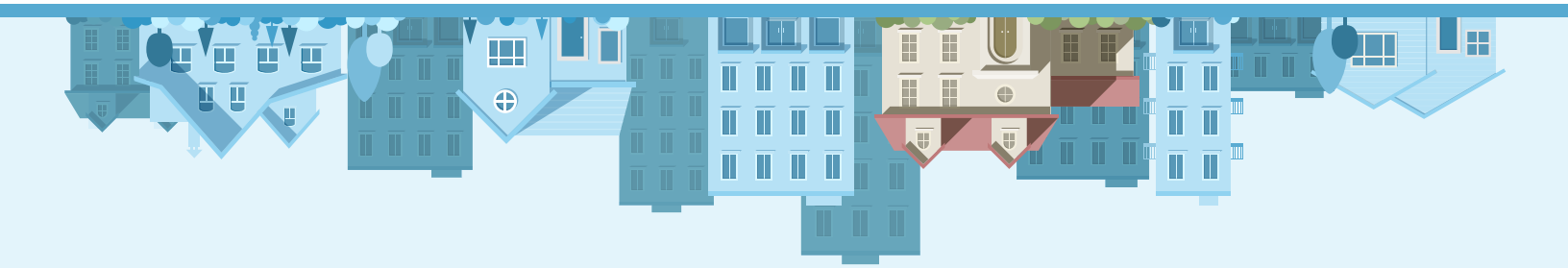
CITY OF LINCOLN NEBRASKA

AFFORDABLE HOUSING COORDINATED ACTION PLAN

EXECUTIVE SUMMARY



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City Council

- James Michael Bowers
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- Jane Raybould
- Tammy Ward
- Sandra Washington
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The Affordable Housing Coordinated Action Plan is built from a wealth of information which forms a picture of Lincoln's housing market today. The market analysis in the first chapter is built on a review of previous housing studies and reports including the South of Downtown Community Development Organization's (SDCDO) Affordable Housing Subcommittee Plan, an assortment of data, and by working closely with the public and a wide variety of stakeholder groups. This plan seeks to support the development of a housing market in Lincoln that is reflective of the diverse community of residents that makes up the city. In this way, the process included a variety of stakeholders representing a broad cross section of the housing providers and those looking for housing. The following is a summary of the information and takeaways from each section of the document.

CHAPTER 1: MARKET ANALYSIS

This chapter summarizes the characteristics of Lincoln that strongly impact the housing market. A thorough understanding of demographics and housing conditions provide the first steps in crafting the housing plan.

- Lincoln's housing market is affordable for most households, but housing costs are increasing and proactive strategies will be necessary to address the situation.
- Despite median income citywide keeping pace with the region, there are many census tracts that are cost burdened.
- As Lincoln continues to grow at a steady rate of between 1 and 1.5%, solutions are needed to address the shortage of units for households making less than $25,000.
- Over the next decade, Lincoln will need an additional 17,000 units to support projected population growth. This rate is slightly above the average rate over the last 10 years and will help address growth and pent-up demand from slow construction during the 2000's.
- Of these new units, Lincoln will need nearly 5,000 rental units affordable with rents below $1,000 a month and almost 4,000 ownership options priced below $200,000.
- The city's population is generally young, but the number of residents over the age of 65 will continue to grow. This creates a demand for greater housing variety both in product type and price point.
- Lincoln has experienced consistent construction activity, but the private market is not producing varied housing types. Over the past six years, construction activity has been healthy, but focused on single-family detached units and market rate apartments.
- Many of the affordable units are existing today and will need to be preserved to meet existing and future demand.
- Housing costs and a households ability to afford housing are influenced by many factors, including the product types being produced, land costs, income growth, and competition in the market to name a few. For this reason, multiple entities will be needed to address Lincoln's housing challenges.

CHAPTER 2: WHERE WE ARE TODAY

The engagement process for the Affordable Housing Coordinated Action Plan spanned six months, included 24 listening sessions, three public presentations, six resource committee meetings and collected 500 survey responses. The major themes and opportunities identified in this process included:

- The top concern voiced by residents and stakeholders was the lack of quality affordable housing.
- Many recognized that there are many factors that influence the cost of housing and households ability to find housing.
- There is a struggle to balance the costs of new construction and rehabilitation and the need to ensure safe, sustainable housing and infrastructure.
- There are a wealth of agencies working toward and interested in creating a healthy housing market.
- Good coordination exists amount many of the housing provides, offering a great resource to fill remaining gaps.
- Maintenance and code enforcement will help preserve affordable housing and encourage residents to take pride in and maintain their homes.

The major takeaways from the online survey included:

- Many of the lowest-income households responding to the housing survey were spending more than 30% of their income on housing. At the same time, the highest income households are renting units well below what they can afford.
- Regardless of whether they were owner or renter households, over 65% of respondents interested in moving felt they could not find their preferred housing type.
- There was a strong perception that students and empty-nesters had adequate options. However, participants in the listening sessions felt there was a lack of options for those looking to downsize, contradicting survey respondents.
- Seventy-five percent of retirees or near retirees that completed the survey plan to retire in the area. For respondents wishing to change housing in the future, 31% would like to live in an owner-occupied home with shared lawn care and snow removal, and 24% would like a smaller house to live independently.

CHAPTER 3: ISSUES AND OPPORTUNITIES

As a result of the existing conditions analysis and public engagement efforts which resulted in identification of issues and opportunities, six takeaways for success were identified:

1. Preserve the existing affordable rental units
2. Improve rental housing quality
3. Make the development of affordable housing through programs like LIHTC more appealing
4. Increase mobility in the market through expanded housing options, especially for retirees, seniors, and young professionals
5. Implement strategies for sharing risk in the development of affordable housing
6. Ensure policies and codes support affordable housing

Strategic Housing Goals

As Lincoln looks ahead to the next decade, it appears poised to grow at a strong pace. But, a vibrant future depends on the ability of the city to foster conditions of a thriving community - housing being an essential element. Analysis of both the assets and challenges suggest the need for strategic housing goals that include:

- Preserve Existing Affordable Rental Units
- Expand the Number of Affordable Rental Units
- Increase Mobility in the Market Through Housing Variety
- Create Mechanisms to Share Risk
- Build Strategic Housing Partnerships for Sharing Risk
- Expand Neighborhood Reinvestment
- Make Available Residential Options For All Residents
- Ensure Policies and Codes Support Affordable Housing
- Increase the Percentage of Land Zoned for Multi-Family and Missing Middle Housing in Developing Areas

CHAPTER 4: A PATH FORWARD

The following table is a summary of the recommendation in this chapter. Each recommendation is characterized according to leadership, needed partners, and timing or priority. It is often challenging for a study to identify every potential program or strategy and the strategies and policies in this study should be viewed as a starting point that can be built upon and evolved to create a healthy housing market for all.

FIGURE 4.1: Program Matrix

Recommendation	Leadership	Partners	Timing
Build Strategic Partnerships	Lincoln Chamber of Commerce & City of Lincoln	Multiple partners	Short
Expansion of Nonprofits Development Corporations	South of Downtown Community Development Organization (SDDC) or other motivated organization	City of Lincoln, NIFA, Chamber of Commerce	Short for SDDC Long for new
Lending Consortium/Trust Fund	Chamber of Commerce	Multiple partners	Short
Tax Increment Financing	Redevelopment Authority	Urban Development Department & Planning Commission	Medium
Property Tax Incentives	City of Lincoln & State of Nebraska		Medium
Rental Rehabilitation Program	City of Lincoln	Chamber of Commerce/Lending Consortium	Short
Code Enforcement	City of Lincoln	REOMA	Medium
Landlord Seal of Approval Program	Landlord Association	City of Lincoln & Chamber of Commerce	Short
First-Time Homebuyer Rehab Program	City of Lincoln or NeighborWorks Lincoln	Lending consortium, NIFA	Medium
Land Assembly	City Redevelopment Authority	Lending consortium, NIFA	Medium
Land Bank	Chamber of Commerce	City of Lincoln	LB 424
Free or Reduced Infill Lots	City of Lincoln	Non-profits and housing partnership	Medium
New Site Development Strategies	City of Lincoln	Various city departments	Strategy used would be project specific
Increase number of LIHTC	Chamber of Commerce/Lending Consortium	City of Lincoln	Short
Demonstration Projects	Developer	City of Lincoln, Lending Consortium	Medium to Long
Empty-nester & Retiree Housing	Developer	City of Lincoln, Lending Consortium	Medium to Long
Neighborhood Policy Areas	City of Lincoln	Neighborhood Partners	Medium (2050 Comprehensive Plan)
Ensure policies and codes support affordable housing	City of Lincoln	Planning Commission; Development Community	Short

Source: RDG