

**EXHIBIT A**



**OMAHA**

**HOUSING AFFORDABILITY ACTION PLAN**



# ACKNOWLEDGMENTS

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- City Council
  - › Pete Festersen
  - › Juanita Johnson
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  - › Vinny Palermo
  - › Done Rowe
  - › Brinker Harding
  - › Aimee Melton
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  - › Greg Rosenbaum
  - › David Rosacker
  - › Cydney Franklin
  - › Patrick Morris
  - › Jeffrey Moore
  - › Michael Pate
  - › Jorge Sotolongo
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  - › Eric Englund
  - › Kellie Johnston-Dorsey
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- › Together
- › University of Nebraska at Omaha
- › Urban Village
- › Verdis Group
- › Veridian Credit Union
- › White Lotus Group
- › Woodsonia Real Estate





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# INTRODUCTION

## WHY A HOUSING AFFORDABILITY ACTION PLAN?

In the last ten years, nearly 7,000 units affordable to households making less than \$50,000 were lost in the City of Omaha. In the next eight years, the affordability period will end for another 2,000 units. Nearly 30,000 housing units are needed in the City by 2030, 60% of that need is for affordable units. The purpose of this Housing Affordability Action Plan is to outline strategies so all residents of Omaha have a choice of housing type and location, regardless of income.



Over 55,000 Omaha households spend more than 30% of their income on housing




Omaha lost nearly 7,000 units affordable to households making less than \$50,000 in the last ten years



In the next eight years the city could lose another 2,000 Low Income Housing Tax Credit dedicated affordable units

## ORGANIZATION & ROLE OF THE STUDY

This housing study was designed to explore, evaluate, and identify strategies to address housing issues in Omaha and its extraterritorial jurisdiction (the area three miles out from city boundaries). To understand the state of housing supply and demand in Omaha, this study combines an extensive public input process and analysis of the demographic and market trends to identify the city's housing goals and strategies. Within this document you will find an overview of the major findings within the market assessment and public engagement process along with detailed goals and strategies. Additional detail regarding the market assessment and public engagement can be found in this study's supporting reports.

This plan will address the requirements of LB 866 - the Municipal Density and Missing Middle Housing Act (Nebraska Statute 19-5501 to 19-5506). In the Goals and Strategies section of this document, those items that specifically address LB 866 are denoted with an icon - .

This Action Plan provides overarching housing goals and strategies for the City of Omaha. The Analysis of Impediments to Fair Housing Choice (AI) outlines issues and sets priorities and goals specific to the Fair Housing Act. The Consolidated Plan states how federal funds within the City of Omaha will be spent. These two documents (AI and Consolidated Plan) will follow the direction established in the Action Plan and further implement the Action Plan's goals and strategies.

## HOUSING TERMINOLOGY & ABBREVIATIONS USED IN THIS STUDY

### Abbreviations Used in The Study

- › ADA - Americans With Disability Act
- › ADU - Accessory Dwelling Unit
- › AMI - Area Median Income
- › ARPA - American Rescue Plan Act
- › CDBG - Community Development Block Grant
- › HUD - U.S. Department of Housing and Urban Development
- › SID - Sanitary and Improvement District
- › TIF - Tax Increment Financing

### Housing Terminology Used in The Study

- **Accessible (Housing).** Housing that is physically adapted to the individuals who are intended to occupy it, including those who are disadvantaged by age, physical or mental disability or medical condition.
- **Accessory Dwelling Unit.** An interior, attached, or detached residential structure that is used in connection with, or that is accessory to a single-family dwelling and is located on the same lot or parcel as such single-family dwelling. (Nebraska’s Municipal Density and Missing Middle Housing Act)
- **Affordable Housing.** Housing for which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities. (HUD)
- **Appraisal.** Assesses the current market value of a property and is usually a key requirement when a property is bought, sold, insured, or mortgaged. Comps (comparables) are needed; these are properties located in the same area, have similar characteristics, and have an established value (recent sales).
- **By Right/Approval.** A use permitted or allowed without review/approval by the city’s planning board/city council and complies with the provisions of the zoning regulations and other applicable ordinances and regulations.
- **Cost Burdened.** Moderately (severely) cost-burdened households pay more than 30% up to 50% (more than 50%) of household income for housing.
- **Market Rate.** The price that the broad number of home buyers or renters are willing to pay for housing. Market rate housing does not have any restrictions on price. Generally, when the demand goes up, the market rate price will also go up; when supply goes down, the market rate price tends to go up. Note, the market rate price may also be a price buyers must pay because there are no other options for their situation, making them housing cost burdened.
- **Missing Middle Housing.** A range of house-scale buildings with multiple units—compatible in scale and form with detached single-family homes—located in a walkable neighborhood. (missingmiddlehousing.com).
  - › Nebraska’s Municipal Density and Missing Middle Housing Act defines middle housing as duplexes; triplexes; quadplexes; cottage clusters; or townhouses.
- **Middle Income Housing.** Housing affordable to a household earning between 80% and 120% of the area median income. This is sometimes referred to as Workforce Housing. Source: <https://www.ffiec.gov/geocode/help3.aspx>
- **Universal Design.** Also called barrier-free design, focuses on making the house safe and accessible for everyone, regardless of age, physical ability, or stature. Source: [www.pbs.org/hometime/house/udesign](http://www.pbs.org/hometime/house/udesign).



# Housing Types



LARGE SINGLE-FAMILY HOME



MANUFACTURED HOMES



MODULAR HOME



DUPLEX



ACCESSORY DWELLING UNITS



TOWNHOME



SMALL MULTI-FAMILY APARTMENT



SMALL SINGLE-FAMILY HOME



MEDIUM MULTI-FAMILY APARTMENT



MIXED-USE



LARGE MULTI-FAMILY APARTMENT



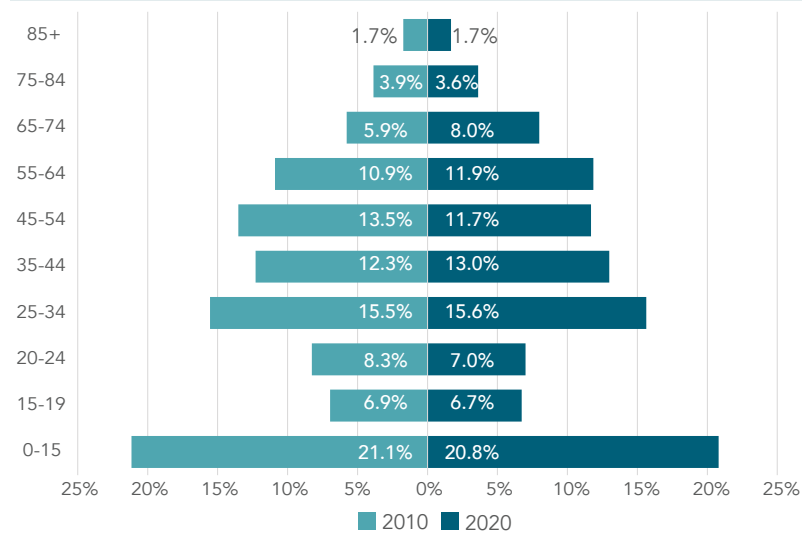
SENIOR LIVING

# MARKET ASSESSMENT

## OMAHA'S DEMOGRAPHIC & HOUSING CHARACTER

Understanding demographic and economic trends is the first step to forecast future needs and articulate a program to improve Omaha's housing market. Combined, these trends have a tremendous impact on the local housing market. This section is supported by the Market Assessment Report document that offers greater detail on the city's demographic and economic character.

### City of Omaha Age Cohort

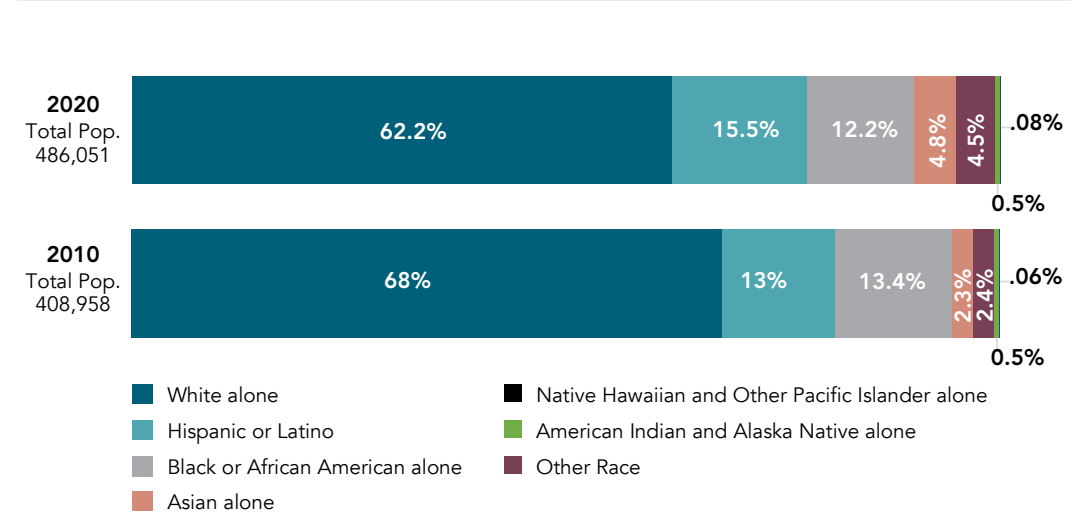


Source: ACS 2020 (5-Year Estimates)

## 1. POPULATION CHARACTERISTICS

Omaha has experienced steady growth and that growth has made the city more diverse. In the last ten years Omaha's three largest racial and ethnic groups all grew but the percentage of the population that identifies as Hispanic or Latino, Asian, or other races is now a larger percentage of the population. Greater population diversity, including age diversity, means a need for greater housing diversity, ensuring that housing can meet every stage of life and housing preference.

### City of Omaha Population Make-Up



Source: ACS 2020 (5-Year Estimates)



## 2. HOUSING SUPPLY

Omaha has not been producing enough housing to meet demand for several years. Between 2010 and 2020, Omaha added 26,908 households and constructed 26,732 units. To avoid shortages in the housing market, slightly more than one unit should be created for every new household.

### Ownership

In 2018 the existing home supply in the for-sale market was less than a month and a half and dropped to less than a month in 2021, well below the six-month supply traditionally needed to avoid price inflation.

### Rental

In the last decade construction activity has been dominated by single-family homes and 5+ multi-family structures. New construction has not eased demand for rentals as vacancy rates are estimated at 4%. A vacancy rate closer to 6% ensures more balance in the market. The majority of landlords have raised rent in the last year due to increasing costs (taxes, insurance, maintenance) and demand for their product.

## 3. HOUSING TYPES & LOCATION

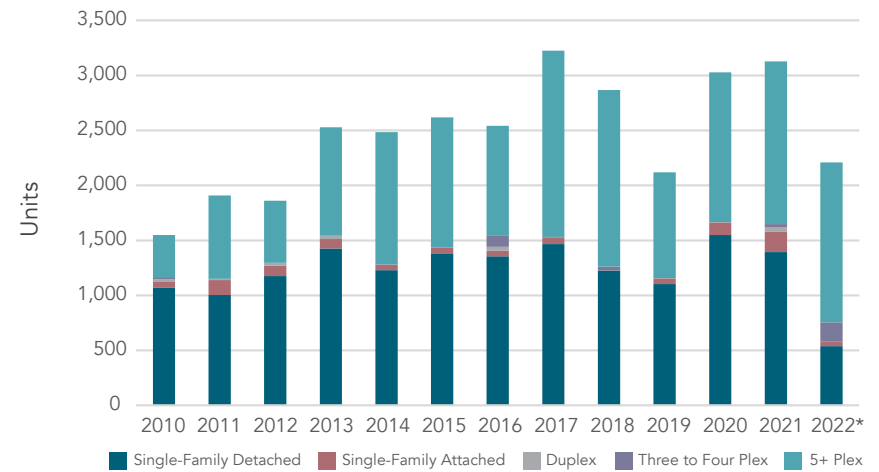
Over 80% of the city's residentially zoned land does not allow by right attached units or smaller scale multi-family housing.

- This limits options for many households, including those interested in remaining in their neighborhood but wanting something that better fits their current stage of life.

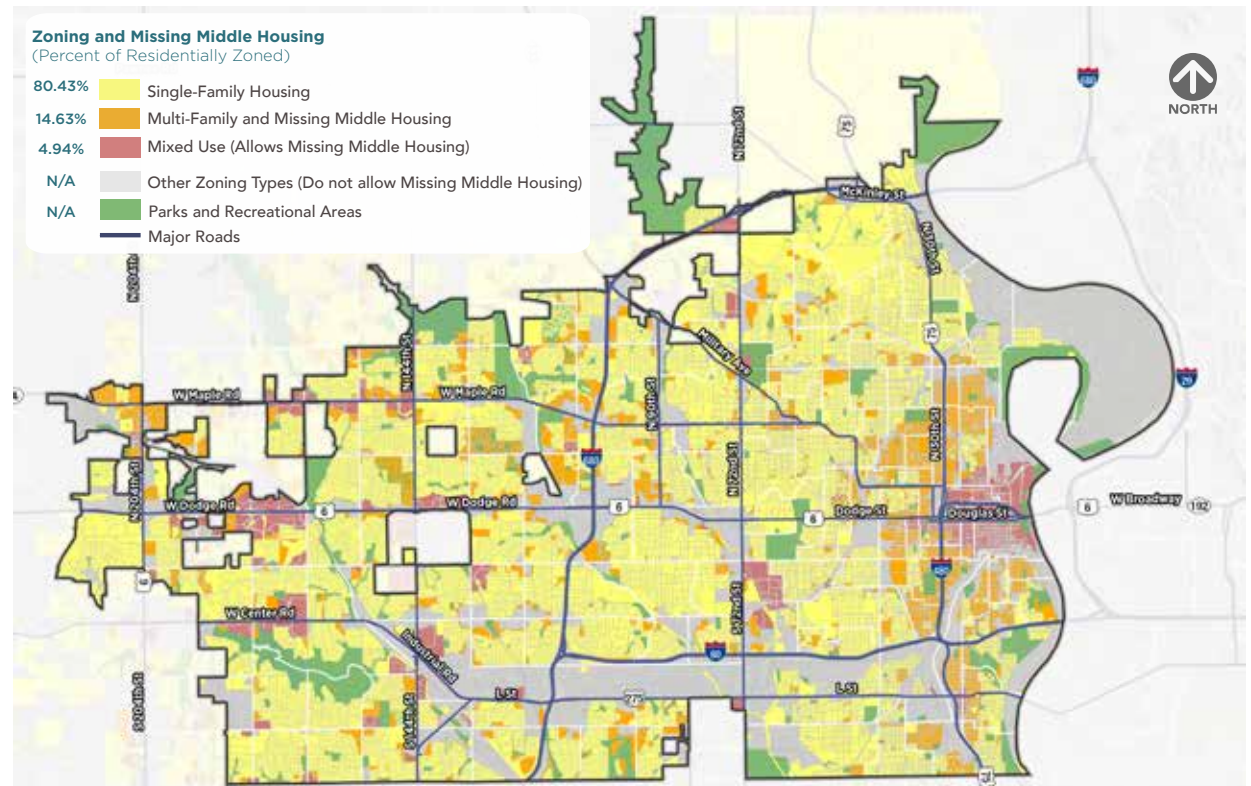
A significant amount of the city's rental properties are located in eastern portions of the city.

- Many of these units are single-family detached homes, making it harder for buyers to find ownership options in these neighborhoods as they compete with investors.

Building Permits by Unit 2010-2022



\*January to May 2022; Source: 2022 Planning Department



Source: 2022 Planning Department

## 4. AFFORDABILITY

The number of households making less than \$50,000 (households that are more likely to rent) declined but so did the number of affordable units for this income range.

- The number of households making more than \$75,000 accounted for 95% of household growth between 2010 and 2020. These households can afford market rate new construction, but these units have not been built. This means these households are living in more affordable options. This, combined with the loss of nearly 7,000 affordable units, results in fewer options for lower income households.

Rental households in the eastern portions of the city, where the number of rental units is higher, tend to spend more than 30% of their income on housing. Many of these areas have over 26% of the population living below the poverty line.

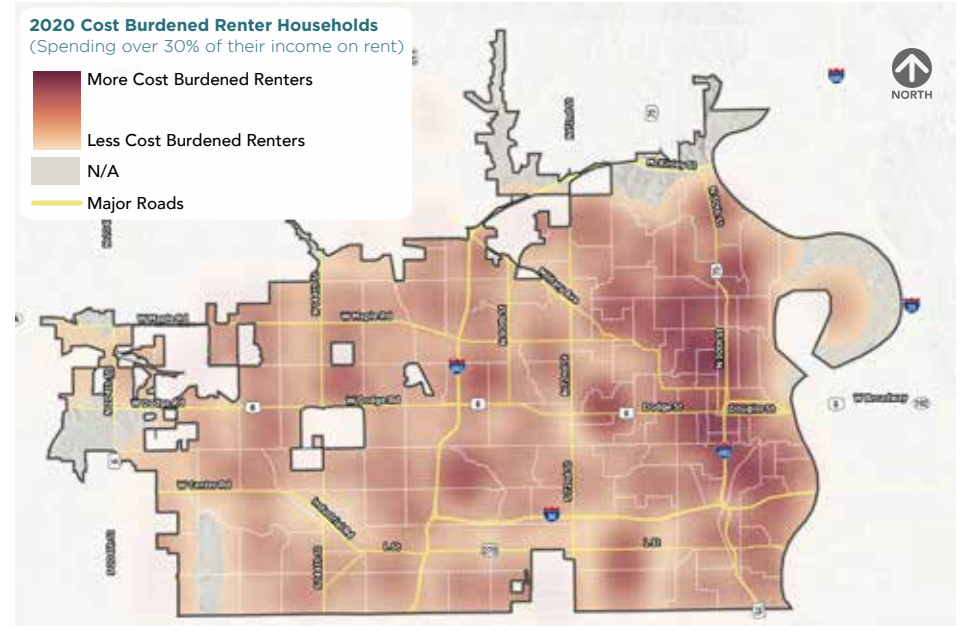
Additional information on the level of cost burdened households can be found in the Market Assessment Supplemental Report. Generally, there are fewer cost burdened owner-occupied households due to lending practices and laws.

## 5. AGE OF HOUSING

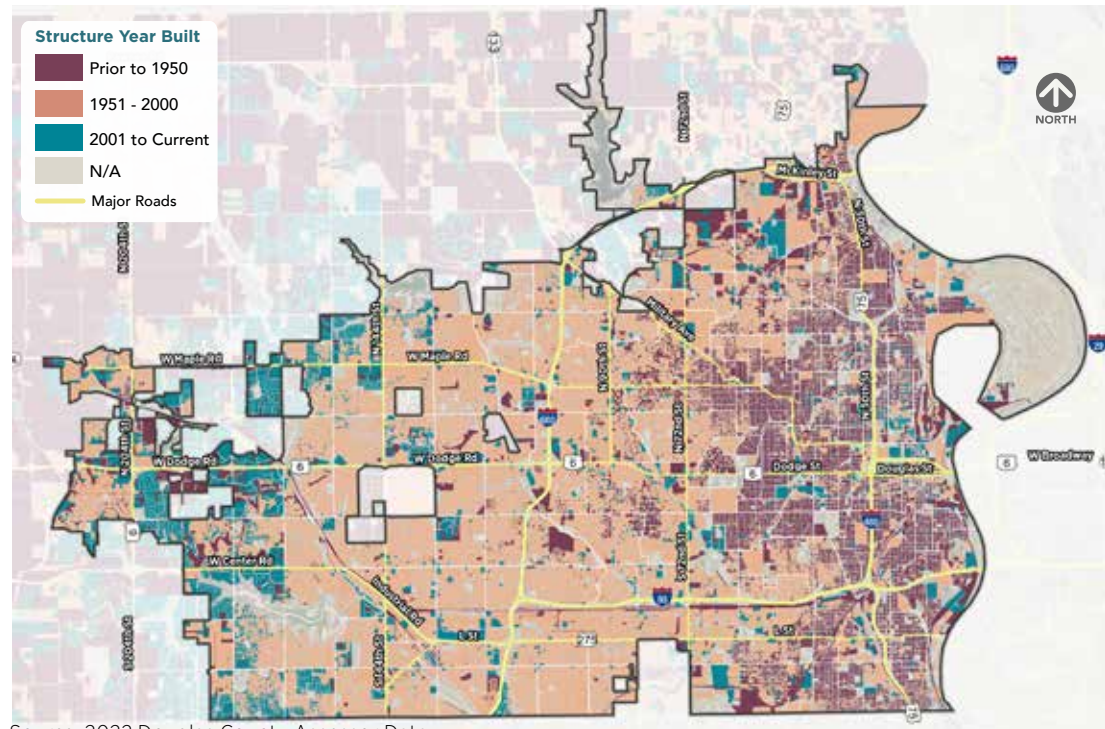
Nearly a quarter of Omaha's residential structures were built before 1950.

- Most communities target their housing rehabilitation dollars to the original city core. As housing in other parts of the city ages the demand for these dollars could be spread across a wider area.

Over 46% of Omaha renters are housing cost burdened.



Source: ACS 2020 (5-Year Estimates)



Source: 2022 Douglas County Assessor Data

## 6. HOUSING DEMAND

At current building rates Omaha and its jurisdiction will not keep pace with projected growth.

Resulting in either a severe shortage of housing or pushing that construction activity into the larger region, further stretching expensive infrastructure and increasing transportation costs (personal and public transit).

At 1.1% annual growth, Douglas County will need to produce nearly 30,000 units by 2030.

- Over 11,000 for-sale units will need to be priced below \$250,000 or for households making less than \$100,000.
  - › At current building costs, these units cannot be produced without changing the type of owner-occupied unit that is being constructed. This includes the size of the home and lot size. The other option will require funding the gap between costs (material, labor, and land) and this price point.
- Over 7,000 rental units will need to be priced below \$1,000 a month or for households making less than \$50,000.

Some of these units (both owner and renter) may also become available by higher income households moving to higher priced units. However, construction activity has to keep pace with growth and buyer preferences.

**Figure 1.22: Housing Development Program, 2022-2030**

|                        | NUMBER OF UNITS | TOTALS |
|------------------------|-----------------|--------|
| <b>Owner Occupied</b>  |                 |        |
| <\$200,000             | 8,435           | 16,836 |
| \$200,000 - \$250,000  | 2,764           |        |
| \$250,000 - \$350,000  | 2,988           |        |
| \$350,000              | 2,649           |        |
| <b>Renter Occupied</b> |                 |        |
| <\$1,000               | 7,186           | 13,015 |
| \$1,000-1,500          | 3,415           |        |
| \$1,500+               | 2,414           |        |
| <b>Total Need</b>      |                 | 29,851 |

Source: RDG Planning & Design

**By 2030 Douglas County will need an additional 18,385 affordable units**



# PUBLIC ENGAGEMENT



A major aspect of an Action Plan is stakeholder engagement. Only by listening to the community of stakeholders is the City of Omaha able to develop a full understanding of recent changes in the local housing market, impacts on those in need, and potential changes in policies and programs at all levels of government. Hundreds of Omahans participated in the planning process and provided important and valued input. This section offers a selection of major takeaways from the public engagement process. To learn more about public engagement activities and information shared by participants, please see the Public Engagement Report.

## Open Houses

Seven sessions with 189 attendees.

## Listening Sessions

Thirty-five sessions with 317 participants.

## Community Survey

Opened in the Spring and Summer of 2022 with 1,934 participants.

## Community Events

City staff and planning team members attended several events, including World Refugee Day and Omaha Freedom Festival.

## Website & Virtual Open House

Residents were given the opportunity to review materials and provide feedback online through the Omaha Housing Affordability Action Plan website and a Virtual Open House.



## FREQUENTLY HEARD

### Obstacles to finding housing

Participants across the city were concerned about the increasing cost of owning or renting in Omaha. Finding a good quality unit, in the right price range, and desired neighborhood was limiting their ability to move or find housing that fit their stage of life. Participants also felt that additional education on finance, homeownership, and fair housing would remove some barriers.

### Location of housing

Where housing is located is also important to residents and in developing strategic housing policies. Many felt that affordable housing needed to be spread around the community but that access to transit was also very important. Leveraging existing or improving transit lines was seen as an opportunity that should not be wasted. Participants also wanted active neighborhoods that include homes with less maintenance.

### Desired housing types

Expanded housing options were important to many participants. This includes more options in the type of units, housing sizes, price points, and maintenance free and accessibility features. Residents were especially interested in smaller scale products such as small single-family homes, townhomes, and accessory dwelling units. For all of these unit types and configurations the demand is greater than the supply. Participants were concerned with regulatory issues related to housing options, from the barriers to building these units to increased requirements for accessibility.

### Approaches to affordable housing

Affordability was the overriding concern for almost all participants. The most common areas of concern included:

- Predatory landlords.
- Loss of unsubsidized affordable housing to redevelopment.
- Out-of-town investors or cash buyers.
- Landlords discriminating based on a tenant's source of income
- The need to create better incentives for affordable housing. This includes reevaluating existing city policies around financing and expansion of financing tools.
- Expanding assistance programs and the overall number of affordable units, both subsidized and unsubsidized.

### Housing for all

Participants felt that low-income households and individuals with disabilities should not be isolated or limited by the quality, affordability, and accessibility of units. For some households, supportive services need to be paired with safe, affordable housing. Generally, all participants felt that as a community we need to continue to find ways to provide safe, affordable housing for marginalized populations.

# OPPORTUNITIES, ASSETS, & CHALLENGES

Building off of the market assessment and community engagement several themes began to emerge. These themes were used to build the city's housing goals.

## OMAHA'S HOUSING OPPORTUNITIES & ASSETS

Like many communities, service providers and community partners in Omaha can feel overwhelmed by the complexities of the housing challenges they face. However, the community has key resources and assets with which to build a successful housing strategy.

## Large number of community partners

Omaha has a number of nonprofit organizations that are focused on providing safe and affordable housing. Some work with the city's most vulnerable populations, while others are focused on housing security and stability for their neighborhood. The COVID-19 Pandemic put a spotlight on the housing struggles that many households are facing. This spotlight has led to growing support from the philanthropic community. Organizations are leveraging local and American Rescue Plan Act dollars to assist many of the city's most successful

and innovative housing initiatives. While Omaha still has a shortage of affordable housing, these organizations have made a significant impact. Through continued partnerships, the issues related to safe and affordable housing can be addressed.



## Support for innovative approaches

Omahans are looking for greater variety in their housing options. This includes smaller single-family homes, townhomes, mixed-use buildings, and even accessory dwelling units. In addition, innovation extends to an interest in new building techniques and product types. Residents recognize that their support for new approaches is necessary.

## Demographic support for housing variety

Omaha is becoming a more diverse city, including over a third of the population identify as non-white (see page 4) and a growing number of residents entering their retirement years. These households are often interested in products other than large single-family detached homes or large-scale multi-family structures. These households create a demand for middle density and lower maintenance products that can potentially be built more efficiently and at scales that create walkability and a sense of neighborhood.

**What is the first thing we should do to make housing more affordable?**

**“Expand housing options in the zoning code -> legalize duplexes/townhomes”**



## Historic success in producing affordable units

Over the past 30 years, Omaha has seen thousands of affordable units built through city programs, and partnerships with local nonprofits and developers focused on affordable housing. The human capital and knowledge are available to build upon. Additionally, organizations that are focused on households that make less than 120% of the area median income (AMI) are filling gaps in the growing definition of housing burden.

## Commitment of ARPA funding

The American Rescue Plan Act (ARPA) is injecting a level of funding into the affordable housing market that has not been seen in decades. Omaha is fortunate to have the philanthropic community matching funds to leverage this opportunity. Since the 1980s, most federal programs that have supported the development or preservation of affordable housing have experienced budget cuts or at least stagnation. The ARPA funds provide Omaha a unique opportunity to create more housing and more affordable housing that could also stabilize neighborhoods and increase housing product options.

## OMAHA'S HOUSING CHALLENGES

### Limited types of Housing - Lack of “missing middle” housing

Between 2010 and 2021, middle-density units (single-family attached, duplexes, three- to four-plexes) accounted for only 4% of the city's building activity.

### Lack of housing options in all neighborhoods

The market assessment compiled as part of this report illustrates the long lasting impacts of Redlining and zoning practices that isolated housing types and incomes. One of the city's biggest challenges is the lasting impact these practices have had on residents. In areas of north and south Omaha, where Redlining was a historic practice, homeownership rates are low and many renter households are cost burdened. In neighborhoods built since Redlining has been outlawed, single-family detached housing has consumed most of the developed land, leaving few rental or maintenance free ownership options. Across all of Omaha, residents often have to leave their neighborhoods to find housing that meets their budget or stage of life needs.

### Limited quantity of affordable rental housing

An Omaha rental survey, that included over 19,000 rental units in the Omaha market, found that rents have been increased for over 50% of units in the last 12 months. Omaha has experienced a significant increase in rental unit construction, however, the vast majority of these units have been market rate units at elevated price points never seen in the Omaha market. While the number of households making less than \$50,000 (households traditionally in rental units) has declined, the number of units affordable to these households has declined by nearly 7,000.

What are the obstacles to finding somewhere to live in Omaha?

“Low inventory low # of missing middle units”

What is the first thing we should do to make housing more affordable?

“Address the effects of redlining and housing practices in Omaha”

What do you think is needed to make housing more affordable in the Omaha Metro area?

“Rent control. Landlords shouldn't be allowed to take advantage of housing scarcity by exploiting their tenants, and I would hate to see all of the planned new development result in unaffordable neighborhoods.”  
- Survey Response



## Real and perceived code issues

The development community often has concerns with the process and cost of regulations. Nationally, studies indicate that development regulations are a significant portion of building costs ([National Home Builders Association](#)). These costs are passed on to the consumer. Regulations have been added over time as events, including historic flooding and devastating fires, brought to light basic standards that need to be in place to protect the health and safety of all residents. In Omaha, many noted the challenge of building small scale projects or even being a new developer in the city. The process should be clear for anyone trying to complete housing projects of any size and scale.

## Quality affordable housing for all

Economically segregated housing, the result of historic zoning practices and neighborhood resistance to affordable housing, often means that Omaha’s most marginalized populations are unseen by the majority of residents. These individuals struggle to find housing for various reasons but affordability and accessibility are two of the leading factors. Many do not realize the effects that housing prices have already taken on households. The cost of rent and other essential needs is high enough to price some households out of reliable options. Stakeholders and advocates noted that it takes months to find safe, affordable housing that is also accessible and meets the needs of individuals with disabilities, elderly, and those dealing with mental health or addiction recovery.

## Building activity not keeping pace with growth

Omaha has continued to grow, but building activity has not kept pace. Since 2005, building activity has only been above 3,000 units annually, four times, a rate that has not matched the growth in households. While the foreclosure crises of 2008 that devastated many American cities had a lesser impact in Omaha, a number of builders and trades people left the business. Even though rental vacancy rates and for sale units are at or near record lows, construction activity has not consistently responded to demand. At the same time, Baby Boomers are entering their retirement years creating a severe labor shortage across all industries, including the building trades.

**“I just want to emphasize mixed use development!!! Omaha really seems to be stuck in the era of single use buildings and it’s not sustainable. More mixed use buildings can help us keep up with other similar sized metros, bring people to under visited parts of town, remedy food desert issues parts of our city face, etc.”**  
**- Survey Response**



# GOALS & STRATEGIES

## WHAT HOUSING STRATEGY CAN AND CANNOT DO

The strategies identified in this study will not overcome all housing challenges but should be seen as a first step in a journey that is regularly re-evaluated. The city led the creation of this Plan but many others (state, developers, nonprofits, philanthropic community, etc.) play a role in implementation. It should also be noted that macroeconomic situations at the state and national level also influence the housing market and are often out of the control of local leaders and advocates.

## What the Housing Strategy CAN do

- Establish a blueprint for new public policy and programs geared toward the housing goals.
- Stimulate conversation on existing programs and level of funding.
- Show builders and developers the high demand for different products, and the price points needed.
- Motivate other partners to get involved in solutions - whether staff assistance, housing development, or direct funding of programs.

## What the Housing Strategy CANNOT do

- Force builders or developers to construct a certain housing product, or housing at all.
- Affect challenges at the national level including interest rates, lending standards, raw material costs, and federal funding sources.
  - › However, it can help organize policy/ programs that decrease risk in lending, create gap financing methods, and offset material costs when appropriate.
- Require redevelopment of any specific site or building.


## THE IDEAL STATE

The goals and strategies in this section are intended to reinforce a housing market that is equitable and sustainable - the city's ideal state. This means that:

- All residents have choices of housing types and locations that meet their needs.
- Omaha's housing is both economically and environmentally sustainable today and for future generations.

Through this lens, all the city's goals, strategies, and actions should be viewed.

The following section outlines the city's housing goals and identifies strategies for implementation around two common categories of Programs and Policies & Regulations.

 = Items that address LB 866, the Municipal Density and Missing Middle Housing Act.



## GOAL: INCREASE THE TYPES OF HOUSING TO MEET CURRENT & FUTURE NEEDS <sup>LB 866</sup>

### Market and Community Input



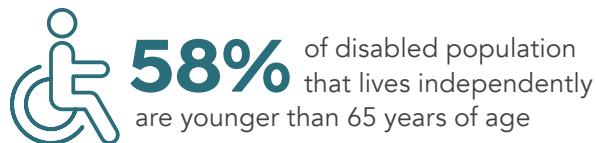
4% of the city's building activity was in middle density units (single-family attached, duplexes, three-to four-plexes)



Approximately 19% of Omaha's population is disabled and living independently



67% of survey respondents selected a housing type other than large single-family home as their preferred next home



### Intent:

- Provide rental options beyond traditional apartments, including duplexes, townhomes, and accessory dwelling units, with the use of universal design
- Lower the risk of developing underbuilt housing products that fill local needs
- Increase the number of universally designed units
- <sup>LB 866</sup> Address the need for over 7,000 affordable rental units and 11,000 affordable owner-occupied units by 2030
- Build and free up more housing for middle incomes as well – those that do not qualify for low-income programs but still have trouble affording market rate new housing
- Ensure zoning regulations encourage affordability and housing variety

### Strategies

#### PROGRAMS

#### Program Guidelines and Preferences

1. Prioritize funding for developments that include Missing Middle housing types, are mixed income, and/or include a minimum percentage of accessible or universally designed units.

Omaha has been awarded millions of federal grant dollars for housing and benefited from a generous philanthropic community. Another large infusion of funds is coming with the American Rescue Plan Act

### LB 1024

LB 1024 was adopted by the Nebraska Legislature during the 2022 session. The legislation provided for up to \$110 million in funding for housing initiatives within Qualified Census Tracts in Omaha. The legislation additionally included millions of dollars in funding for other programs aimed at addressing the negative impacts of COVID-19.

(ARPA) and LB 1024. Funds are competitively awarded and each awarding entity has their own guidelines or scoring criteria. To increase the variety of building types in Omaha, preference should be given to Missing Middle housing.

#### Development Fund

2. Create a development fund to expand and protect the number of affordable housing units.

The development fund could be administered by the City, in partnership with the housing and finance community. The development fund could assist with the funding of affordable housing construction, rehabilitation, land acquisition and infrastructure/site development.

The fund could be capitalized in different ways:

- A. Community Housing Bonds. Some cities initiate a bond issue to fund housing projects. The bonds require a vote by the community and have been a demonstrated approach in both large and small cities, but can be challenging due to bonding capacity.
- B. Affordable Housing Fee. This fee would be applied to all new housing developments that do not meet an affordability or accessibility threshold.
- C. General Fund. A city can choose to fund a program like this out of general fund dollars, but this is usually very challenging to do because these dollars are limited, and priority is given to essential services and existing programs.

**When using local funds, like a Development Fund, consider requiring income limits only being met at the time a resident moves into the unit. This eliminates a landlord's annual soft costs and allows a household to build economic stability. Each new tenant would have to meet income requirements.**

## HOUSING BONDS

### Greensboro, NC

In October 2016, Greensboro put to vote a \$25 million bond project to fund the purchase, construction, and improvements to housing for low to moderate households. Projects include housing or neighborhood revitalization programs or providing loans and grants to individuals, developers, or other organizations for both single and multi-family projects. The bonds are projected to leverage \$54 million in investments on 1,007 housing units.

Projects include:

- Development or buyer assistance for 320 units of middle income housing
- Code compliance repair through a revolving loan fund for 120 repairs with property liens
- Accessibility improvements for 80 units
- 27 new supportive housing units targeted to homeless/disabled/veterans.
- Revolving loan fund for 50 low income homebuyers
- 150 units of heating systems, lead-based paint, health hazards and emergency repairs
- 150 affordable multi-family units
- 30 owner-occupied home rehabs



Using a city bond initiative is not exclusive to larger cities like Greensboro. Newton, Iowa population 15,000, used a bond initiative to assist with subdivision development and incentivizing housing construction after the Maytag closing resulted in a loss in confidence by the development community.

For Omaha, an affordable housing bond should be used for both the preservation of existing affordable units and the development of new units.

## ☰ POLICIES & REGULATIONS LB 866

### 3. Revise Omaha's Zoning Ordinance.

Revisions to Omaha's Zoning Ordinance should make it easier to build a variety of building types, while respecting existing neighborhood character.

Potential revisions include:

- Modify the Zoning Ordinance to provide additional residential use types, including: triplexes, quadplexes, and smaller scale multi-family.
- Place three- and four-unit residential structures under the Residential Building Code rather than the International Building Code. This is a revision that other cities have made.
- In the R-1 through R-4 districts allow single-family attached and duplexes by conditional use permit.
- In R-3 and R-4 districts allow townhouses by conditional use permit.
- Modify site development regulations in residential zoning districts to allow more flexibility for additional building types.
- Accessory dwelling unit (ADU) modifications:
  - › Allow accessory dwelling units with duplexes and townhomes.
  - › Eliminate additional parking requirements for ADUs.
  - › Allow ADUs by right in R-5 through R-8 districts and in TOD zoned properties.
  - › Allow ADUs in R-1 through R-4 districts by conditional use permit.

- › Repeal the accessory apartment section of code.
- › Develop ADU guidance and education material (see example [City of Des Moines](#))
- Evaluate and modify minimum parking requirements across all districts allowing residential uses.

If implemented, the City would go from 20% of residentially zoned land allowing Missing Middle housing to 90% of residentially zoned being allowed by right or with Conditional Use Permit.

### 4. Evaluate and update the development fee schedule.

Undertake a study of the City's development fees, comparing with staff costs of completing reviews, metro, and peer cities. Ensure fees are fair and predictable. For example, using the Pavement Surface Evaluation and Rating (PASER) system to establish fees should be evaluated.

### 5. Evaluate and amend the Master Plan to better accommodate additional multi-family housing units.

The Future Land Use Map illustrates the City's land use policy. Currently, the Map only includes Low and High Density residential land use categories. A Medium Density land use category is needed to increase the opportunities for Missing Middle housing, and guide where it is appropriate. Additionally, consider focusing land use policy more on building form (height, footprint, etc.) rather than density.

The multi-family housing guidance around Mixed-Use Centers should also be evaluated and amended.

## THE COST OF REGULATIONS

A 2022 report by the National Home Builders Association found that 40.6% of the cost of multi-family development and 24% for single-family development was from government regulations. These were national studies, that included states and locations with greater environmental and other impact related fees than used here in Nebraska. A preliminary assessment would indicate that this may be on the high side for a project being completed in Omaha and that further research is needed. However, it is true that regulations have added to the cost of development over the past 50 years. Often these regulations are put in place based on lessons learned with regard to life and safety. Tornadoes, flooding, and fire have all led to requiring different practices in how and where we build. These often do add costs that currently have to be passed along to the consumer. Additionally, infrastructure costs such as streets are often passed along to the property owners, especially in developing areas where the traffic is being generated. These are all things that we need to make our communities safe and livable places, however, there are few funding strategies that do not pass these costs on to either the consumer or tax payer.

Regulations, policies, and funding sources should regularly be reviewed and researched to identify best practices for both reducing costs but also improving safety and quality of life.

6. Evaluate and modify the City’s stormwater management policy.

- › Work in collaboration with the development community, and potentially other regional communities, to find reasonable and fair solutions that protect both existing and future development areas.
- › Identify holistic life-cycle costs associated with stormwater management and identify funding strategies to distribute the costs appropriately without placing undue burden on the housing sector.

7. Review and update plumbing code.

Evaluate the plumbing code to identify potential efficiencies supporting housing affordability which will not compromise life safety.

Tax Increment Financing (TIF)

8. Update TIF policies.

Tax Increment Financing is one of the few local financing tools for the development of housing. To use this tool, developers must receive approval from the city. During the public engagement process for this study, many were frustrated that there is no affordability requirement with the use of TIF. This was especially true when a project was removing existing unsubsidized affordable units. Policies should be reviewed regarding the use of TIF, and its original intent, with possible revisions to include:

- A requirement that any subsidized or unsubsidized affordable unit be replaced one for one.
- Requiring a percentage of affordable units or a payment in lieu.
- Expedite projects that:
  - › Have housing products that add variety to the market or address underserved populations.
  - › Have at least 50% of units designed using universal design standards.
  - › Are mixed-income.
  - › Are entry level TIF projects, with total development costs between \$250,000 and \$500,000.

WHAT IS TIF?

TIF is a financing tool used to encourage the private sector to partner with the City to accomplish economic and community development within specified areas of the city. Within these areas, a portion of the increased taxes (due to the development) can be used to pay for certain expenses generated by the development. In Omaha it is all developer financed, meaning the owner/ developer secures the funding necessary for the approved TIF loan amount. That funding is in addition to other financing the project owner must secure and have in place in order to complete the project.

To learn more visit the [Omaha Planning Department TIF Overview](#)

## GOAL: PRESERVE EXISTING AFFORDABLE UNITS

### Market and Community Input



65% of the city's units are over 40 years old

### \$375,000 NEW CONSTRUCTION

In the Omaha area, the median sale price of an existing home is less than \$250,000 while the median sale price of a newly constructed home is nearly \$375,000

MEDIAN RENT OF UNITS  
BUILT BEFORE 2000

Less than  
\$1000

Over  
\$1,100

MEDIAN RENT OF UNITS  
BUILT after 2014

### 2,000 UNITS

Approximately 2,000 units could leave the Low Income Housing Tax Credit program by 2030



76% of survey residents noted the quality of the home in their price range as the biggest challenge to finding housing

### Intent:

- Maintain and protect the most attainable housing in the city
- Target programs to strategic areas of most need or opportunity
- Evaluate current program guidelines to better prioritize existing housing needs
- Create more long-term or permanently affordable housing units

### Strategies

#### PROGRAMS

1. Evaluate housing rehabilitation and healthy home programs.

The City of Omaha administers several housing rehabilitation and healthy home programs (see [Housing Rehabilitation & Healthy Homes Resource Guide](#)). Additionally, the City funds programs administered by other entities. An evaluation is needed to assess program guidelines, priorities, and funding levels to ensure consistency with this Action Plan.

### CITY PARTNERSHIPS FOR PRESERVATION

There are a number of different programs that could assist with the preservation of affordable housing but the City's role would be as a strategic partner not the implementor.

### Purchase-Rehab-Resale Programs

Purchase-rehab-resale programs are not new to Omaha. Organizations, like Project Houseworks, currently have this program within their portfolio. Under these programs, houses are acquired and sold in a rehabilitated or "turnkey" state to owner-occupants. The model recognizes the limited number of prospective buyers who can carry out major home rehabilitation projects. The program works best when candidate houses can be purchased at relatively low-cost, usually due to their quality. In some neighborhoods in Omaha, the competition with investors looking to purchase homes and convert them to rentals can drive-up prices limiting the effectiveness of the program. These types of programs often depend on federal dollars which limit the use of the funds to specific income ranges or non-rental units. By leveraging more local dollars, these programs could be expanded with the focus on transitioning income-stable households out of affordable rental units and preserving the city's stock of existing affordable ownership housing.



2. Seek additional funding sources for home rehabilitation and healthy home programs.

The City utilizes federal funds to administer home rehabilitation and healthy home programs. Other sources of funding could remove some of the barriers to residents receiving federal funds (for example, government distrust, legal residency status, etc.) and to emerging contractors being awarded bids (for example, Davis-Bacon requirements).

3. Enhance outreach and marketing efforts of housing rehabilitation and healthy home programs.

To better communicate funding available to residents, outreach and marketing efforts should be improved, based on program guidelines.

## 📄 POLICIES & REGULATIONS

### Codes

4. Review frequently requested variances to the Zoning Ordinance to determine if modifications are warranted.

The city should review the exceptions or modifications that are routinely being requested or granted in neighborhoods with older housing stock. The purpose of the review would be to identify those items that should be allowed by right. Removing steps in the process reduces costs for the property owner and potentially removes a barrier for improving a property. Common barriers in cities include setbacks related to additions or garages or the ability to create an ADU within an existing unit.

## CITY PARTNERSHIPS FOR PRESERVATION

There are a number of different programs that could assist with the preservation of affordable housing but the City's role would be as a strategic partner not the implementor.

### Low Income Housing Tax Credit (LIHTC)

Working with local partners a program should be established to track and recapitalize units within the LIHTC program. The program should identify which projects are likely to not be refinanced in the LIHTC program and how to fund the affordable units. Funding could come from either the city (development fund) or from the private sector.

### Purchase Protection Programs

Nationally and locally, nonprofits are beginning to purchase homes to protect unsubsidized affordable units. In these cases, they work with Realtors and neighborhood leaders to protect housing from outside investors and cash buyers who out-compete local buyers using traditional financing. Some homes may be existing rentals and the goal is to maintain unsubsidized affordable rents. Generally, the nonprofits are not looking to hold the properties but rather ensure affordability and help build wealth for traditionally marginalized populations or neighborhoods. Partnerships may also be created between this program and a

purchase-rehab-resale program. A nonprofit or foundation may have the funding to purchase homes but not the capacity or interest in doing rehab work. While the nonprofit executing the rehab may not have the capital to purchase potential homes when they become available.

### Community Land Trusts or Shared Equity Housing

Land trusts and shared equity housing are not only ways to create more affordable units, and potentially greater variety, but also to create permanent affordability.

- **Shared Equity Housing.** These units usually have a legal agreement securing the affordability of the unit between 30 and 99 years.
- **Community Land Trusts (CLT).** A CLT is a private, nonprofit organization that owns land on behalf of a community to ensure affordability. In a CLT, homeowners purchase just the improvements, and those units may have deed restriction that limit the appreciation of the home. In this shared equity model, a homeowner builds equity, but the amount of equity is limited in order to maintain affordability for the next homeowner.

CLT's are not usually formed or owned by the city but the city would be a partner in the initial establishment. The partnership could include providing lots/land, assisting with site prep, or providing funding for the initial housing construction.



## Rental Registration Program

### 5. Review the Rental Registration Program.

Omaha's rental registration program was put in place to make sure that minimum standards are met and that all renters have safe places to live. The regulation has now been in place for over two years. Like any ordinance or policy, lessons have likely been learned regarding what is working effectively and what is not. The ordinance should be reviewed to determine its effectiveness and recommended revisions taken to the City Council for amendment. Potential items to consider include:

- Time allowed for addressing violations.
- Frequency of inspections or number of units inspected in a multi-family structure.
- Defining that attempts to circumvent the process is a violation of the ordinance.

## Foreclosure Auctions

### State Level Initiative

The state should consider changes in foreclosure auctions. Specially limiting the ability to bundle homes for purchase by one buyer. Additionally, for homes located in historically Redlined neighborhoods, opportunity zones, or qualified census tract preference should be given to residents living in the area at the time of the auction.

## CITY PARTNERSHIPS IN FINANCING

There are a number of different issues around financing of affordable housing that the city has limited control over but can be a partner in moving these conversations forward. They could include:

### Mixed-Income Financing

Developers noted several challenges with financing mixed-income projects. This includes how the rental income is calculated and perception that market rate will be harder to lease. Working with partners, like the banking community, these issues will need to be resolved. Section 542(c) also enables HUD and State/local housing finance agencies to provide risk-sharing arrangements on multi-family loans.

### 4% LIHTC

Omaha should work with other communities around the state to advocate for the expansion of the 4% tax credit. Nebraska is lucky to be one of only a few states with a state level tax credit program. However, Nebraska only matches the 9% credit and does not use the program to match federal 4% credits. The 4% credits are non-competitive and expansion of this program would expand opportunities for projects to participate in the LIHTC program.

## NATIONAL HOUSING SHORTAGE

Moody's Analytics estimates that nationally there is a shortage of 1.5 million homes and that annually the nation is running 100,000 units short. UpForGrowth.org estimated shortfall is even greater at 3.79 million. Addressing this issue is not just a local issue but a national concern.

### Housing Supply Action Plan

In May 2022 the White House issued a [Housing Supply Action Plan](#). The plan looks to close the housing shortage in five years and create or preserve hundreds of thousands of affordable units in the next three years. Under the Plan, the administration will:

- Reward jurisdictions that have reformed zoning and land-use policies
- Deploy new financing mechanisms to build and preserve more housing
- Expand and improve existing forms of federal financing
- Ensure that more government-owned supply of homes and other housing goes to owner-occupancy

Completion and implementation of the Housing Affordability Action Plan will be an important first step in positioning the city for additional federal assistance.



## NEIGHBORHOOD HOMES INVESTMENT ACT

The Neighborhood Homes Investment Act is proposed at the national level. It calls for creating a new federal tax credit that will produce new equity investment dollars for the development and renovation of multi-family housing in distressed urban, suburban, and rural areas. The goal is to address the “value gap” or the situation in which the cost of rehabilitating or building a home is greater than the post-construction value of the unit.

The Neighborhood Homes Coalition, which is advocating for the act, notes that the gap contributes to three interrelated conditions that hamper community prosperity:

1. Blight, vacancy, and abandonment – when there is no financial incentive to reinvest, owners will walk away from units.
2. Conversion of homeownership neighborhoods to absentee landlord neighborhoods – low valued units creates a favorable environment for absentee owners/investors who convert aging homeownership housing to rental housing. This can further spur stagnant home values.
3. Racial inequity – the lack of capital for reinvestment has exacerbated racial inequities. Without the ability to invest in rehab and repair, families and neighborhoods may experience asset depreciation absent of mitigating factors.



As noted, this is a federal level discussion but there is no reason that a state could not consider providing a similar state level tax credit. This is a topic both rural and urban parts of the state struggle with and could be a joint effort in the legislature. In the more urban areas, it could be tailored to address infill and redevelopment in distressed areas, specifically targeted to fill the gap between development costs and sale prices.

**GOAL: ENSURE THAT ALL PARTS OF THE CITY HAVE AFFORDABLE HOUSING** **Market and Community Input****80%** of residentially zoned land is for single-family homes

#1

Homes in Active Neighborhoods - Number one response to what is needed in their next neighborhood

#2

Access to Transit - Number two response to what is needed in their next neighborhood

 **62%**

62% of survey respondents found options in their preferred neighborhood the biggest challenge to finding housing

**Intent:**

- Help lessen the transportation barriers faced by lower-income households and those with disabilities
- Increase affordable housing in proximity to jobs and services
- Lesson economic segregation
- Increase the number of affordable and universally designed units
- Create neighborhoods that use urban services more efficiently
- Ensure zoning regulations encourage affordability and housing variety

the property through property taxes, which for a renter is factored into their rental rate.

For households making above the city's AMI and who can afford the market rate rental or homeownership over \$250,000, these costs can be absorbed; therefore, lot development strategies should be targeted to developments that produce units affordable to lower-income households. Additionally, developments should use these programs as efficiently as possible. Low-density developments should generally not be eligible for these programs. Rather, these strategies should apply to higher density developments or innovative medium density (above six units per acre) projects that address missing middle housing.

**Strategies** **PROGRAMS****Land Development**

1. Explore the use of a shared cost model, special assessments, and /or infrastructure banks to assist in lot development costs.

Lot development is challenging. The developer must cover their costs and most cities do not have a pot of money from which they can fund new lot development (most are struggling to maintain existing street and infrastructure). Lot development today occurs through the Sanitary and Improvement District (SID) process. The cost for this process, including the additional soft costs in creating an SID (legal assistance, bond counsel, fiscal agents, and others), is passed onto

- **Shared Cost.** In a cost share model, the public would share 30% to 50% of construction cost with the developer. Repayment is derived from the added property taxes created by new development. Lincoln and smaller cities outside the Omaha metro area have some precedence in this approach, sharing some cost of infrastructure when the units have been affordable. Under this type of program, shared cost would only occur when 50% or more of the units are affordable with the blend of affordability tied to the level of shared cost by the city.
- **Special Assessments.** In many communities, special assessments are used to finance new infrastructure. While assessments reduce the initial purchase price of the house, they are repaid through monthly payments, and

therefore add to the monthly and overall cost. The difference between this approach and an SID is that the city or county would hold the bond and many of the soft costs would not be passed on through taxes.

- **Infrastructure Bank.** This approach would only apply to projects that include a targeted mix of affordable units. With an infrastructure bank, the city finances the infrastructure as a “participatory” deferred loan. The loan is paid back once the initial homeowner sells the home. The approach does lower the household’s monthly payments but it can also reduce the amount of equity that the household builds in the unit.

### Priority Funding

2. Prioritize funding to projects that locate affordable housing adjacent to transit, jobs, or community services.

Housing, transportation, and day care costs are often a household’s biggest expenses. Locating affordable housing close to transit and services, such as day care, lowers overall household expenses.

## POLICIES & REGULATIONS

### Density Bonuses

3. In areas of the city with a low supply of affordable housing, explore the use of a density bonus for the construction of affordable units.

The Omaha Zoning Ordinance currently includes a density bonus for affordable housing, but the tool has never been used. The bonus needs to truly lower costs and risks for the developer. Provisions could include reduced minimum parking requirements, reduced setbacks, and increase building coverage. The City’s existing Density Bonus should be modified.

### TOD Areas

4. Consider amendments to the TOD Zoning Ordinance to strengthen the provision of affordable housing.

Transit oriented development (TOD) areas are one of the best opportunities to combine affordable housing and transit access. Once these areas develop the opportunity to inject affordable housing is very difficult. For this reason, being proactive will be important. Key items to consider:

- Require a certain percentage of affordable housing within TOD districts or, at a minimum, for those projects using TIF.
- As noted on page 17, allow ADUs by right.
- Consider proactively rezoning areas, potentially starting with transit corridors east of 72nd Street.

### Planned Unit Redevelopment

5. Evaluate the PUR district and identify items that can be defined within the code for administrative approval or allowed by right.

The planned unit redevelopment (PUR) overlay district, adopted in 2014, is intended to encourage redevelopment of parcels served by existing infrastructure, by providing flexibility in site design in order to permit project innovation while ensuring compatibility with the surrounding neighborhood. It is further intended to enable implementation of master plan goals that promote redevelopment in older areas of the city with complex and often constrained lot conditions. The district has created more flexibility and encouraged thoughtful design but community members noted that it adds time to the process and is a harder process to navigate for developers new to the Omaha market or trying to do a smaller project.



**GOAL: FOSTER HOUSING INNOVATION TO LOWER COSTS** **Market and Community Input****75%**

of a home's costs are related to land costs, materials, and labor (National Home Builders Association)

**51%**

of new construction were single-family detached homes for which construction methodologies have not changed significantly in decades

**Intent:**

- Ensure zoning and building regulations protect lives and property while encouraging innovation
- Expand the number of businesses or individuals building and developing housing
- Increase the number of affordable and universally designed units
- Share risk in financing housing that expands the variety of housing products and/or the affordability of housing

**Strategies** **PROGRAMS****Site Assembly**

1. The City should consider transferring lots to the Omaha Municipal Land Bank (OMLB).

Between the city and the Omaha Municipal Land Bank (OMLB) there are hundreds of available lots for development. OMLB's purpose is to facilitate the return of vacant, abandoned, and tax-delinquent properties to productive use.

**MODULAR CONSTRUCTION**

There are several new and older techniques that are being refined in the building trades. Modular construction is one of those techniques that has been refined over the years. Modular construction is a process in which a building is constructed off-site, under controlled plant conditions, using the same materials and designing to the same codes and standards as conventionally built structure. Often this approach to building can take half the time. Building components, from individual apartment units to bathrooms for a multi-unit structure, are then put together on site. This type of construction can add affordability if the manufacturing facility is close in order to control shipping costs. Expansion and attraction of these types of businesses to the Omaha metro area can be one way to expand production options.



POLICIES & REGULATIONS

Pattern Book

- 2. The City should work with local partners to expand pre-approved plans.

In partnership with local organizations, such as Omaha by Design, the City should advance a pattern book that leads to the expansion of pre-approved plans. This type of tool has been used by other communities to streamline the development processes and increase the variety of housing options. This can lower development costs and be used to promote housing options that incorporate universal design elements.

New Technologies and Techniques

- 3. The City should be more flexible regarding new building technologies and the technology used in the review process.

Today we are living in a fast changing world where new technologies are continually revising the way we live and work. New technologies have the potential to reduce the cost of housing construction, but cities are often slow to adopt or approve changes. This is often for a good reason. Cities have a responsibility to protect the life and safety of all residents and new does not always mean safe or durable. Partnerships in demonstration projects might be part of the process.

Technology should also be used to improve the review processes done by the city.

- Expand the digital review process to all departments with an integrated digital platform.

The Narrow House I

The 2-bedroom Narrow House provides an efficient, yet comfortable detached, fee-simple option that allows development of the city's most puny infill lots. The material and elevation options reflect a simple vernacular character present throughout South Bend's neighborhoods.



ZONING DISTRICTS ALLOWED



Option A



Option B



Option C



Ground Floor



Second Floor

| Building Type Overview                |                       |
|---------------------------------------|-----------------------|
| Building Dimensions                   |                       |
| Building Height                       | 2 story               |
| Building Width                        | 20'                   |
| Building Depth (incl. porch)          | 36'                   |
| Program                               |                       |
| Unit Configuration                    | 2 bed / 1.5 bath      |
| Unit Size (finished ground)           | 1,130 sq. ft.         |
| Basement (unfinished)                 | 560 sq. ft.           |
| Porch (enclosed/deck)                 | 136 sq. ft.           |
| 1st Floor                             | 560 sq. ft.           |
| 2nd Floor                             | 560 sq. ft.           |
| Lot Standards                         |                       |
| Lot Width (front)                     | 30'                   |
| Lot Width (rear)                      | 60'                   |
| Cost Assumptions                      |                       |
| Preliminary Construction - Estimates* | \$200,000 - \$250,000 |
| Financing Details                     | 30 yr mortgage        |

\*Numbers shown are for basic estimation purposes only. Pricing is based on Fall 2023 cost assumptions and may adjust to show market variation.

# PRE-APPROVED HOUSING - SOUTH BEND, IN

Facing a shortage of affordable housing and hundreds of potential infill lots, the City of South Bend, Indiana developed a set of pre-approved, ready to build housing plans. The plans are small to middle scale housing developments or what the city has described as a "Sears Catalog" of housing options that are contextually appropriate to South Bend's neighborhoods and fit with local building materials and techniques. The plans can be used in any zoning district that allows the selected building type per the current zoning ordinance.

[South Bend Neighborhood Infill](#)

## Codes

4. City staff should continue to explore solutions to allow redevelopment of challenging properties.

Participants in the public engagement process noted some lots are considered “unbuildable” due to site issues or lack of access to a usable alley. Public Works does not have the funding to replace alleys. The City should be flexible with challenging lots but construction costs will make alley improvements challenging for developers of smaller scale projects.

5. Work with organizations that serve small and disadvantaged businesses to provide outreach to local contractors and developers.

The lack of individuals in the skilled trades is creating a bottleneck in the production of new housing that has reached near emergency situations in some areas of the Midwest. However, the need goes beyond skilled trades to new risk takers willing to take on small projects.

A number of participants in the community engagement process note the need to expand the number of developers and contractors doing projects, especially small or medium sized developments in older portions of the city.

## DEMONSTRATION PROJECTS

The market analysis and stakeholder input indicate a strong appetite for more diverse housing types, but there are very few contractors or developers building these products. To illustrate that these new products or innovative development configurations will work, the City may need to partner with a developer in a demonstration project. To attract a broader range of builders, the project would need to prove that market rate, or units affordable to those making above 80% AMI, can be successful. Therefore, the project has to demonstrate success without traditional affordable housing programs being used on at least a portion of the project.

Mixed-income is also not frequently developed in the Omaha market and developers noted two main concerns. The first being hurdles to how these projects are financed. Second was uncertainty in the marketability of mixed income projects to the broader public.

A demonstration project could provide an example of how to finance mixed-income along with offering additional housing variety. For the financing portion, a local lending institution would need to be a strong partner who is willing to share risk and find innovative ways to finance development.

## MISSING MIDDLE FOR CHATTANOOGA, TN

With help from the Incremental Development Alliance, Chattanooga leaders and stakeholders undertook an intensive developer workshop to identify solutions for missing middle housing types. The process resulted in a development packet that lays the framework for a developer to pursue these projects including:

- Picking a building type based on the developer’s financing options and site circumstances
- Guides and site plans for good urban design amid traditional single-family neighborhoods.
- Technical considerations for packaging development applications.
- Bank packages for different building types to show how to bring the project to life by proving profits for lenders.

Learn more at [Chattanooga neighborhood Enterprise](#) or [Incremental Development Alliance](#)

## GOAL: ADVANCE HOUSING STABILITY

### Market and Community Input

1,405

the number of individuals in Omaha that experience homelessness on any given night in 2020

46%

of all rental households spend more than 30% of their income on housing



Historically Redlined neighborhoods have high concentrations of cost burdened households

### Intent:

- Reduce the frequency of moves for low-income and other vulnerable populations
- Reduce the number of individuals becoming unhoused or returning to homelessness
- Improve health indicators and educational success

### Strategies

#### PROGRAMS

##### Property Tax Relief

1. Develop a program to actively outreach to those that qualify for Nebraska’s Homestead Exemption Program.

The Homestead Exemption is a state program that could potentially be leveraged by more senior households. At a minimum the city could consider a policy to notify any qualifying household that is using another city program.

Additionally, at the state level, a property tax reimbursement for low-income households that do not qualify for the Homestead Exemption Program would benefit many households across the state.

##### State Level Initiative

A property tax relief program for low-income households should be developed. For households living in neighborhoods with home values appreciating at unsustainable rates, property taxes can become a significant burden, threatening their housing stability. This is an issue that

is not exclusive to Omaha and a state-wide program would benefit thousands of low-income households across the state.

##### Permanent Supportive Housing

2. Expand the number of permanent supportive housing units.

The number of permanent supportive housing (PSH) units should be expanded, strategically leveraging available City funds with other funding sources.

According to the Point in Time Count, the number of individuals who experience homelessness in the Omaha metro on any given night between 2010 and 2020 changed very little: 1,426 in 2010 and 1,405 in 2020. PSH programs provide rental assistance and supportive services to exit people from homelessness and help them stabilize in permanent housing.

Due to the shortage of PSH units, people who need this long term assistance instead are enrolled in rapid rehousing programs, which have a two-year limit on assistance and a long wait list. Rapid rehousing is intended to, as its name implies, rapidly intercept people as they enter homelessness and re-stabilize them as quickly as possible. That cannot happen, however, without additional PSH units and the corresponding supportive services.

## Eviction and Foreclosure Assistance

- Expand programs to assistant individuals facing eviction or foreclosure.

Current programs, like the Tenant Assistance Project (TAP) should be expanded. TAP provides legal assistance to tenants in Douglas County Eviction Court. Since 2020 this program has been partially funded by COVID relief dollars. These efforts could be expanded to include a tenant right to counsel. This would require a change in city ordinance. Additionally, legal counsel should be more broadly available and free for tenants. If solutions to avoid eviction can be identified, it is a win for both the landlord and the tenant.

### State Level Initiative

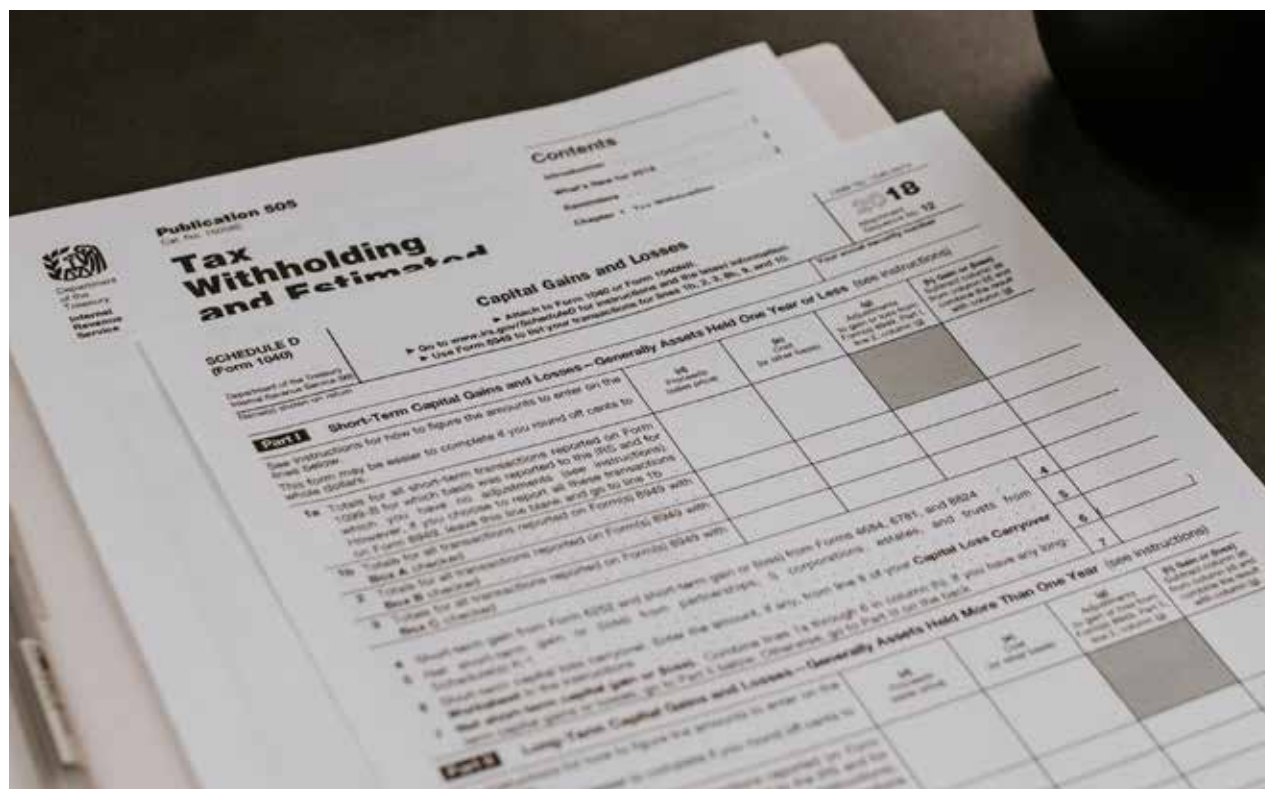
Notifications for property tax lien process should be improved. During public engagements residents noted concerns with the notification process for property tax liens. These requirements should be reviewed with consideration given to the number and form of notifications.

## Rent and Utility Assistance

- Secure funding for rent and utility programs.

Many people who experience homelessness are currently working and have a steady income. They can often afford to pay all or most of the cost of rent but may have difficulty saving for a deposit, first month's rent, utility connection fees, and other costs associated with moving. A short term, shallow subsidy of \$5,000 or less could help those individuals quickly find housing.

This type of program could be funded through a development fund or a city housing bond. However, these types of programs can also be supported by utility companies, employers,



## PROPERTY TAX ABATEMENT

Many municipalities and states have instituted programs that allow for some level of property tax abatement with the production of affordable housing. This tool can be especially beneficial in the production of rental housing. Property taxes are passed on to every renter, and by lowering this for a certain period of time, rents can be held at a lower rate. Many of these programs are not permanent abatement but allow for a gradual increase to full property tax levels over a period of three to five years. There is a program in Nebraska based on this concept around the rehabilitation of historic structures (Value Improvement Program), but a change in state laws would have to occur for this to be applied to the full tax levy for unsubsidized affordable housing.

This type of program must be directly tied to rental rates to help address the 46% of rental households that are rent burdened. Specifically, the criteria would require that units are affordable to households making less than 80% AMI for at least the time the tax abatement is in place and potentially longer.



and others looking to support households in the community. First priority should be given to emergency situations to ensure households remain in their housing. Additionally, funding of counseling programs should help households avoid housing insecurity.

### Related Planning Efforts

5. Incorporate housing into other related planning efforts.

The City is in the beginning stages of the development of a Climate Action Plan, Vision Zero Plan, and Active Mobility Master Plan. These plans should include strategies around housing and safe connectivity between neighborhoods.

## POLICIES & REGULATIONS

### Tenant Protections

6. Tenant protections, including the rental registration program and eviction court procedures should be reviewed and improved when possible.

Improvements could include:

- Updating the city's Human Rights Ordinance to include source of income. Specifically third-party incomes such as child support, spousal support, general assistance, or rental assistance vouchers.
- Improving the process for notifying those summoned to eviction court. This can be as simple as improving how the location and process are communicated.

### ADVANCING HOUSING STABILITY

The strategies recommended here under the goal of Advancing Housing Stability are largely focused on neighborhood stabilization. They aim to mitigate the displacement sometimes caused by development and help redress the lasting impacts of redlining. While neighborhood stabilization strategies provide more direct resident protections, housing production and preservation of the existing housing stock play important roles in advancing housing stability as well.

New housing production helps moderate housing costs, makes housing more affordable to more households, and relieves displacement pressures (Been, Ellen, and O'Regan, 2018). The potential revisions to Omaha's Zoning Ordinance included in above goals are examples of how this Plan could make it easier to build a variety of building types, at different price points, and support an increase in overall housing production.

Preservation of affordable housing units is needed to support a variety of housing types at different price points. Expanding available funding sources to create, or preserve, affordable units (e.g. through the creation of a development fund) and aligning the priorities of existing programs to support additional units are recommendations made in this Plan. The Harvard Joint Center for Housing Studies estimates that roughly three quarters of Americans living in affordable housing reside in unsubsidized affordable units (also called Naturally Occurring Affordable Housing – NOAH) (JCHS, 2020). Preservation of the existing housing stock, therefore, is essential to housing affordability and mitigating displacement.



## RENT CONTROL

During the community engagement process rent control was encouraged. These regulations aim to create or preserve affordable housing by limiting rental rate increases. Opponents often cite concerns over the impact that these regulations will have on pricing and development activity. In other words, the lost revenue on the restricted units will just be shifted to the unregulated units or developers will slow production because of lost revenue.

Despite numerous examples, determining their effectiveness is difficult. The main reason is the wide diversity in the regulations that are established. With the inability to determine effectiveness and the controversy that these regulations can create it appears that more known strategies for securing affordable housing would be appropriate for Omaha. However, developer involvement in funding should not be overlooked. Just like any major business or employer in the community, they should play a role in partnerships and potentially assisting in the funding affordable housing when their products only serve higher income households (above 120% AMI).

## CONCLUSION

The following table is a summary of the recommendations in this chapter. Each recommendation is characterized according to which goals it helps move forward, who will be a partner with the City, and timeframe. The timeframe is identified as Near (1 to 3 years), Medium (3 to 5 years) and Long (5 plus years).

It is often challenging for a study to identify every potential program or strategy and the policies, programs, and regulations in this study should be viewed as a starting point that can be built upon and evolved. For this reason, this study should be reevaluated and updated every five years to ensure that it reflects the current state of the market and continues to move forward the Ideal State of an equitable and sustainable housing market.


By design, the Housing Affordability Action Plan (HAAP) sets out recommended strategies with potential partners and broad timelines, without prioritization and is more of a report. Consistent with the engagement conducted in the creation of the HAAP, an Implementation Committee should be established, led by the City's Planning Department, to actively implement it. This is similar to implementation efforts previously undertaken by the City. The Implementation Committee should consist of and/or coordinate with a variety of stakeholders, including:

- City Staff from various departments
- Housing Advocates
- Housing Developers
- Non Profit Organizations
- Philanthropy
- State Agencies

The HAAP that is accepted by the Planning Board, City Council and Mayor will document the goals and strategies to be implemented, providing approval to move forward. The Implementation Committee can then prioritize strategies and define a specific course of action, timelines, lead, partners, needed resources and metrics to accomplish each strategy.



**IMPLEMENTATION MATRIX**

| <b>GOAL: INCREASE THE TYPES OF HOUSING TO MEET CURRENT &amp; FUTURE NEEDS</b>                                  | <b>PARTNERS</b>  | <b>TIMEFRAME</b> |
|--|--|------------------|
| 1. Prioritize funding for developments that include Missing Middle housing types, are mixed income, and / or include a minimum percentage of accessible or universally designed units. (Page 15) | Non Profit Organizations, Philanthropy, State Agencies | Near             |
| 2. Create a development fund to expand and protect the number of affordable housing units. (Page 15)   | Housing Developers, Finance Community                  | Medium           |
| 3. Revise Omaha’s Zoning Ordinance. (Page 17)  | Housing Developers, Housing Advocates                  | Near             |
| 4. Evaluate and update the development fee schedule. (Page 17)   | Developers   | Near             |
| 5. Evaluate and amend the Master Plan to better accommodate additional multi-family housing units. (Page 17)   | NA   | Near             |
| 6. Evaluate and modify the City’s stormwater management policy. (Page 18)  | Regional Communities                                   | Medium           |
| 7. Review and update plumbing code. (Page 18)  | Plumbing Board, Plumbing Industry                      | Medium           |
| 8. Update TIF policies. (Page 18)  | TIF Committee  | Near             |

**TIMEFRAME KEY**

- Near: 1 to 3 years
- Medium: 3 to 5 years
- Long: 5 plus years

Note: Work on strategies may begin in the near term but full implementation may take several years depending on staff capacity, partnerships, consensus building, and financing.

## IMPLEMENTATION MATRIX

**GOAL: PRESERVE EXISTING AFFORDABLE UNITS****PARTNERS****TIMEFRAME**

1. Evaluate housing rehabilitation and healthy home programs. (Page 19)

NA

Medium

2. Seek additional funding sources for home rehabilitation and healthy home programs. (Page 19)

Philanthropic  
Community

Long

3. Enhance outreach and marketing efforts of housing rehabilitation and healthy home programs. (Page 20)

Housing  
Advocates

Medium

4. Review frequently requested variances to the Zoning Ordinance to determine if modifications are warranted. (Page 20)

NA

Near

5. Review the Rental Registration Program. (Page 21)

Housing  
Advocates,  
Landlords

Near

**GOAL: ENSURE THAT ALL PARTS OF THE CITY HAVE AFFORDABLE HOUSING** **PARTNERS****TIMEFRAME**

1. Explore the use of a shared cost model, special assessments, and /or infrastructure banks to assist in lot development costs. (Page 23)

Developers

Long

2. Prioritize funding to projects that locate affordable housing adjacent to transit, jobs, or community services. (Page 24)

Non Profit  
Organizations,  
Philanthropy,  
State Agencies

Long

3. In areas of the City with a low supply of affordable housing, explore the use of a density bonus for the construction of affordable units. (Page 24)

Housing  
Developers

Near

4. Consider amendments to the TOD Zoning Ordinance to strengthen the provision of affordable housing. (Page 24)

Developers


Near

5. Evaluate the PUR district and identify items that can be defined within the code for administrative approval or allowed by right. (Page 24)

NA

Near



| IMPLEMENTATION MATRIX   |  |           |
|---|--|-----------|
| GOAL: FOSTER HOUSING INNOVATION TO LOWER COSTS             | PARTNERS                                 | TIMEFRAME |
| 1. The City should consider transferring lots to the Omaha Municipal Land Bank (OMLB). (Page 25)  | OMLB                                     | Near      |
| 2. The City should work with local partners to expand pre-approved plans. (Page 26)   | Omaha design professionals               | Near      |
| 3. The City should be more flexible regarding new building technologies and the technology used in the review process. (Page 26)            | Omaha design & engineering professionals | Medium    |
| 4. City staff should continue to explore solutions to allow redevelopment of challenging properties. (Page 27)                              | NA                                       | Near      |
| 5. Work with organizations that serve small and disadvantaged businesses to provide outreach to local contractors and developers. (Page 27) | Community Partners                       | Near      |
| GOAL: ADVANCE HOUSING STABILITY   | PARTNERS                                 | TIMEFRAME |
| 1. Develop a program to actively outreach to those that qualify for Nebraska’s Homestead Exemption Program. (Page 28)                       | State Agencies                           | Long      |
| 2. Expand the number of permanent supportive housing units. (Page 28)   | Philanthropic Community                  | Long      |
| 3. Expand programs to assistant individuals facing eviction or foreclosure. (Page 29)   | Philanthropic Community                  | Long      |
| 4. Secure funding for rent and utility programs. (Page 29)  | Philanthropic Community                  | Long      |
| 5. Incorporate housing into other related planning efforts. (Page 30)   | NA                                       | Near      |
| 6. Tenant protections, including eviction court procedures, should be reviewed and improved when possible. (Page 30)                        | Housing Advocates                        | Medium    |

**IMPLEMENTATION MATRIX****STATE LEVEL INITIATIVES:**

The state should consider changes in foreclosure auctions. (Page 21)

Expand the opportunities to use the 4% tax credit. (Page 21)

Create a new state tax credit that will produce new equity investment dollars for the development and renovation of multi-family housing in distressed urban, suburban, and rural areas. (Page 22)

Institute a program that allows for some level of property tax abatement with the production of affordable housing. (Page 28)

Improve notifications for property tax lien process. (Page 29)