

Valerie Grimes
Director of Planning & Development

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June 3, 2021

Urban Affairs Committee
Nebraska Legislature
PO Box 94604
Lincoln, NE 68509

Re: Municipal Density & Missing Middle Housing Act 2021 Report

Dear Urban Affairs Committee:

In accordance with Neb. Rev. Stat. §19-5504, the City of Norfolk is herein providing the required information prior to the July 1, 2021 statutory due date. The statute requires reporting from the last five (5) years but, since the statute does not specify, the dates used are calendar years, so the following information is January 1, 2016 – December 31, 2020. The contents of the City of Norfolk's report are as follows:

(a) An overview of the city's current residential zoning requirements;

The city has multiple zoning districts in which residential, including missing middle and multi-family, are permitted. The zoning code makes consideration for the smaller, older, existing lots for infill/rehab in that it shall not prohibit the erection of a single-family dwelling when the lot has less area and/or width as required by the current district. The zoning also permits a small house with just 650 square feet.

(b) The percentage of areas in the city zoned for residential use which permit the construction of multi-family housing and middle housing;

16%

(c) A breakdown of new residential construction in the city over the previous five years, including the percentage of such construction that was single-family housing, multi-family housing, and middle housing;

194 Single-family units (SFD); 26%

88 Middle Housing units; 11%

469 Multi-family units (MF); 63%

(d) A breakdown of residential units annexed by the city over the previous five years, including percentage of such units that were single-family housing, multi-family housing, and middle housing;

The annexations that have taken place over the last 5 years have not annexed in any existing residential structures. There has been land annexed over this time period with the intention of residential building taking place on the annexed land.

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According to the multiple developers who have requested the annexations, there is a mix of single-family detached, middle housing and multi-family housing potentially being considered. As these areas are currently only under preliminary plat stage, phased final plat stage, in the process of being built or currently only zoned correctly, I am unable to provide a percentage of potential future units at this point in time.

The percentage of what is built or in process of being built on the residential annexed land is: 249 total units; 23 SFD DU= 9%, 2 Middle DU= 1%, 224 MF DU= 90%.

(e) An estimate of the per-unit cost of housing in the city;

\$241,682 SFD

\$136,604 Middle

\$79,422/unit MF

\$152,569 average of new residential construction combined

(f) Whether such zoning codes, ordinances, and regulations provide for density bonuses or other concessions or incentives which encourage residential density, and the frequency with which such bonuses, concessions or incentives are utilized;

None

(g) Whether such zoning codes, ordinances, and regulations allow the construction of accessory dwelling units;

Currently there are 3 zoning districts which may permit accessory dwelling units within a detached accessory structure through a conditional use permit process.

(h) What incentives the city applies to encourage the development of affordable housing, including both direct incentives and regulatory relief;

Tax Increment Financing (TIF) has been used by multiple housing developers within the last five years. However, as these applications have proceeded through requisite city council and community development agency approval, the TIF has been provided without specifying these incentives should be used for building more affordable housing within the area.

(i) A demographic analysis of the city with trends and estimates of the housing need classified by housing type and price range;

The City of Norfolk had a housing study performed in 2016 which showed the need for 762 total units with 444 being owner and 318 being rental. In the 2016 study, the owner average affordable price was \$172,000 and rental average affordable price was \$765. The most requested for both owner and rental were units with 3+ bedrooms.



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Madison County did a more recent housing study which included demographics for the City of Norfolk. This study was done in 2019. This housing study showed the need for 596 total units with 349 being owner and 247 being rental. In the 2019 study, the owner average affordable price was \$195,000 and rental average affordable price was \$850. The most requested for the owner units remained 3+ bedrooms and the rental units lowered to 2 bedrooms.

(j) Efforts to adopt an affordable housing action plan as required under section 19-5505.

The action plan is in progress to meet the deadline provided in Neb. Rev. Stat. § 19-5505 on or before January 1, 2024, for a city with less than fifty thousand inhabitants.

If there are any questions regarding the above report information, please contact me at (402) 844-2280 or vgrimes@norfolkne.gov.

Sincerely,

Valerie Grimes
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