course of my career that, that you can never have too much communication or rarely. And so with that, I will close by saying that I, as chair of the Board of Commissioners, my fellow commissioners, our executive director, our legal counsel, anybody else associated with the housing authority, we've reached out to Senator McKinney, Senator Cavanaugh, we've had discussions. We are more than happy to continue those discussions and, and do that at any time. We want this problem to go away as much as anybody else. It is a very difficult problem and I'm out of time. I'm

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happy to try to answer any other questions that I can. But, again, need to stay away from issues within the lawsuit.

CLOUSE: OK. Thank you. Senator Andersen.

ANDERSEN: Thank you, Vice Chair. You mentioned being out of time so I'll ask you the question.

DAVID LEVY: Sure.

ANDERSEN: What, what else would you have said in your testimony that you didn't get to cover?

DAVID LEVY: Yeah, thank you, Senator. I appreciate that. I, I think really I was able to say most of it. I just, again, I want to emphasize that rather than mandates directed at one city and one agency that-- and, and, and lawsuits, I think communication, and I think you mentioned a, a broader look at this. I don't want to put words in your mouth. You mentioned a little bit different context. But, clearly, this is not just a problem that affects the Omaha Housing Authority and that everybody deserves safe and decent housing. And, and that, to me, should be the goal for, for all of us. And that goes well beyond the Omaha Housing Authority. So appreciate the question, Senator.

CLOUSE: OK. Thank you. Senator Sorrentino.

SORRENTINO: Thank you, Vice Chair Clouse. Could you generally outline for me-- I know that the Omaha Housing Authority is funded by the city of Omaha, but are there other funding sources besides the city of Omaha and who might that be?

DAVID LEVY: So, actually, the Omaha Housing Authority is not funded by the city of Omaha.

SORRENTINO: OK. Please tell me who it is.

DAVID LEVY: The Omaha Housing Authority is primarily funded by the federal government, the Department of Housing and Urban Development. All of that funding continues to, to decrease. We work with private developers as well, using Low-Income Housing Tax Credit opportunities as well.

SORRENTINO: State tax credit or federal tax credit?

DAVID LEVY: Federal tax credit, primarily. So those are the primary funding sources for the Omaha Housing Authority.

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SORRENTINO: Do any of those funding sources help you deal with these issues or not, they're just purely funding it?

DAVID LEVY: They really don't. And, and I, I, I appreciate you asking the question. I, I don't want to sort of come here hat in hand. But, you know, as, as you heard from some of the proponent testifiers, these are very expensive and very difficult issues to deal with. I know you all are dealing with a lot bigger budget issues than what we're talking about today. But funding is a significant issue in dealing with these issues. There's, there's no question about that. I don't mean that to sound like an excuse, but I do think that needs to be said. Money doesn't solve everything, but it would. You know, we just installed a heat treatment room at the Underwood Tower. We'd like to do more of that. All of those things cost money. If you heard about treating an entire building, that means moving everybody out of that building. Not for a number of hours, but for a number of days. You know, all of these things, nothing's impossible, but, but it's expensive and it's difficult.

CLOUSE: OK. Thank you.

SORRENTINO: Thank you.

CLOUSE: Senator Cavanaugh.

J. CAVANAUGH: Thank you, Vice Chair. Thanks for being here, Mr. Levy.

DAVID LEVY: Yes, sir.

J. CAVANAUGH: Well, my first question, money doesn't-- of course, money is very constrained. OHA did have money to hire a contract lobbyist last year.

DAVID LEVY: We did.

J. CAVANAUGH: OK. So there's money for things that are not just specifically the housing--

DAVID LEVY: I would submit, though, Senator, that amount of money versus the amount of money to address this problem are not comparable.

J. CAVANAUGH: Orders of magnitude, I suppose.

DAVID LEVY: Yes. Well said. Thank you.

J. CAVANAUGH: But-- so my, my question is, you said that you are already doing a lot of these things. So if we are so inclined to pass

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this bill and maybe expanding it in some ways, as Senator Andersen proposed, what are the things you're already doing? What are the things you're not doing? What-- how should we change this bill to make it workable for you guys?

DAVID LEVY: One of the things, in particular, that as I read the bill again last night, jumped out at me is some of the timelines are very short, 5 days, things like that. And, again, nobody wants to live with bedbugs for 5 minutes, but, you know, 5 days isn't a very long time. So I think some of those timelines are difficult. But first and foremost, again, this is not only a problem of the Omaha Housing Authority.

J. CAVANAUGH: So that was going to be my second question. Would your opposition be alleviated if we crossed out-- what was it-- line 10 and 11 or modified line 10 and 11 on page 2 and made it apply to all housing authorities in the state of Nebraska?

DAVID LEVY: That, that would make it not singling out the Omaha Housing Authority. Yes. But as, again, as you heard, it's not just public housing or Section 8 housing where these problems exist.

J. CAVANAUGH: Sure. But solving a problem for one group of people and not another doesn't mean we shouldn't solve it for the people that we're trying to solve it for. Right?

DAVID LEVY: That, that's fair. But, but putting mandates on one group or one entity that already faces funding challenges is something I do, respectfully, think that the committee could-- should consider.

J. CAVANAUGH: OK. So aside from the timeline, if we-- I mean, 5 days, is 10 days appropriate? Is it-- what's, what's the number of days we should be thinking about if we're going to make it workable?

DAVID LEVY: You know, I don't know and I don't want to get into things that are the subject of the lawsuit either. I would have to talk to our executive director and others to give you an accurate answer to that question.

J. CAVANAUGH: OK. So what other parts of this are you not doing then?

DAVID LEVY: What other parts are we currently not doing?

J. CAVANAUGH: Well--

DAVID LEVY: Again, Senator, with all respect, I, I don't want to get into the things in the lawsuit. I don't want to have something I say

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here be used against the housing authority in the lawsuit as an admission against our interest. So I'm going to err on the side of caution there. I think as an attorney, you can understand that.

J. CAVANAUGH: I do. I understand and respect that. And, and I do. It just makes it a little bit hard for us to take your criticisms into account when we're trying to modify this bill going forward. You know, the purpose of the hearing is for us to learn a little bit more about this and to learn, you know, problems that we didn't think of in, in the drafting and then to amend the bill. And if somebody comes and says this is unworkable for us and we say, OK, how do we make it workable? And your response is, I can't tell you. It makes it very hard for us to respond to that.

DAVID LEVY: I understand. And, and, again, we are defendants in a class action lawsuit that limits what I can share with you in that regard. Again, I will say, and I mean this with all respect, I, I don't think this bill should be amended and advanced from committee. I think this bill should, should stay here and should not advance, because I, I, I think it is unnecessary.

J. CAVANAUGH: OK. Thank you.

DAVID LEVY: Thank you.

CLOUSE: OK. Thank you. Senator Rountree.

ROUNTREE: Thank you, Chair. Sir, as we pick back up on that same question, wouldn't it be more feasible instead of just a [INAUDIBLE] that we would apply this to all housing authorities that are in the state? You know, first you say you been singled out as OHA, but wouldn't it be feasible to apply to all housing authorities if it's not just an OHA problem and it's a problem that's nationwide or statewide, that, that we write a bill to include all the authorities that are here in the state [INAUDIBLE]?

DAVID LEVY: That would, that would make it a more comprehensive bill. Yes. And I, I don't mean to be flip with my answer. I just-- again, I want to be very careful about the litigation.

ROUNTREE: I understand that.

DAVID LEVY: And, and, you know, it's been brought up, too, that this is a very expensive endeavor. We all know the term unfunded mandates, right? I, I think there's, there's a balance here. Nobody wants

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bedbugs. We all want people to have safe and decent housing. But mandates that are unattainable are difficult as well.

ROUNTREE: Thank you so much.

CLOUSE: Senator Andersen.

ANDERSEN: Thank you, Vice Chair. And, sir, appreciate your-- appreciate you coming here and your willingness to testify. I understand the awkward situation you're in with the class action lawsuit. But I think this really comes down to the issue of human dignity and humane treatment. Right? And in this case, Senator McKinney has brought on bedbugs, but you could say cockroaches, you could say rats, you could say anything. Right? Nobody should have to live in that kind of environment. So bedbugs are just the example in this case. You said that you're funded by HUD, right?

DAVID LEVY: Primary. Yes.

ANDERSEN: OK. Does that mean that all the other housing authorities are funded by HUD, governed, and follow the same regulations as HUD does or as HUD dictates?

DAVID LEVY: I, I can't speak for them directly, but I assume so. My understanding is that HUD is the primary source of funding, at least, at least for public housing and, and Section 8 and programs like that. But I don't know across the country, I can't say for sure.

ANDERSEN: OK.

DAVID LEVY: I, I do know-- sorry, sorry to interrupt-- I do know in other states, housing authorities receive funding also from states and I assume in some cases from cities. But I don't know whether that's the case or not. But I do know other states do provide funding in addition to the federal funding for public housing and, and things like that.

ANDERSEN: Right. All the cities are different. They have different environments to deal with, different kind of bugs, different amounts of homeless people that require sheltering. When you told the timeline being too short-- so the timeline as being too short for remediation, I understand that, that you just can't respond that quickly. But could you change the timelines that you would say when you have a bedbug, or [INAUDIBLE], whatever, whatever infestation you have, once it's identified, the timeline begins where you actually relocate those

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people while you come and remediate the problem. Would, would that be a better solution that would be more workable?

DAVID LEVY: Again, I, I don't know. The answer is, one, I, I don't want to talk to it because it, it's relevant to the lawsuit. But I, I just-- I don't know the answer operationally without talking to others in the organization. I don't want to give you a number that is still unworkable and then, you know, have been wrong about that.

ANDERSEN: No, I'm not asking for a number. I'm just-- I'm just saying that, basically, what you want to do--

DAVID LEVY: Just the process.

ANDERSEN: --is get the people out of harm's way, get them out of the kind of degrading situation they're in until it can be fixed and they can be moved back in. To me, it seems like that may be a more workable, more humane timeline for the people that are being affected.

DAVID LEVY: Yeah. And, and again, though, you know, it's not just us and what we want to do, right? I mean, the people have to be willing to move. They have to be able to move. It's-- there's, there's a lot more there than we're able to talk about here today.

ANDERSEN: I can't imagine all the dynamics involved.

DAVID LEVY: Yep.

ANDERSEN: One last thing I'll ask you that-- I don't know if you can respond or not. Because of the, as I called it, human dignity and humane treatment, it seems like there should be a tracking mechanism of these kinds of outbreaks and infestations, but also there needs to be some kind of ramifications. Right? And you may not be able to answer this, but I would ask you, what are the ramifications for bad actions? Somebody, a landlord that, you know, has Section 8 housing that repeatedly has outbreaks that apparently doesn't seem to be doing the right thing, the right precautions and all that. Shouldn't there be some kind of civil legal penalties?

DAVID LEVY: So we, we do at the Omaha Housing Authority track reports of bedbug infestations and investigations, findings, all of those kind of things. I appreciate you bringing that up. I know you asked that to one of the previous testifiers, and it, it does happen where Section 8 landlords are no longer welcome in the program for a whole variety of reasons. But failing HUD inspections over and over and over again

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could possibly be one reason for somebody to exit the opportunity to be a Section 8 landlord.

ANDERSEN: I mean, is there a penalty for it or is it just kind of like a--

DAVID LEVY: It's like a, like a-- I-- the only penalty I'm aware of, Senator, and I don't know that this-- that that's the entire list. The one I'm aware of is that they're no longer be able to participate in the program, but I don't know if there are fines or beyond that.

ANDERSEN: Thank you.

DAVID LEVY: Thank you.

CLOUSE: Senator Sorrentino.

SORRENTINO: Vice Chairman, Clouse, thank you. One last question. Has there, to the best of your knowledge, been a request for funding the eradication of bedbugs, either from the city, the county, or the state?

DAVID LEVY: Not to my knowledge.

SORRENTINO: All right. Thank you.

CLOUSE: OK. Senator Rountree.

ROUNTREE: Thank you, Chair. Yes, sir, just going back again to what we were talking about. I pulled up the HUD checklist and everybody is asking about the checklist and what was on it. So looking at that, it's a relatively long and extensive checklist, But down in that Section 8, 8.3, it does have a line for evidence of infestation on that checklist. So how often do you do the checklist? Is it when everybody moves out, apartment turns over or something like that, or do you have a regular schedule for that? And then on the second piece of that question about education and prevention, how much education do you have for your tenants as far as recognizing and preventing outbreaks versus trying to respond to those once they've happened?

DAVID LEVY: Thank you, Senator. The HUD inspections are done regularly. I believe they're annual. In terms of education, I know that we do provide education and information to tenants about bedbugs and all kinds of things. Your, your point, I think, is well taken, though, that's probably always something we can do more of, right, that's a relatively low-cost option that might help a little bit and

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anything that helps a little bit with something like this is, is valuable.

ROUNTREE: And then, lastly, we've heard my fellow senators talk about our ethical responsibility to provide safety and a place there for our tenants, just doing everything we can to ensure that they're not in a position we have to displace them and put them out. And someone asked earlier where they'd go when you have to displace them because it's not a quick process of getting rid of those bedbugs. So really just taking the upfront actions we need to provide them a safe place to live.

DAVID LEVY: Yeah, I appreciate that and, and I share your concern for the ethical responsibility. I, I serve in this role as a volunteer because I think it's an incredibly important thing and incredibly important work that the Housing Authority does. Again, we, we can always do better. I'm the first to admit that. And I, I do appreciate this discussion today.

ROUNTREE: And then the last thing, we've talked about cost, a lot of questions have come up about funding and cost. We can get ahead of it and get out and do more prevention than responding--

DAVID LEVY: Yeah.

ROUNTREE: --so education, investing money to make sure that we can identify these items, educate, and then we won't have such a tail on the end trying to do what we're doing now.

DAVID LEVY: Yeah, I agree. We'd love to talk to you more about those ideas.

CLOUSE: OK. Thank you. Any other questions? Thank you.

DAVID LEVY: Thank you, Senators.

CLOUSE: Is there any other opponents? Do we have anyone in the neutral?

GWEN EASTER: Good afternoon. My name is Gwen-- oh, sorry-- my name is Gwen Easter. Sorry, that I'm, I'm late, so I have to testify in neutral. My name's Gwen Easter. I'm with Safe Haven Community Center in Omaha, Nebraska. We have, have held a housing referral service for the last 26 years now, helping families to find housing and other resources for help with rent and utilities, things like that, family needs. I'm also with the Nebraska Commission on African American

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Affairs, and I'm here to testify as an individual on-- concerning this matter. I'm here to-- today to express our support for the LB2887 [SIC], which closes an extended hole in the existing housing agency policies across the state. The need for LB287, there are currently nine agencies across the state that provide low-income renters access to housing in various parts of the state. These housing authorities have served, since their founding, a limited-income population that provide-- the private real estate sector has never tried to genuinely serve. And as a result, the benefactor-- benefactors of their services, their tenants tend to be in a state of "percurity" unmatched by other tenancy populations. In early January of this year, the Nebraska Examiner report did on bed-- bedbugs infestations throughout the, the Housing Authority that prompted a class action lawsuit. And this purpose changed-- this purpose changed in the law. According to the United States Department of Housing and Urban Development and the National Health Home Training Center and Network [SIC], bedbug lawsuits have cost housing authorities anywhere between \$40,000 to \$3.5 million for failure in responding to infestations. Killing bedbugs is expensive, but constant lawsuits over regular-- over the bedbugs is worse and have the potential to have a greater negative impact. This lawsuit seeks to promote a policy change that will close the current exposure for that-- for the state and allow for funds to expand it in, in a wiser manner. It also encourages the housing authorities across the state to update their best practices to reflect a more tenant-supportive mindset. Also, I would like to see this bill amended to also include the fact that housing authorities, their towers, are in violation of the American Disabilities Act because for probably at least 2 decades, they have buzzers, doorbell buzzers to buzz people up to their apartments. They have not been working. And you have elderly people, people who are sick in wheelchairs or use strollers have to go down and open the doors for their guests. And this is unacceptable. There's a lot of issues with housing authorities, and I think these matters need to be dealt with. And so I would like you all to, you know, help us deal with the, the issues, because a lot of families are suffering and a lot of tenants are afraid to speak up on, on, on, on those issues. I visit there quite a bit some of these places and it's just unacceptable. It's been going on too long. Also, last thing I would like to say is that they, the tenants, should be allowed to move back. They need to figure something out. I don't want to see them tell tenants that they can come back and then they get into another, another contract lease and then unable to go back to their, their home. So I would like something to protect those that live there. And keep in mind that a lot of them are over 50 years of age and, you know, they are on fixed incomes. So please take all of that in consideration. They made promises just like they did

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with Highlander tenants, saying that they'll have an opportunity to move back. But a lot of those people can't come back because they have-- they're locked into a lease. Thank you.

CLOUSE: OK. Thank you. Let's see-- do we have any questions? You can't go yet.

GWEN EASTER: Oh, sorry.

CLOUSE: Senator Rountree.

ROUNTREE: Thank you so much, Chair. Yes, ma'am, I want to just pick up where you just-- your final statement where you left off. You said a lot of the tenants can't-- thank you for your testimony, by the way, you're expressive of-- but a lot of tenants can't come back because they're locked into a lease?

GWEN EASTER: Yes. So once they move out, you know, and I'm just using the Highlander Apartments, but, you know, the housing, the Spencer Project, they've been told that they'll be able to move, move back. They'll have first choice. But oftentimes it's not going to happen. I mean, there are people who, who live in the Highlander Apartments now, but some of those families didn't, didn't have an opportunity to, to come back. And they probably won't have an opportunity to come back to the Spencer Apartments once they're built, because once they're locked into a, a yearly lease with another landlord, it's difficult to get out. Also, you have to consider the fact that they'll have to pay to move again. And so some people just go ahead and settle. You know, so that's also, you know, a form of gentrification, basically, because they're having these people to move out. So I'm saying, you know, money that they're spending on, on lawsuits, you know, maybe consider like if a person was in a fire and they put them up in hotels, they-- until those types of things are handled, maybe that's a solution to make sure that these people are allowed back into their communities because a lot of people want to stay in their communities.

ROUNTREE: So you're saying then that after-- let's say-- back to the issue of bedbugs, if they're displaced--

GWEN EASTER: Yes, please.

ROUNTREE: --of that and they're onto another lease while my home unit is being eradicated--

GWEN EASTER: Yes.

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ROUNTREE: --and once it deemed safe to come back, I can't come back now because I'm in a lease over here for a another year.

GWEN EASTER: Yes, because most private landlords are not going to allow them to be on a month-to-month basis. Most of them want to lock them in for 6 months to a year. And then also there's the deposit. You know, a lot of landlords are, are charging double, you know, the rent for depo-- you know, they want them to pay double. You know, these are people that are on fixed incomes as it is. So.

ROUNTREE: All right. Thank you. Appreciate that.

CLOUSE: OK. Thank you. Any other questions? OK. Thank you. Is there anyone else in the neutral capacity? OK, online, LB287, we had 13 proponents, zero opponents, and 1 neutral, and no ADA comments. So, Senator McKinney.

McKINNEY: Thank you. And thank you, members of the committee. Thank you for those who came to testify. First, I just want to say that contrary to what, I guess, the president or of the commissioners of the OHA Board said, I do think this bill is necessary, it's not unnecessary, because there are issues with the Omaha Housing Authority with residents living in inhumane conditions. If not, they wouldn't be going through class action lawsuits, not one, but two. Also, if he couldn't answer questions, I'm not understanding why he came to testify. It really doesn't make any sense. And I don't think it's an overreach. And I don't think that they're being singled out. They're being held accountable. And that's what this bill is attempting to do. Senator Andersen, as I was sitting over there, so according to their website, there are 4 types of inspection. There's an initial transfer conduct-- conducted upon receipt or, or request a lease, tenancy approval. There's an annual, every 12 months anniversary date of the contract. There's a special complaint when at the request of the owner, family, family or an agency or third party. And there's a quality control. And then I found an interesting list, contrary to his testimony, says-- on the OHA's website, it says: Why Inspections Fail. And then there's a list, and I'm going to go through this list and then tell me what's missing after I go through the list. So, number 1, smoke detectors inoperable, missing or no batteries; windows not lockable, also windows broken, cracked, or drafty; windows are stuck and will not open, close or lock property; 4, electric fixture switch, outlet or other electrical hazard; 5, electrical service-- no, no electrical service; 6, landlord range, refrigerator does not work, operate properly, or missing parts; 7, plumbing, plumbing issue; 8, toilet won't flush properly; 9, floor is spongy around the toilet or tub; 10, no water due to frozen water supply lines; 11, hot water

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tanks leak-- leaking, do not have properly installed temperature or pressure relief valve; 12, roach, mice, rat infestation; 13, interior or exterior paint which is peeling excessively; 14, heat systems that are not fully functional; 15, gutters and/or downspouts that leak or are improperly hung or missing; 16, extremely poor house-- housekeeping; 17, excessive garbage, broken glass, or junk around; 18, hazardous steps; 19, missing, loose, or unsecured handrails; 20, loose or unsecured handrails; 21, entry doors, door jams or door locks broken; 22, excessive air, excessive air infiltration through windows or doors. What was missing? Why inspections fail, there's no mention of bedbugs infestation. Just to be clear, this is on their website, something he said they check for. But if a resident is trying to figure out why their inspections might fail, they're not even being told. There's, there's nothing on the website about bedbugs. And there's 2 lists. There's another list: Be Prepared For Your Inspection. I won't go through this list, but I will tell you, there's no mention of bedbugs in their inspection checklist. There's 2 lists. So how are they checking for this? How are they doing the right things for tenants? They're talking about an overreach and they're not even doing what they need-- they're not even meeting the bare minimum. And I, I don't think this is an overreach. I think this is accountability. This is making sure they're doing the proper things to ensure that they're renting spaces and leasing spaces that are humane and habitable. I've known people and I know people that have lived in towers that had bedbugs. And it ain't the best situations. You don't-- like one of the testifiers said, you really don't want those people, not nothing against them, you love them, but you feel kind of uneasy and uncomfortable. You're like, hey, you got bedbugs. It might-- you don't want it to spread to your, your house or your situation and that, that's not right. We shouldn't know that we have public housing. It's public housing, and we've got people living in public housing. And we should have to do something about this because on the next bill, the city of Omaha is going to say they don't want to take on any accountability to hold these people accountable. So we, as a body, we either have to do something or the city of Omaha has to step up and do something. But we can't just sit on the sideline and let the Omaha Housing Authority just keep failing these people. And with that, I'll answer any questions.

CLOUSE: OK. Any questions for Senator McKinney? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Vice Chair. Thanks for-- Chairman McKinney, for bringing this bill. One of the things we heard, I think it was from Mr. Feilmann, that folks are afraid to make reports. And, I mean, that seems like, you know, if somebody has an infestation and they

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don't want to report it, that may lead to it spreading. I know if-- I remember your bill last year, we did something about that reporting portal, I think a little bit, made it a little bit easier to use and access. Do we need to take some action on protecting people so they're not afraid to make these reports or--

McKINNEY: We, we might have to look into that. I don't know if that reporting portal is all the way operational. If they could have answered questions, you know, it might have, might have made it easier. But they can't answer questions.

J. CAVANAUGH: OK. Thanks.

McKINNEY: No problem.

CLOUSE: Any other questions? Senator Andersen.

ANDERSEN: Thank you, Vice Chair. Thank you, Senator McKinney. The gentleman said that they check for cockroaches, mice, etcetera. And you-- but the cockroaches wasn't on the list of the inspection items that you read.

McKINNEY: It said--

ANDERSEN: I don't remember hearing any bugs on there.

McKINNEY: Let, let me look.

ANDERSEN: I think there was mice and rats.

McKINNEY: Yep. Number 12 said, said roaches. So that, that counts, maybe.

ANDERSEN: OK.

McKINNEY: Roaches, mice, and rat infestation.

ANDERSEN: So then who-- usually the authority responsibility lies with the funding mechanism. Right? Whoever has the gold, makes the rules. Right? So if HUD is the predominant funder, then who has authority and who has the hammer over the Housing Authority, not just Omaha, but all housing authorities, is that HUD?

McKINNEY: I mean, HUD does have some authority, but we have authority under the statutes to kind of regulate a little bit as well. There is some flexibility within the statutes to allow us to regulate.

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ANDERSEN: OK. So if the lists are inadequate, as you were pointing out, then that means we have a problem because we should have known if we're supposed to be regulating it. Right?

McKINNEY: Yeah.

ANDERSEN: OK. So we have to fix it to make sure-- the enforcement is to make sure that they actually do the inspections that they're supposed to contract and all that.

McKINNEY: Yes.

ANDERSEN: OK.

McKINNEY: No problem.

ANDERSEN: Thank you.

CLOUSE: Thank you. Any other questions? OK. Thank you, Senator McKinney.

McKINNEY: Thank you.

CLOUSE: OK. We'll move to the next bill, which is-- being another committee bill, LB514. Senator McKinney.

McKINNEY: Thank you. Good afternoon again, everyone. My name is Terrell McKinney, T-e-r-r-e-l-l M-c-K-i-n-n-e-y, and I represent District 11, which is in north Omaha, and I'm here to present LB514. LB514 grants the city council the authority by ordinance to regulate the Omaha Housing Authority. These potential regulations include stronger code enforcement, routine inspections, penalties for code violation, and regular updates to the city council. This bill stems from the city council's ongoing inability to hold OHA accountable. Despite the changes we passed last year with LB840, critical, critical issues remain unaddressed. Following my office is-- we sent a letter in October to OHA, which identified three major concerns that still require action. There is a potential loophole that allows a commissioner with contractual conflicts of interest to remain in place, contrary to Section 14 of LB840; two, recurring bedbug infestations in certain OHA-managed towers; and, three, poor living conditions for individuals with OHA vouchers in downtown Omaha. To establish real oversight and accountability, I researched existing statutes granting additional powers to the Omaha City Council. It became clear that strengthening these powers through LB514 wasn't necessary-- was necessary to hold OHA accountable, an agency that has

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faced multiple lawsuits, mismanagement, and persistent substandard living conditions for its residents. The-- this bill is critically important for my district and for all Omaha residents who rely on OHA housing. No one should have to live in, in the conditions that OHA has provided for far too long. With legislation like LB514, we're taking meaningful steps to improve the quality of life for vulnerable communities. The city of Omaha will come up here and say that the authority lies with the Legislature and that the Legislature is the body that should be holding OHA accountable. But with that, I will say, the mayor appoints, the city council approves, so what skin in the game should they have to hold OHA accountable? I think the city council is more on the ground closer to the situation than we are. And I-- that's why I think this is needed. They should be more responsive to their constituents. They are closer to the people than we are. Yes, I'm responsive. And I think anybody on this, on this committee or in this body would be responsive to constituents. But I believe our city councils and our mayors are closer to the people because they're local bodies and should be able to respond easier to this, especially when the mayor is appointing people to these commissions. That is closer relation than, than we have. The, the Legislature isn't appointing the, the OHA Board of Commissions. It's the, it's the, it's the mayor and the city council approving. So who has the closer relationship, who should be holding those people accountable? I think it's us, but I also think they should have skin in the game as well. And that's why I brought this bill because, for whatever reason, they feel as though they can't do nothing or they feel like it just should be up to us. And I don't think that, that is true. And with that, I'll take any questions.

CLOUSE: OK. Any questions for-- Senator Andersen.

ANDERSEN: Thank you, Vice Chair. Thank you, Senator McKinney. You have this limited to the cities of the metropolitan class. Any reason why you limited it besides you're looking simply at Omaha? Why won't you expand this to other cities?

McKINNEY: Just because of the seriousness of the situation. I'm open to expand. Like, I'm open to expand into other cities, but because of the situation, that's why I just kind of narrow-- narrowly tailored to cities of the metropolitan class just because--

ANDERSEN: That's your city, right? I mean,--

McKINNEY: Yeah. Yeah.

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ANDERSEN: --you're an Omaha guy. So if you have the same problems in, in-- and I'm not disparaging any cities, don't get me wrong--

McKINNEY: Yeah.

ANDERSEN: --if you have the same problems in North Platte and Kearney and, and Lincoln--

McKINNEY: Yeah, if I was hearing the same situations and-- any-- anybody else, I, I would be open to it and doing this, for sure.

ANDERSEN: OK. Thank you.

McKINNEY: Thank you.

CLOUSE: Senator Sorrentino.

SORRENTINO: Thank you. Just a couple of questions about the intent, Senator McKinney. LB514 allows cities. So we're not mandating this.

McKINNEY: No. It gives them additional powers.

SORRENTINO: Gives them, gives them the discretionary to do it to-- allows the studies of metropolitan class to have power by ordinance. So, first of all, they have the wherewithal to say yes or no. And then they would have to pass an ordinance. Is that correct? It says it's by ordinance.

McKINNEY: Yeah.

SORRENTINO: So the city says, yes, we want to do this. And then it has to go in front of city council to pass the ordinance to regulate OHA. I just want to make sure the chain of command is correct. So first they must decide. Then they have to do it by ordinance. So as state legislators, we're really not doing anything but giving them the suggestion, if you will. Is that correct?

McKINNEY: That's how I read it: To regulate any housing authority in a city of metropolitan class may include-- may-- it doesn't say shall.

SORRENTINO: And then, and then it's by ordinance.

McKINNEY: Yeah, it's a may. The city council still has to adopt.

CLOUSE: Senator Sorrentino, where are you reading that at, what section?

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SORRENTINO: Well, I was reading it really in-- not in the bill, although I'm looking for it there, I was reading it in the Statement of Intent.

CLOUSE: Oh.

SORRENTINO: LB514 allows cities of the metropolitan class to have power by ordinance to regulate its housing authorities. I am searching for the actual page number. I haven't quite found it yet.

CLOUSE: OK. While you're looking for that, we'll-- got any other questions?

SORRENTINO: Well, page, page 1,--

CLOUSE: You found it?

SORRENTINO: --line 3: provide powers to city, which has been same thing as to other class relating to housing authorities and to repeal the section. I don't see the other language as far as by its ordinance. I will continue to check.

CLOUSE: OK. Thank you. Senator, Senator McKinney, I, I do have a comment and can we talk about the boards and appointments? I have appointed numerous people to those boards and, typically, unless I was wrong all these years, I was considering it an advisory board, not a management board. And, you know, it's usually volunteers from the, from the housing authority that they would come in and they talk about different issues, could be the quality of food service, could be those types of things. So that was always my interpretation of what I was appointing for the Kearney Housing Authority. And that's more of a statement rather than a question.

McKINNEY: I guess, the, the crossover I see, even if it's advisement, it's-- the code enforcement pieces, the inspection pieces, those type of things, I think there are some boards and commissions that are advisement, but I think when you get into, especially housing, I think it, it rises to a different level, especially when you're appointing people to oversee a body to regulate housing, public housing. I think that's-- to me, that's a different level.

CLOUSE: OK. Thank you. Any questions for Senator McKinney? Seeing none, OK.

McKINNEY: Thank you.

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CLOUSE: Senator McKinney, it's not an easy-- it's a complex issue. Thank you. Do we have any proponents for bill 514, LB514? No proponents. Any opponents?

ALICIA CHRISTENSEN: Oh, I'm a proponent.

CLOUSE: OK.

ALICIA CHRISTENSEN: No, go-- I, I just [INAUDIBLE]. I'm sorry. Go ahead. Sorry, sorry.

CLOUSE: Opponent or proponent?

GWEN EASTER: Proponent.

CLOUSE: Proponent. OK. Proponent.

GWEN EASTER: My name is Gwen Easter. Again, I'm with Safe Haven Community Center. And I just want to say, I'm, I'm-- I would like to see them held accountable and have to answer to, to the city for this bill as well. So that housing authorities are held more accountable in the-- in our city for our residents. Thank you.

CLOUSE: OK. Any questions for Ms. Easter? OK. Thank you. Any other proponents?

ALICIA CHRISTENSEN: I had too much stuff on my lap, I guess, but. Again, hello. Good afternoon, I'm Alicia Christensen, A-l-i-c-i-a C-h-r-i-s-t-e-n-s-e-n, here in support of LB514 on behalf of Together, providing services and support for individuals and families experiencing housing instability throughout the Omaha metro area. Again, recognizing the very real constraints under which the Omaha Housing Authority operates, Together supports LB514 as a more efficient way or an additional way to provide responsive regulations, proper oversight, and enforcement actions regarding OHA. As you know, the Legislature has enacted laws to address a variety of OHA-specific issues in the past few sessions. However, given the type and recurrence of such issues, LB514 provides a more effective and efficient approach by delegating the necessary regulatory power to the city of Omaha, who can engage OHA and, ideally, local partners to create and implement effective solutions. In our experience, it's been somewhat difficult to open those lines of communication because there isn't a necessary sort of reporting requirement or any sort of obligation to the city or to stakeholders in the community when the Legislature passes things like LB840 last session. And so it can be frustrating to try and get updates about, you know, the appointment of

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commissioners or whatever the case may be in implementing those laws. And so I think some of these-- those-- the ability to work together better will be facilitated by this kind of bill and allow stakeholders with a thorough understanding of community-specific challenges and the available resources to forge workable and responsive solutions, implement them successfully, and enforce compliance. So, therefore, I would encourage the committee to support LB514 and advance the bill to General File. I'm happy to answer questions if you have any.

CLOUSE: Any questions for Ms. Christensen? OK. Thank you.

ALICIA CHRISTENSEN: Thank you.

CLOUSE: Any more proponents? OK. Any opponents?

JENNIFER TAYLOR: Good afternoon, members of the Urban Affairs Committee. My name is Jennifer Taylor, J-e-n-n-i-f-e-r T-a-y-l-o-r, and I'm here before you today as a member of the Board of Commissioners for the Omaha Housing Authority. First, there's been a lot said here today, but I want to start with a couple of things that I wanted to make clear. One, I, I, and the members of the Board and Housing Authority do not oppose inspections. We don't oppose compliance with all federal, state, local laws, housing codes, building codes, nor any obligation that we have to provide clean, safe, and decent housing. That's actually why I'm on this Board. That's what, what matters to me. That's what I care about. I have no objections to being held accountable. I'm here. So if I didn't want to be held accountable, I wouldn't be here. Second, I want to renew-- many of you are new to this committee, I've, I've been here a number of times on a number of different matters. But I want to renew my invitation. I've made it before and I'll make it again. Any time that I can meet with any one of you to discuss what we look at when we look at Housing Authority operational matters, what our issues are, what our problems are, what our concerns are, what solutions might be, I'm happy to meet with anybody, anyone of you at any time. I'm happy to have you at one of our facilities. I will take you through that facility. I'll walk you through units. You know, anything that you think would be helpful. I am at your disposal at any time, anywhere. So please, please take me up on my offer. I will make sure that you have my contact information as, as soon as we're done here today. I know Senator McKinney was at the Florence Tower back in December. He was unable to take us up on our offer to tour the building, but he was there for a while meeting with our CEO. We went through some of the issues that we've had with compliance with LB840 and where we stand on all that. So I know he's met with us. I also highly advocate for open communication. Joanie Poore, our CEO, every member of our Board is

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more than happy to talk to anybody, anytime. We have monthly board meetings, they are open to the public. If anyone wants to come see, discuss, we have-- we actually allow for public comment at the beginning of those meetings. So there is a number of ways that we make ourselves available for questions, concerns, and issues. We listen to our residents and we make those efforts. So the idea that we don't want to be held accountable, I just want to make clear is, is not accurate. Third, as has been discussed quite extensively, so I won't weigh too much on this, OHA is heavily regulated by the federal government. We are over 90% funded by HUD. We receive no funding from the state or from the city or from the county, and all funds that we do receive are obligated. So as many of you know or maybe learning, with government funds, there are very specific rules about what you can do with what money you get from where. All of our funding that comes from HUD is very specifically regulated to what we can use it for. Let's see-- and because of that, actually HUD does inspect our towers and our facilities on either annual, every 2 years, or every 3-year basis. The list that was mentioned by Mr. Levy is actually this list. So this is the HUD list, and I'm not going to go through all of it, but I can-- here: bathtub, shower, cabinet storage, carbon monoxide, cooking appliances, doors, windows, floors, flammable combustible items, exit signs, fences, gates, fire escapes, electrical, electric service panels, handrails, guardrails, garage doors, HVAC, infestation, evidence of cockroaches, evidence of cockroach infestation, evidence of bedbugs, evidence of bedbug infestation, evidence of mice, evidence of mouse infestation, evidence of rats, evidence of rat infestation, evidence of other pests. So that is the infestation list that is in the HUD checklist that is used by the HUD inspectors when they inspect our properties. You asked earlier about how-- what remedies we have or kind of how we're held accountable in that respect. If we, if we fail these inspections on a repeated basis, we actually have an impact to our funding. So it is imperative to the Housing Authority that we have our units inspected and that we do this on a regular basis. Otherwise, we do have an impact to housing-- to our funding. I'm sorry. So with regard to LB514, the objection is not that we object to being subjected to code enforcement. Really the issue is for the housing authority, we are already subject to federal regulations, HUD inspections on an annual and biannual basis. We are already subject to the state Housing Agency Act. To add one more layer of kind of oversight or government oversight just makes things more complicated, difficult, expensive and time consuming for the Housing Authority when actually really what we try to do is, is most effectively and efficiently use our resources to the best way possible. What's being requested in LB514 is, essentially, what I would think is duplicative

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of what is already required by HUD and, frankly, actually available to any, any resident of city of Omaha if they file a complaint as far as code inspection is concerned. So it is not that we object to being inspected, it is not that we object to being accountable, it's that for the provisions of this bill, I think it is problematic that it is essentially more regulation that doesn't really provide any additional requirements on us beyond what we already do.

CLOUSE: Time--

JENNIFER TAYLOR: There are a few provisions--

CLOUSE: --time, Ms. Taylor.

JENNIFER TAYLOR: Sorry. Thank you.

CLOUSE: We'll open it up for questions. Senator Sorrentino.

SORRENTINO: Thank you, Vice Chair. Would you please finish that comment?

JENNIFER TAYLOR: Sure. I may have just forgotten what it was.

SORRENTINO: You were on a roll.

JENNIFER TAYLOR: I get like that. So there are a couple-- I think that's where I was-- a couple of provisions in the bill that I think are a little vague. And so probably give me some heartburn as a commissioner as to what would be required of us if the city of Omaha were to, say, adopt an ordinance that involves the things that are set forth in this bill, i.e., it requests penalties for failure to manage property properly. And I don't really know what that means. And that to me is a concern that there would be regulation that would be so vague that it would be difficult to comply with. As far as code enforcement is concerned and pest control is concerned, it shifts. [INAUDIBLE] shift the burden of pest control in the city of Omaha. OHA, as we've discussed, provides pest control. The city of Omaha does not do that. I'm not sure that they're-- it's one of their things that's in their bailiwick. I'm not sure we want to do that. So that's a concern, I think, not only for the city, and I'm not going to speak for the city, but for OHA, and we employ third-party and in-house pest control. We employ in-house-- we employ third-party inspectors, inspect our units annually. We have the HUD inspections that happen annually every 2 years and every 3 years. So all of that is actually probably more strenuous than the code inspection obligations that exist for all other multifamily units in the city of Omaha under the

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city's current code. But, regardless, we are required because we are in the city of Omaha to require-- to comply with Omaha Municipal Code. So everything that is an Omaha Municipal Code obligation for every other multifamily building in the city, those same rules, those same codes apply to OHA.

CLOUSE: Thank you.

SORRENTINO: May I continue my questions?

CLOUSE: Senator Sorrentino.

SORRENTINO: Just, just a yes or a no. No offense, I just--

JENNIFER TAYLOR: It's late in the day. I get it.

SORRENTINO: So would you say that LB514 is vague?

JENNIFER TAYLOR: Portions. Yes.

SORRENTINO: That wasn't a yes or a no.

JENNIFER TAYLOR: Yes.

SORRENTINO: Overly broad?

JENNIFER TAYLOR: Yes.

SORRENTINO: Duplicative?

JENNIFER TAYLOR: Yes.

SORRENTINO: No further questions.

JENNIFER TAYLOR: Thank you.

CLOUSE: OK. Thank you. Any other questions? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Vice Chair. And thanks for being here, Ms. Taylor. You heard probably at the beginning Senator Sorrentino asked Chairman McKinney about this is permissive, the city of Omaha, if we pass this, the city of Omaha does not have to adopt these ordinances.

JENNIFER TAYLOR: Correct.

J. CAVANAUGH: And they could adopt any subset of them, they wouldn't have to adopt all of them.

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JENNIFER TAYLOR: Correct.

J. CAVANAUGH: So if the city of Omaha thought that Section A required them to take over pest control, they could not adopt that ordinance unless they so choose?

JENNIFER TAYLOR: That is an option,--

J. CAVANAUGH: OK.

JENNIFER TAYLOR: --but it is in this bill.

J. CAVANAUGH: As an option that they could take.

JENNIFER TAYLOR: As an option, but it is one that I would think is problematic regardless.

J. CAVANAUGH: If the city of Omaha decided to do it.

JENNIFER TAYLOR: Yes.

J. CAVANAUGH: OK.

JENNIFER TAYLOR: And in this bill, it specifically provides for the city to do that and I think that is problematic.

J. CAVANAUGH: And the city of Omaha opposes this bill.

JENNIFER TAYLOR: I'm not going to speak to what the city of Omaha has presented or-- to this committee in opposition but I, I understand that they do.

J. CAVANAUGH: Well, I'm, I'm telling you that.

JENNIFER TAYLOR: Yes.

J. CAVANAUGH: OK. We received a letter from the city of Omaha, legal department, Matt Kuhse, I'm sure you've heard of him, and stating the city of Omaha's opposition. So my-- just reading the tea leaves, Omaha is probably not going to be, like, really rushing into implementing parts of this bill if we passed it. So I, I guess I'm just saying that by way of saying I don't know if I buy that argument. But my next question is, does the city of Omaha have a rental registry ordinance?

JENNIFER TAYLOR: Yes, it does.

J. CAVANAUGH: Is OHA subjected to that?

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JENNIFER TAYLOR: Yes. And we comply.

J. CAVANAUGH: OK. And the OHA complies with all other code violations, they, they, they have code violations reported against them and then comply with that as well?

JENNIFER TAYLOR: Correct.

J. CAVANAUGH: OK. All right. Thank you.

CLOUSE: Any other-- Senator Rountree.

ROUNTREE: Thank you so much, Vice Chair. Thank you, ma'am, for your testimony today. And I just want to ask you one question. As far as being penalized, the private landlords or penalized for, you know, failures to meet coding standards, but do, do you all suffer any penalties being that you are OHA and housing authorities?

JENNIFER TAYLOR: The penalties that are actually imposed upon private landlords are generally monetary. And I would assume that those would apply to the Housing Authority as well. I don't know that we've ever been penalized, although I can tell you I don't know many private landlords that actually are penalized to that extent. So it's just not something that's done very often. But I-- we are subject to the Omaha Municipal Code so in the event that we did act in such a way that we could be penalized or should be penalized under the code, then, yes, we would be subject to those laws.

ROUNTREE: Would be subject to it. OK. All right. Thank you.

CLOUSE: OK. Thank you. Any other questions? Senator Andersen.

ANDERSEN: Thank you, Vice Chair. Thank you very much for being here and your testimony. You said that the-- your funding is 90% HUD funded, right?

JENNIFER TAYLOR: Um-hum.

ANDERSEN: Where does the other 10% come from?

JENNIFER TAYLOR: If you look at our budget, the majority of our funding is HUD, HUD grants and HUD subsidies. There are some fees that we collect. Obviously, there is some tenant revenue, but all of that is considered to be federal money under federal regulations. So even money that doesn't come directly from HUD is still obligated by HUD. So what we call those is obligated funds, which means we cannot use those funds for anything outside of what HUD says we can use them for.

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ANDERSEN: OK, so you don't return them to HUD, you keep them, but you consider them federally allocated dollars?

JENNIFER TAYLOR: They are federally allocated dollars. So the ability for us to, to use funds for anything that is not authorized by HUD or, or federally authorized means we have to find money that is what we call "defederalized" or not federally obligated. We have very, very little, if any, nonfederalized funds.

ANDERSEN: OK. I got two more questions.

JENNIFER TAYLOR: Sure.

ANDERSEN: Does the, to the best of your knowledge, and I won't ask you to speak for the city, but do they have a plan should this legislation go through of whether they would actually assume the responsibilities, do you know?

JENNIFER TAYLOR: I do not know.

ANDERSEN: OK. Do you know-- you said there's a duplicative layer of management. And I understand that. And I'm small government so I like lower level of management. Right? Do you know of any other states that have a model that are-- that will be implemented by this law?

JENNIFER TAYLOR: I don't believe so. And I know we did look into a similar question last year when LB840 was passed and we didn't find anything else that was similar to provisions of LB840. And I think that would apply here as well. And really, again, my concern is we already have federal regulations and we have the state regulations and sometimes reconciling state action and state regulation with what is required by federal law is challenging because they don't, oftentimes, match up well. So we have to reconcile those regulations to add a third level to try and reconcile, yet, a different set of, of rules or inspection requirements or what have you with what we already do really doesn't accomplish any more inspection. It just puts more onus on the Housing Authority to spend time and resources to try and reconcile and comply.

ANDERSEN: Yeah, well, I submit to you that every state's different, right? We're not all the same.

JENNIFER TAYLOR: Um-hum. Correct.

ANDERSEN: We all have different requirements. And, you know, with the changes that are going on at the federal level, at this point, there's

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no telling what the other state's going to be. So this may be an opportunity to try and delegate things from the federal level down at the state level and make it better for you having more direct, lower-level access to the people that are providing guidance and direction.

JENNIFER TAYLOR: And I, I would-- I can see that as a possibility. My concern really is funding because at the end of the day, I can only do what I can, I can do with my funds, and as long as my funds are federal, that's really at the end of the day, as you mentioned, that's the, that's the, that's the master I have to obey the most. And so if my funding were to come from somewhere else, then, you know, that might be a different, different story. But right now, I really do need to make sure that the Housing Authority, and as a commissioner, it is incumbent upon me to make sure the Housing Authority does not take action that in any way jeopardizes any of that funding, because if we do, then actually we harmed far more of our residents than, than we are trying to help.

ANDERSEN: Understand. Thank you.

JENNIFER TAYLOR: Um-hum.

CLOUSE: OK. Senator Rountree.

ROUNTREE: Thank you so much, Vice Chair. So thank you for that explanation on the funding piece. So that's still taxpayer dollars. It's federal dollars, but it's still, yet, taxpayers' dollars.

JENNIFER TAYLOR: Very much so.

ROUNTREE: So how do you align that with the ethical responsibility to take care of these tenants that you have inside of the OHA? You talked about a master, you talked about the city and so forth so I understand the echelons of the chain of responsibility. But at the end of the day, it's about taking care of our members that live in the OHA housing.

JENNIFER TAYLOR: I, I, I could not agree more. It is-- what I care most about is making sure that our residents-- and I don't want residents to live in places that are, are unsafe or unhealthy. You know, to, to take every step that we can possibly do and, and try to find remedies and solutions. That's what, that's, that's what we're tasked with doing. That's what our job is as commissioners, or my focus is on-- I'm going to [INAUDIBLE] a little bit, is my focus on getting \$80 million of federal money to build new housing. Yes.

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Leveraging philanthropic dollars to build new housing, to get rid of aging housing. And part of the issue with our towers is that they are old and, and they're, they're, they are challenged to maintain and to operate with their age. Now, are there programs available to us at the federal level at the RAD program that we could utilize to upgrade our towers? Yes. Are we looking into doing that and trying to figure how we can do that with federal government? Yes, because that's where we can, we can get large influx of cash into those buildings. If we can improve the way or we can upgrade the maintenance and, and take care of the deferred maintenance of those towers, some of these problems will go away. But there are more-- there's more than one way supposed to skin a cat. Yes, we can deal with some maintenance issues, but also massive upgrades to the facilities we have that are important, building new housing. So as you may know, we're in the process right now of demolishing portions of Spencer Homes in, in north Omaha and Southside Terrace in south Omaha. I've been working on Southside Terrace since I started on this Board. This is one of things I'm most excited about. It's why I'm still on the Board. \$50 million plus the other money that we're bringing to Southside Terrace to demolish and rebuild and rehab-- rehabilitate that neighborhood. And to the point that was brought up earlier, we have guarantees that if you leave, you can come back. We have case managers that are put in place required by HUD to make sure that that's all managed. So that people when they move somewhere else, we know where they go and we make sure that they can come back if they want to come back to their homes. The redevelopment of Southside Terrace is, is going to be a fantastic thing for the city of Omaha. So that doesn't mean that we aren't obligated still to make sure that all the rest of our housing is safe and sanitary and clean, and we have that ethical responsibility. We are working through it. Mr. Levy said, and he's right, we can always do better, but we are always trying to do better. You know, if you ever want to sit and talk through kind of what we're doing, where we're doing it, where we're spending money, where you think we could spend it better, I would love the opportunity.

ROUNTREE: All right. Thank you so much. I appreciate it--

JENNIFER TAYLOR: You're welcome.

ROUNTREE: --and I'll take you up on it.

JENNIFER TAYLOR: Please do. Please do.

CLOUSE: OK. Any other questions? Thank you.

JENNIFER TAYLOR: All right. Thank you.

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CLOUSE: Any other opponents? There aren't no opponents initial? OK. Any in the neutral? OK. With that, Senator McKinney. Oh, before you get started, proponents online, proponents three, opponents one, neutral, zero, and no ADA comments.

McKINNEY: Thank you, committee members. Just in closing, I think LB514 is a good bill as well. I think it allows the city of Omaha the option to adopt. That is clear is that the city council and the city would have to adopt this. It's not forcing them to do anything, it's saying here's an option on the table since you feel like you don't have any ways to hold the Omaha Housing Authority accountable. Because what has happened, is throughout the year, last year, for example, when residents have-- went to the mayor or the city council about OHA and, and things going on with OHA, the city-- and the city council member said, we can't do nothing. We have no powers. Now, this would give them the ability to step in and hold them accountable. And that's what this bill is attempting to do. And I'm just curious and I'm just wondering, the previous testifier mentioned the HUD checklist. Why is the HUD checklist different then the checklist that's on their website today? I'm, I'm kind of a little perplexed about that. Why is the HUD checklist and the checklist they're telling residents this is why you will fail in inspection different? Does that make any sense? Wouldn't you think the HUD checklist, the one that they're testifying and saying, this is the one we use, wouldn't you think this would be the one that they would share with the residents? I'm trying to understand that and wrap my mind around that. And this mention of too much oversight or duplicative-- like, duplication of authority, I don't think it is. Because today if you did a poll who has oversight of OHA? Even if I polled this committee, we would still ask ourself who-- selves who actually has the oversight? Because why isn't HUD stepping in? Why isn't the city stepping in? Why aren't we stepping in? So I don't get the argument that there's too much oversight because there's still questions and confusion about who actually has the oversight. And if the penalties are too vague, we could clean those up. That's simple amendment changes. We could fix that. And then she also mentioned pest control would go to the city of Omaha. And my rebut is, it's obvious that OHA isn't managing this pest control optimally. It's, it's, it's obvious that there's issues with pest control with OHA. They wouldn't have a class action lawsuit. So maybe somebody else needs to take it on to improve the conditions for the residents. And as Senator Andersen stated, there's a lot of things changing at the federal level, especially with deregulations. The state probably is going to have to step in and, and step up, which means we should be proactive and, and do our job to make sure there's things in place to

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protect our residents. And that's why I think this bill is important.
And with that, I'll answer any questions.

CLOUSE: Any questions for Senator McKinney? None? Thank you, Senator.

McKINNEY: Thank you.

CLOUSE: OK, thank you everyone for your attendance. And with that, our hearing for the day is closed.