Executive Summary

FY 2022-23

Annual Action Plan

for HUD Entitlement Programs beginning September 1, 2022

Submitted by the

Urban Development Department

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Introduction

The FY 22 Annual Action Plan identifies projects and associated funding to be carried out in the fifth year of the Five-Year Strategic Plan FY 2018-2022 period. The Five-Year Strategic Plan is a unified, comprehensive vision for community development in Lincoln, Nebraska. It serves as a tool to coordinate economic, physical, environmental, community, and human development activities for five years, starting September 1, 2018, and ending August 31, 2023. Action Plans are prepared each year and describe projects and funding to be carried out in the next fiscal year to meet the goals identified in the Five-Year Strategic Plan. This Plan is for the 2022-23 Fiscal Year, September 1, 2022 – August 31, 2023.

The entire Action Plan is lengthy, over 70 pages, and follows the template required by the U.S. Department of Housing and Urban Development (HUD). It is web-based and does not translate well to a print format. Therefore, this Executive Summary has been prepared to simplify review of key points in the Action Plan. The complete document is available on the Urban Development Department website at www.lincoln.ne.gov, keyword: urban.

The Action Plan and Strategic Plan are required by the U.S. Department of Housing and Urban Development because the City receives funding through HUD’s Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) programs. The CDBG program has three major statutory goals: provide decent housing, a suitable living environment, and expanded economic opportunities, all primarily for low- and moderate-income persons. HOME funds are exclusively for affordable housing and the ESG program provides funds to homeless service providers.

The lead agency for Lincoln’s community development activities is the City’s Urban Development Department. Additional agencies responsible for administering the programs identified in the Plans include, but are not limited to, NeighborWorks®Lincoln, the Lincoln Housing Authority, the League of Human Dignity, Community CROPS, Habitat for Humanity, the Homeless Coalition, and other City departments.

Geographic Area

Federal funds are allocated within the Lincoln City limits with four priority areas (see attached maps):

Neighborhood Revitalization Strategy Area (NRSA): The NRSA was defined through a significant, detailed analysis of many factors. HUD allows and encourages adopting NRSAs to target CDBG in support of community revitalization efforts.

Low-Moderate Income (LMI) Area: The LMI area is defined by HUD and used to delineate a general boundary/service area. It is determined based on census tracts where 51% of households are at 80% or less of Area Median Income (AMI). The City updates its LMI areas annually. If a client qualifies in the area at the time of application and enactment, they will continue to qualify moving forward.
Antelope Valley Area and South of Downtown: These two areas comprise portions of several core neighborhoods. They are priorities due to the amount of public support and involvement occurring to address neighborhood concerns and are areas where planning efforts have been completed or are underway. Implementing community plans in conjunction with other departments and agencies creates more targeted impacts. Other public and private partners are focused on addressing issues in these areas as well.

Public Participation

The City of Lincoln has a Resident Participation Plan that details the public involvement process. The Plan is available at www.lincoln.gov, keyword: urban. Public participation is an ongoing process, not confined to the preparation of the Plans. The public is encouraged to participate by becoming involved with their neighborhood association, in other community organizations and in business associations. Residents are also encouraged to attend public hearings and open houses held for special projects and plans.

Public information about CDBG and HOME funded programs is provided by mail, email, newspaper announcement/advertisement, and through the City’s Web page. This includes: housing program brochures (in English, Spanish, Vietnamese, and Arabic), housing application forms, open houses, and public hearings. Staff also attends community meetings, events, and festivals to obtain input throughout the year. A wide range of published materials are available on the City’s Web site. These include federally mandated plans, the Resident Participation Guide, guidelines and applications for housing programs, focus area and redevelopment area plans, and neighborhood association support materials.

A public information meeting was held May 11, 2022 at the Urban Development Department and via Zoom and the draft plan was posted on the City’s web site. Public notice of the meeting was published in the local newspaper, the Lincoln Journal Star, on April 21, 2022 which also announced the beginning of the 30 day comment period beginning April 25th and ending May 25, 2022. The Mayor's Neighborhood Roundtable serves a broader, more structured role as a forum at which neighborhood organizations present concerns and learn about community resources. The opportunity to provide input into the FY 22 Action Plan was announced at the May 9, 2022 Roundtable meeting. A public hearing on the Action Plan was held by the Lincoln City Council on June 13, 2022.

Needs

Within their federal criteria, CDBG and HOME programs are designed to be shaped locally to meet the recipient community’s specific needs. Lincoln’s specific needs were identified in the Strategic Plan and reassessed in preparation of the FY 22 Action Plan through the public involvement process and by reviewing housing data provided by HUD, the Analysis of Impediments to Fair Housing (AI), the Lincoln Affordable Housing Coordinated Action Plan, homelessness information provided through the Continuum of Care, and data from the Lincoln Housing Authority (LHA). The local needs identified were
grouped into priority areas and then evaluated to develop goals and then projects, based on the following criteria:

- Would it further or be consistent with a city and/or federal priority area?
- Would it impact a large number of low- and moderate-income households?
- Would it meet unique needs of certain geographic areas?
- Based on experience, would it successfully meet the identified needs?
- Does it further the fair housing goals of the community?
- Does it increase the supply of quality, accessible, affordable housing?

The most significant single issue identified in this needs assessment during the Strategic Plan planning process and reaffirmed for the FY 22 Action Plan is the large number of Lincoln households, especially lower-income households, with severe housing cost burdens paying more than 50% of their household income for housing. Other identified needs include:

- Affordable housing – identified as the greatest need through the public involvement process.
  - The combined wait list for LHA public housing units and Housing Choice Vouchers is approximately 5,000 households.
  - There is a shortage of 5,865 affordable and available rental units for households with incomes below 50% of Area Median Income (AMI) in Lancaster County.
  - Single parent households -- with one income and high child care costs -- are more affected by housing cost burdens.
  - Both low- and very low-income African American and Asian households experience severe housing problems at a disproportionately high rate.

- Financial assistance to homeowners for home repairs, especially for lower-income homeowners and seniors.

- Financial and technical assistance to low, moderate and middle income (50-80% of AMI) renters seeking to become first-time homeowners.

- Neighborhood Revitalization – including:
  - sustainability (urban agriculture-community gardens and orchards), promoting green space and healthy activities, and rain gardens;
  - food security – addressing the rising problem of low-income families not having enough food;
  - increasing neighborhood livability through physical improvements to neighborhoods; and
  - supporting the enhanced engagement efforts of local partners.

- Homelessness – chronic homeless, needs for permanent housing, transitional housing, services, and decreasing the number of homeless.
• Non-Homeless Special Needs - including elderly and frail elderly housing, persons with disabilities, and persons with alcohol or other drug addictions. Needs include housing rehab projects, affordable housing, community projects, and policy advocacy.

• Fair housing – Fifteen impediments were identified in the Analysis of Impediments to Fair Housing. These impediments resulted in the development of seven goals, which are included in the Strategic and Action Plan and listed below.

Goals

In addition to the goals set out by HUD, more specific local goals/action have been developed for homelessness, Fair Housing, and affordable housing.

Lincoln’s Continuum of Care (CoC) is a well-established coalition of homeless service providers. The CoC provided guidance and expertise in outlining the following homeless service strategies through the use of Emergency Solutions Grants.

• Reduce the length of time persons remain homeless.
• Reduce the number of people who move from homelessness to housing back to homelessness.
• Reduce the number of homeless people.
• Reduce the number of people who become homeless for the first time.

More information about Lincoln’s CoC and their detailed planning efforts is available on the Urban Development Department website.

The City of Lincoln's Analysis of Impediments to Fair Housing analyzed a series of fair housing issues, took protected classes into consideration (i.e. race, color, religion, national origin, familial status, sex, and disability), identified contributing factors, and developed goals and meaningful actions to create more integrated and balanced living patterns and improve access to opportunity. Seven impediments with identified goals were included in the Strategic Plan and FY 22 Annual Action Plan:

1. Lack of affordable housing options.
2. Lack of economical ways to preserve adequate housing stock.
3. Lack of knowledge concerning fair housing.
4. Lack of access to information about affordable homeownership and rental opportunities throughout the city.
5. Lack of access to education and information about policies affecting public transportation.
6. Poor public perception of affordable housing, and neighborhoods with affordable housing.
7. Poor access to identified community and neighborhood assets.

For affordable housing, the City has set a goal of producing 5,000 new and rehabbed units of affordable housing by the year 2030, based on analysis in the Lincoln Affordable Housing Coordinated Action Plan.
The majority of CDBG and HOME funds are used for housing-related programs administered by Urban Development’s Livable Neighborhoods Division. However, some CDBG funding, also administered by Livable Neighborhoods staff, is used for projects in low- to moderate-income neighborhoods — such as park improvements, assistance to Community CROPS for community gardens, and neighborhood commercial area streetscapes. Livable Neighborhoods Division staff facilitates and supports Lincoln’s Homeless Coalition, a coalition of organizations that serve Lincoln's homeless and near homeless families and individuals.

For FY 2022, the Annual Action Plan identifies the use of $3,241,587 from CDBG, HOME and ESG for September 1, 2022 to August 31, 2023. Funding from CDBG and HOME program income is estimated to bring an additional $1,100,000 to be allocated to projects. Projects are listed below and include a description, and amount and source of funds.

**Housing Development Loan Program**

- Amount: $125,000
- Source: HOME

Assists Habitat for Humanity in acquiring lots for their volunteer-builds, construction and rehab. The future homeowner, at or below 50% of Area Median Income, is selected by Habitat and completes "sweat equity" before closing on the house.

**Lead-based Paint Mitigation**

- Amount: $150,000
- Source: CDBG

Grants for homeowners utilizing other City rehab programs where lead-based paint is present.

**Direct or Deferred Loan Program**

- Amount: $463,075
- Source: CDBG

Serves homeowners at or below 80% of Area Median Income within the Low- and Moderate-Income Area. These loans are available to address items to bring the house up to Housing Rehabilitation Standards.

**First Time Homebuyer Training**

- Amount: $40,742
- Source: CDBG

NeighborWorks-Lincoln provides training to prepare first-time homebuyers for homeownership.

**First Home Program**

- Amount: $1,008,604
- Source: HOME

Administered by NeighborWorks-Lincoln, it provides down payment assistance and housing rehabilitation funds for home buyers at or below 80% of Area Median Income after completion of home buyer training.

**Troubled Property Program**

- Amount: $176,577
- Source: HOME

Administered by NeighborWorks-Lincoln, blighted properties are acquired and redeveloped within the Neighborhood Revitalization Strategy Area and sold to homebuyers at or below 80% of Area Median Income who have completed home buyer training.
Community Housing Development Organization (CHDO) Operating _______ $36,278 HOME
HUD required 5% operating funds provided to NeighborWorks-Lincoln.

Emergency Repair Loan Program ________________________________ $537,432 CDBG
For households at or below 50% of Area Median Income to eliminate conditions which
are an immediate threat to health and safety. The program is available city-wide as a
0% deferred loan.

Security Deposit Assistance ________________________________ $25,000 HOME
Administered by the Lincoln Housing Authority for rental security deposits for
homeless persons receiving housing vouchers.

Barrier Removal Program ________________________________ $30,000 CDBG
Administered by the League of Human Dignity to complete housing modifications to
meet ADA standards for households under 80% of Area Median Income.

NeighborWorks Neighborhood Revitalization __________________________ $95,000 CDGB
Assists NeighborWorks-Lincoln Community Builders with neighborhood projects.

RESCUE ________________________________ $250,000 HOME
Acquires blighted and vacant properties with code violations. The properties are
redeveloped and sold to homebuyers at or below 80% of Area Median Income
citywide.

Neighborhood Public Improvements ____________________________ $125,000 CDBG
Improvements directed by the City’s Livable Neighborhoods collaborative agenda with
other City Departments, targeted to low- and moderate-income neighborhoods.

Community CROPS ________________________________ $25,000 CDBG
Funding to assist low- and moderate-income people with community gardening.

Homelessness Service Providers ____________________________ $162,844 ESG
Grants to homeless service providers as identified by the Homeless Coalition, Lincoln’s
Continuum of Care.

Fair Housing ________________________________ ADMIN CDBG
Several of the projects listed above implement Fair Housing actions to address
impediments to fair housing. Urban Development and community partners will
implement additional goals, including (but not limited to) fair housing education and
enforcement, improved access to public transportation, and financial fitness/personal
credit education.
Map 1: City Limits
Map 2: Low-to-Moderate Income Area (LMI)
Map 3: Neighborhood Revitalization Strategy Area (NRSA)
Map 4: Antelope Valley

2018-2023 Priority Area: Antelope Valley

- **Antelope Valley**
- **SURPRESSED AREAS** (i.e College Campus, Research Campus Etc.)

City of Lincoln: UrbanDevelopment - Kurt Elder - 4024417874
Map 5: South of Downtown

2018-2023 Priority Area: South of Downtown

City of Lincoln: Urban Development - Kurt Eldred - 4024417874