

Tony Vargas voted for excessive home building regulations which could significantly increase construction costs - making it even harder for Nebraskans to purchase a home.

BACKUP:

In May 2019, Tony Vargas voted for LB 405, legislation to update Nebraska's energy codes; however, the bill was opposed by the American Conservative Union, which argued that the “draconian mandates” would “significantly drive up building construction costs”:

- In May 2019, Nebraska lawmakers approved LB 405, legislation to update the state’s energy codes for residential and commercial buildings. “Nebraska lawmakers on Thursday passed LB 405 to update the state's energy codes for residential and commercial buildings, potentially the first substantial changes to the regulations in a decade.” (Robert Walton, “Nebraska surprise: State poised to become Midwest building efficiency leader,” [Utility Dive](#), 5/6/2019)
- On May 2, 2019, Tony Vargas voted for LB 405. (Nebraska Legislature, Final Passage of LB405, [Recorded Vote](#): Passed: 30 - 11, Vargas voted Yes, 5/2/19)

LB405 - Adopt updates to building and energy codes			
Stage:	Final Reading	Date of Vote:	May 02, 2019
Motion/Amendment:			
Vote Totals:			
Yes: 30			
No: 11			
Present - Not Voting: 7			
Excused - Not Voting: 1			
Absent - Not Voting: 0			
Individual Votes			
Albrecht	No	Hughes	Present - Not Voting
Arch	Present - Not Voting	Hunt	Yes
Blood	Yes	Kolowski	Yes
Bolz	Excused - Not Voting	Kolterman	Yes
Bostelman	No	La Grone	Present - Not Voting
Brandt	Yes	Lathrop	Yes
Brewer	Present - Not Voting	Lindstrom	Yes
Briese	Present - Not Voting	Linehan	Yes
Cavanaugh	Yes	Lowe	No
Chambers	Yes	McCollister	Yes
Clements	No	McDonnell	Yes
Crawford	Yes	Morfeld	Yes
DeBoer	Yes	Moser	No
Dorn	Yes	Murman	No
Erdman	No	Pansing Brooks	Yes
Friesen	No	Quick	Yes
Gelst	Yes	Scheer	Yes
Gragert	Yes	Slama	No
Groene	No	Stinner	Yes
Halloran	No	Vargas	Yes
Hansen, B.	Present - Not Voting	Walz	Yes
Hansen, M.	Yes	Wayne	Yes
Hilgers	Present - Not Voting	Williams	Yes
Hilkemann	Yes	Wishart	Yes
Howard	Yes		

(Nebraska Legislature, Final Passage of LB405, [Recorded Vote](#): Passed: 30 - 11, Vargas voted Yes, 5/2/19)

- The American Conservative Union opposed LB 405, arguing that the “draconian mandates” would “significantly drive up building construction costs.” “While the bill provides some flexibility for localities to opt out of the stringent mandates, the bill also permits local authorities to impose even greater regulations which would severely harm the viability of building projects. ACU recognizes these draconian mandates will significantly drive up building construction costs and harm business expansion and development, believes property owners should have the right to build at the efficiency level that best meets their needs and opposed this bill. The Legislature passed the bill on May 2, 2019 by a vote of 30-11 and the bill was signed into law.” (American Conservative Union Foundation, “LB 405 – Increasing Building Costs through Extreme Energy Efficiency Mandates,” [Vote Description](#), Accessed: 7/14/22)

- **According to the American Conservative Union Foundation, LB 405 “significantly drives up building costs by imposing extreme energy efficiency mandates.”** “This bill significantly drives up building costs by imposing extreme energy efficiency mandates on residential and commercial buildings. Specifically, this bill forces Nebraskans to comply with the 2018 edition of the International Energy Conservation Code (IECC) and meet incredibly costly energy efficiency mandates imposed on all new buildings and any renovations or additions to existing buildings.” (American Conservative Union Foundation, “LB 405 – Increasing Building Costs through Extreme Energy Efficiency Mandates,” [Vote Description](#), Accessed: 7/14/22)

Over the past two years, home prices in Nebraska have surged to all-time highs, making it difficult for first-time homebuyers and low-income communities to afford to purchase a home:

- **Federal Reserve Bank of Kansas City HEADLINE: “Nebraska Home Prices Surging Amid Strong Demand and Limited Supply”** (Nate Kauffman and John McCoy, “Nebraska Home Prices Surging Amid Strong Demand and Limited Supply,” [Federal Reserve Bank of Kansas City](#), 1/13/22)
- **According to the Federal Reserve Bank of Kansas City, home prices in Nebraska have surged to all-time highs over the past two years.** “Home prices in Nebraska have surged to all-time highs over the past two years alongside strong demand from buyers and a limited supply of homes available for sale. Demand for housing has been supported by sharp increases in household incomes, despite the pandemic, and several factors have limited the construction of new homes throughout the state.” (Nate Kauffman and John McCoy, “Nebraska Home Prices Surging Amid Strong Demand and Limited Supply,” [Federal Reserve Bank of Kansas City](#), 1/13/22)
- **The rapid increase in home prices has intensified challenges of affordability for low-income communities in the region.** “While the higher prices may be beneficial for current homeowners, the rapid increase in prices has intensified challenges of affordability for many low-income communities in the region.” (Nate Kauffman and John McCoy, “Nebraska Home Prices Surging Amid Strong Demand and Limited Supply,” [Federal Reserve Bank of Kansas City](#), 1/13/22)
- **The Federal Reserve Bank of Kansas City reported that the challenges of housing affordability have intensified most significantly in North Omaha and South Omaha.** “More specifically, the challenges of housing affordability have intensified most significantly in North Omaha and South Omaha since the onset of the pandemic. Compared with a baseline scenario, home prices increased more than 40% in four communities in North and South Omaha (Map 2 and 2a).[2] In fact, by the end of 2021, home prices had increased about 30% over the baseline for many areas east of 72nd Street in Douglas County, leading to much lower home affordability compared with the years prior to the pandemic.” (Nate Kauffman and John McCoy, “Nebraska Home Prices Surging Amid Strong Demand and Limited Supply,” [Federal Reserve Bank of Kansas City](#), 1/13/22)
- **KETV NewsWatch 7 HEADLINE: “It’s disheartening’: First time homebuyers face growing challenges in hot housing market”** (Alexandra Stone, “It’s disheartening’: First time homebuyers face growing challenges in hot housing market,” [KETV NewsWatch 7](#), 3/8/22)
- **Many first-time homebuyers in the Omaha area are facing bidding wars and rising costs to buy a home.** “Housing experts nationally and locally say after the 2008 recession, construction of new homes slowed, not keeping up with demand and leading to the

shortage we see today. Omaha realtor Joe Gehrki said the metro alone is tens of thousands of units short right now. 'We could actually add 30,000 dwelling units and absorb that, and that's a big number for our population,' Gehrki said. Take that already slim inventory, coupled with consumer demand, and it leaves many first-time homebuyers facing bidding wars and rising costs to buy a home." (Alexandra Stone, "It's disheartening': First time homebuyers face growing challenges in hot housing market," [KETV NewsWatch 7](#), 3/8/22)

- **Between January 2021 and January 2022, the median close price of a home in Omaha rose by 15 percent, which followed an increase of 12.4 percent the year before.** "The Great Plains Regional MLS reports the median close price in Omaha was \$260,000 dollars in January. That's up 15 percent from January 2021. And that follows significant increases the year prior. Between January 2020 and January 2021, the median close price increased 12.4 percent." (Alexandra Stone, "It's disheartening': First time homebuyers face growing challenges in hot housing market," [KETV NewsWatch 7](#), 3/8/22)