

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See below	See below		
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See below		

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB1384 creates the Transforming Cities and Villages Program within the Affordable Housing Trust Fund, creates definitions, sets purpose, sets eligibility under the act, sets administration within the Department of Economic Development, allows the Department of Economic Development to promulgate rules and regulations, creates intent to appropriate \$10,000,000 in FY2024-25 for act.

LB1384 amends the Affordable Housing Trust Fund to include requiring the Department of Economic Development to provide grants under the Transforming Cities and Villages Program, allows for providing grants to community development financial institutions as an eligible activity under the Affordable Housing Trust Fund.

LB1384 amends the Intern Nebraska Cash Fund to allow for transfers to be made from the Intern Nebraska Cash Fund to the Affordable Housing Trust Fund and transfers \$10,000,000 from the Intern Nebraska Cash Fund to the Affordable Housing Trust Fund. As such net cash fund effect is zero.

Changing eligibility may affect distribution of grants. No basis to disagree with agency's estimate for administration.

Please complete ALL (5) blanks in the first three lines.

2024

LB⁽¹⁾ 1384

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Economic Development

Prepared by: ⁽³⁾ Dave Dearmont Date Prepared: ⁽⁴⁾ 2/4/2024 Phone: ⁽⁵⁾ 402-471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	\$2,500,000	_____	\$7,500,000	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$2,500,000</u>	_____	<u>\$7,500,000</u>	_____

Explanation of Estimate:

LB1384 would create a new program under the Affordable Housing Trust Fund, called the Transforming Cities and Villages Program to award grants to cities and villages with a Community Development Finance Institution (CDFI) to construct affordable housing. The bill would also require DED to fund up to \$10 million in grants under the new program. In addition, the bill adds grants to CDFIs as an eligible activity for support from the Affordable Housing Trust Fund.

LB1384 contains intent language to appropriate \$10 million for the new Transforming Cities and Villages Program. The bill also would require a transfer of \$10 million from the Intern Nebraska Cash Fund to the Affordable Housing Trust Fund.

The bill would create a new program, which would require the services of an Economic Development Consultant II to develop and administer the program. DED expects to distribute 25% of the transferred funds in FY2024-25 and the remainder in FY2025-26.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
A49012 Econ. Dev Business Consultant II	0.75	1.00	\$51,360	\$68,480
Benefits.....			17,120	22,820
Operating.....			18,720	20,000
Travel.....			4,890	6,850
Capital outlay.....			8,600	
Aid.....			2,450,670	7,450,330
Capital improvements.....				
TOTAL.....			\$2,500,000	\$7,500,000