



OMAHA

HOUSING AFFORDABILITY ACTION PLAN

DRAFT 9/21/2022



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INTRODUCTION

WHY A HOUSING AFFORDABILITY ACTION PLAN?

Shelter is a basic human need and, for that reason, all Omahans should have a place to call home. But, after paying for housing, it is hard to pay for groceries, child care, transportation, health, and education. There is even less money to save for emergencies, education, retirement, or to buy a home. The purpose of the Plan is to develop a blueprint for how Omaha can achieve the vision, as defined in this plan, for quality affordable housing options.



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

A housing study is designed to explore, evaluate, and identify strategies to address housing issues throughout the city. 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 - .

In partnership with this document is the City's Analysis of Impediments to Fair Housing Choice (AI) and the Consolidated Plan. The Action Plan sets a strategic direction on housing for the City's Planning department across teams (Housing & Community Development, Urban Planning & Permits & Inspections), while the Consolidated Plan and AI offer greater detail with regard to fair housing and the use of federal funding. The goal is that the documents work in concert to create a holistic vision and strategy around affordable housing for the City of Omaha.

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, and those who are victims of a natural disaster.
- **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)
 - › Nebraska's Municipal Density and Missing Middle Housing Act defines affordable housing as residential dwelling units affordable to a household earning not more than 80% of the income limit as set forth by the United States Department of Housing and Urban Development under its Income Limits Documentation System, as such limits existed on January 1, 2020, for the county in which the units are located and for a particular household size.
- **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.** A use permitted or allowed without review by the city's planning board, and complies with the provisions of the zoning regulations and other applicable ordinances and regulations.
- **Cost Burdened.** The household spends more than 30% of HUD Area Median Income on 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.
- **Universal Design.** The process of creating products that are accessible to people with a wide range of abilities, disabilities, and other characteristics. Ideally, the concept extends to neighborhoods.

Housing Types



SMALL SINGLE-FAMILY HOME



LARGE SINGLE-FAMILY HOME



SMALL MULTI-FAMILY APARTMENT



MEDIUM MULTI-FAMILY APARTMENT



ACCESSORY DWELLING UNITS



TOWNHOME



LARGE MULTI-FAMILY APARTMENT



SENIOR LIVING



MIXED-USE



DUPLEX



MANUFACTURED HOMES

The City of Omaha wants to ensure that this plan is inclusive, accessible, and useful for all readers. This plan was designed with colorblind-friendly palettes and the final published document will also be screen reader compatible.

MARKET ASSESSMENT

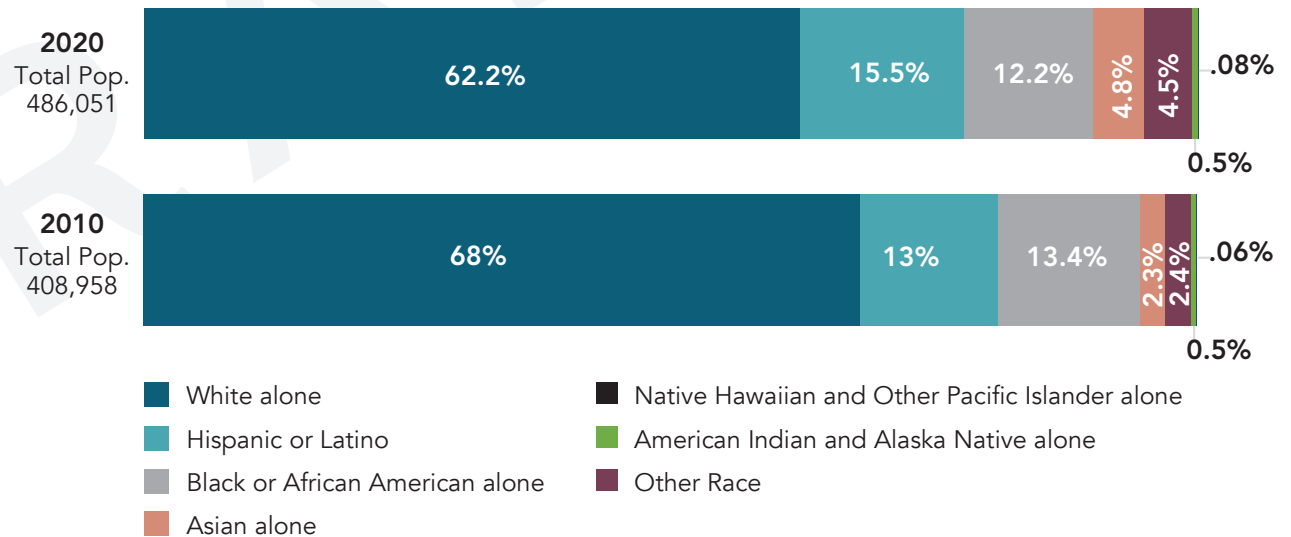
OMAHA'S DEMOGRAPHIC & HOUSING CHARACTER

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 Analysis Report document that offers greater detail on the city's demographic and economic character.

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 means a need for greater housing diversity, ensuring that housing can meet every stage of life and housing preferences.

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 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. The majority of landlords have raised rent in the last year due to increasing costs (taxes, insurance, maintenance) and demand for their product due to a 4% vacancy rate.

3. HOUSING TYPES & LOCATION

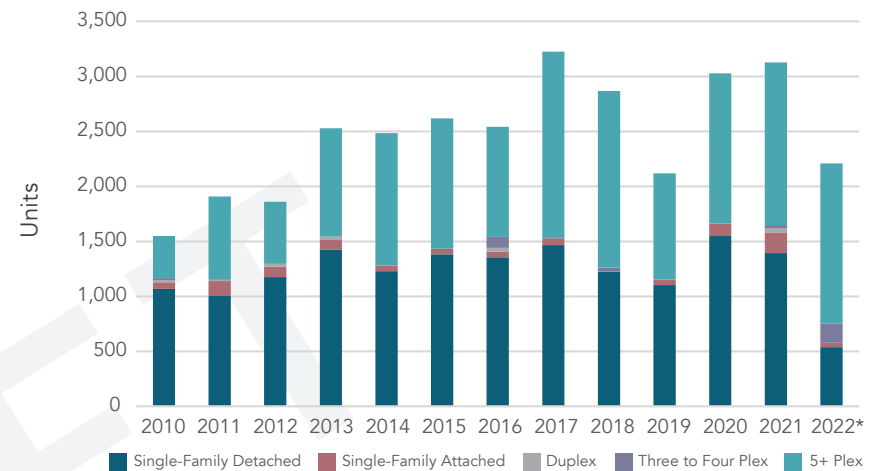
Over 80% of the city's residentially zoned land does not allow by right attached units or smaller scale multi-family housing.

- 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.

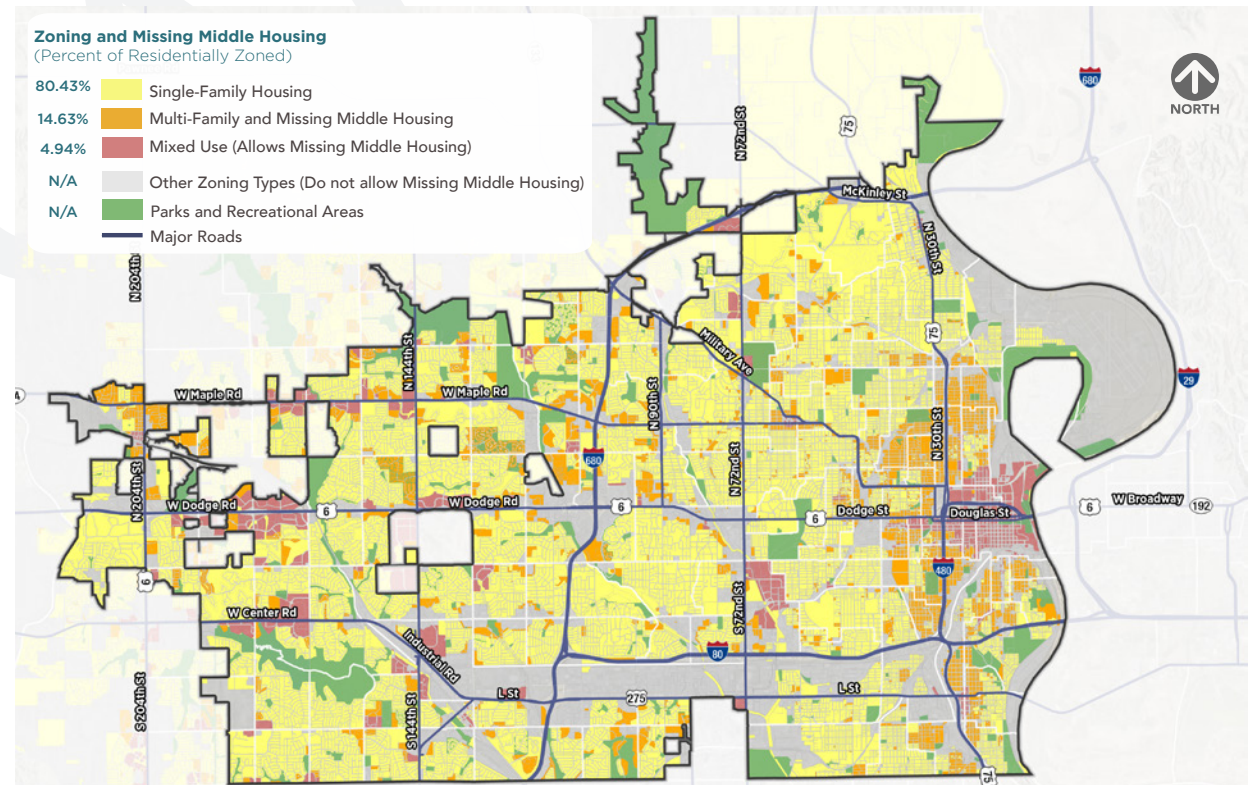
A significant amount of the city's rental properties are located in eastern portions of the city.

- 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 & Zoning Department



Source: 2022 Planning & Zoning 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.

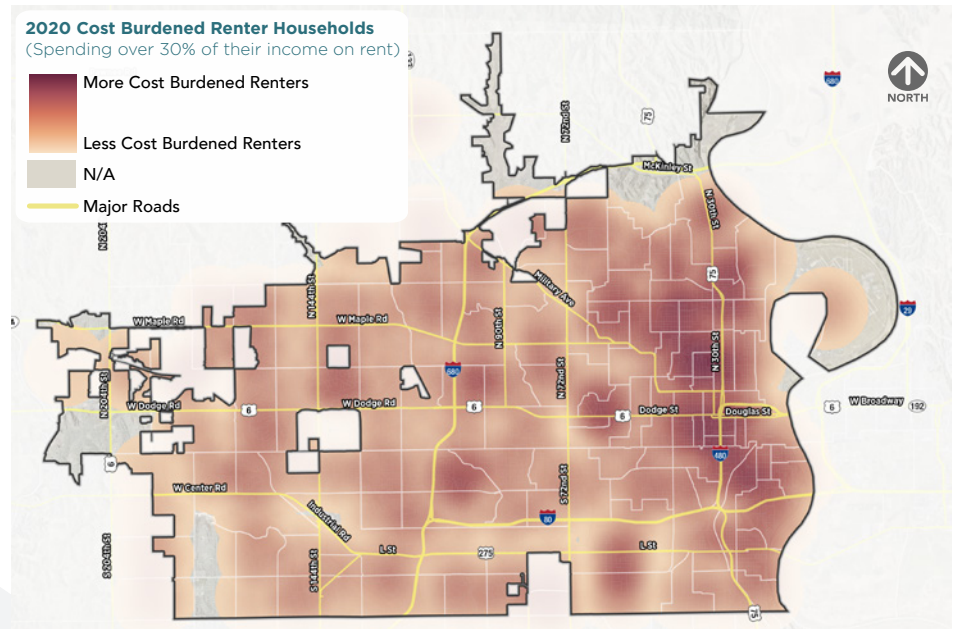
Additional information on the level of cost burdened households can be found in the Market Analysis Supplemental Report. Generally, there are fewer cost burdened owner-occupied households due to lending practices and laws.

5. AGE OF HOUSING

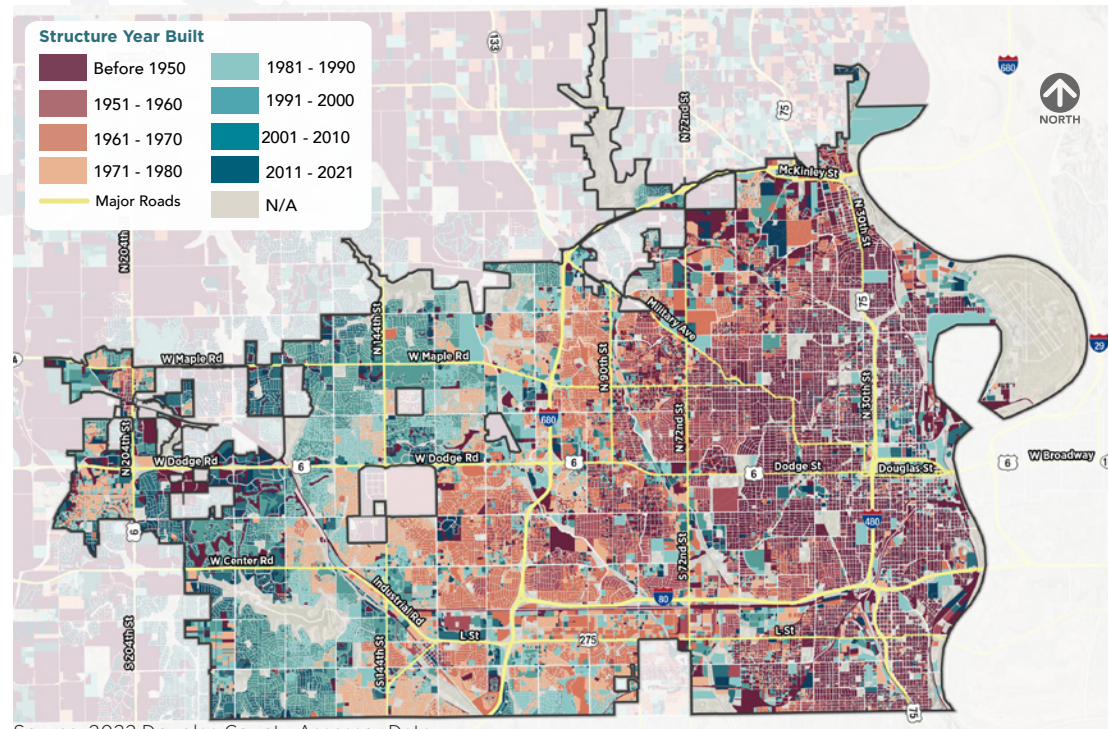
Nearly a quarter of Omaha's residential structures were built before 1950.

- 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 45% 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.

- Of those nearly 30,000 units over 11,000 units will need to be priced below \$250,000 or for households making less than \$100,000.
 - › At current building cost 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.
- An additional 7,000 rental units with rents below \$1,000 a month or for households making less than \$50,000.

Some of these units (both owner and renter) may also be produced indirectly 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
Owner Occupied		
Affordable Low: <\$200,000	8,435	
Affordable Moderate: \$200,000 - \$250,000	2,764	
Market: \$250-350,000	2,988	16,836
High Market: Over \$350,000	2,649	
Renter Occupied		
Affordable: <\$1,000	7,186	
Market: \$1,000-1,500	3,415	13,015
High Market: \$1,500+	2,414	
Total Need		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.

COMMON THEMES

1. 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.

2. 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.

3. 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.

4. Approaches to affordable housing

Affordability was the overriding concern for almost all participants. Areas to be addressed included:

- Predatory landlords and the loss of unsubsidized affordable housing to redevelopment and out-of-town investors or cash buyers.
- Landlords discriminating based on a tenants 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.

5. Housing for all

Participants felt that low-income households and the disabled 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 analysis and community engagement several themes began to emerge. These themes are 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.

What will you need in your next home?

"Opportunity to add ADU's to my lot"



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 to 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 will 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. Over the past decade, cities with the highest housing prices are seeing more two to 12 units structures being constructed. These smaller scale projects are often being added to existing neighborhoods with access to transit and other services. Land prices in these cities has often driven the need for more density where the cost of the land can be distributed over more units. Small scale projects can be ideal products for first time homebuyers, short and long term renters, and empty-nesters currently occupying three to four-bedroom homes.

Lack of housing options in all neighborhoods

The market analysis 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 quality 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”

*“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 the disabled, 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 crippled 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 may be leading this study but the private market has a role to play as well. 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:

- Omaha has housing options for people of all ages, races, ethnicities, abilities, sexual orientations, and gender expressions.
- 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.

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




58% of disabled population that lives independently is younger than 65 years of age



72% of survey respondents selected a housing type other than large single-family home as their preferred next home or not to move at all

GOAL: INCREASE THE TYPES OF HOUSING TO MEET CURRENT & FUTURE NEEDS

Objectives:

- 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
-  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 missing 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

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.

Strategies

PROGRAMS

Program Guidelines and Preferences

Omaha is entering a time of unprecedented housing funding due to American Rescue Plan Act (ARPA) and LB 1024. How these funds will be distributed is currently being determined but will be competitive. As part of the guidelines or scoring of projects, preference should be given to Missing Middle housing or have a greater number of universally designed units.

Development Fund

A development fund should be created that assists in many of the different goals outlined in this chapter. The fund would be specifically designed to expand and protect the number of affordable and ADA accessible or universally designed housing units. This could include all aspects of development including 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.

Similar to the recent partnership in the distribution and match of ARPA funds, any development fund should look for partnerships within the community.

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 workforce 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

Nationally, there is a growing discussion regarding the adverse impact ordinances have on the development of housing. Omaha, like any other city, needs to make sure that codes do not prohibit or add time to desirable housing development. Revisions to Omaha's codes should remove barriers to producing more housing types. With the implementation of the following strategies the city would go from 80% of residentially zoned land restricting middle density housing to over 90% of residentially zoned land allowing middle density housing. Potential revisions include:

- 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 right.
- In R-3 and R-4 districts allow townhouses by right.
- Modify site development regulations in residential zoning districts to allow more flexibility for additional building types.
- Accessory dwelling unit (ADU) modifications:
 - › Do not limit the development of accessory units to detached single-family properties. There is no reason that ADUs cannot be accommodated on properties with duplexes or townhouses with the same character requirements.
 - › Eliminate additional parking requirements for ADUs.
 - › Allow ADUs by right in R-5 through R-8

districts and in TOD designated areas.

- » Review minimum lot requirements potentially aligning with duplex or two-home requirements.
- › Allow in R-1 through R-4 districts by conditional use permit and remove the requirement for a majority of property owners to petition to allow ADUs on any particular block in Omaha.
- › Develop ADU guidance and education material (see example [City of Des Moines](#))
- Allow manufactured housing in R-5 through R-8 districts by right when placed on a permanent foundation and meeting criteria necessary for financing as real property, like that laid out in the [MH Advantage program](#) (see following page).
- Complete a fee evaluation to understand the impact on housing affordability and how fee reductions could provide incentives for affordable housing.
- Evaluate and amend multi-family land use policy to accommodate additional housing units.
- Amend Future Land Use policy to include medium density residential.
- Evaluate and modify minimum parking requirements across all districts allowing residential uses.

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.

- Develop strategies to manage stormwater quality and quantity both in infill and new development, in the most cost effective manner, while meeting all federal, state, and local rules and regulations.
 - › 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.
- Evaluate the plumbing code to identify potential efficiencies supporting housing affordability which will not compromise life safety.
- Evaluate Pavement Surface Evaluation and Rating (PASER) fees in relation to infill housing.
 - › Improve coordination and communication between city departments regarding street resurfacing, development projects, and vacant lots.

It should be noted that just removing code barriers will not fully incentive a private market response. Issues related to financing and market perceptions will also need to be addressed.

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](#)

Tax Increment Financing (TIF)

Tax Increment Financing is one of the few 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.

MH ADVANTAGE

MH Advantage is a program by Fannie Mae to encourage the development of new affordable housing using manufactured housing. Homes under the program must meet specific criteria, including being placed on a permanent foundation, to classify them as real property. These homes are required to have the same features of site built housing related to eaves, dormers, and porches, but the production off-site allows for greater efficiency and reduced costs. The program targets homes in the \$150,000 to \$250,000 range.

- 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 undeserved populations.
 - › Have at least 50% of units designed using universal design standards.
 - › Are mixed-income.

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 challenging to finding housing

GOAL: PRESERVE EXISTING AFFORDABLE UNITS

Objectives:

- Maintain and protect the most attainable housing in the city
- Target programs to strategic areas of most need or opportunity
- Expand funds for housing rehab programs at both the city and nonprofit level
- Create more long-term or permanently affordable housing units

Strategies

PROGRAMS

Repair Programs

The city has some existing repair programs (see [Housing Rehabilitation & Healthy Homes Resource Guide](#)), but they should be expanded when funding is available, or new ones created that focus on unsubsidized affordable units:

- Use local funding sources, like a development fund, to streamline the process and require some level of affordability be maintained.
 - › For rental units, there may be a mandatory period of affordability. Additionally, the renters may only have to meet income requirements upon initial application and not on an annual basis.
 - › For owner-occupied units, the unit would have to be occupied by the recipient for 5 years or the funding paid back on a pro-rated scale.

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.

Weatherization Programs

Several weatherization programs exist or have existed over the years by both the city and energy providers. Additional funding of these programs is needed. Targeted outreach should be done for areas where the average age of housing units is 30 plus years and where code violations are higher.

POLICIES & REGULATIONS

Codes

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.

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.

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.

- Defining that attempts to circumvent the process is a violation of the ordinance.

It should be noted that staffing levels may also be an issue when considering number of inspections completed and pro-active identification of unregistered properties.

Foreclosure Auctions

Omaha should consider lobbying for state level 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 track 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. The 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.

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.

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.

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 potentially 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.

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

GOAL: ENSURE THAT ALL PARTS OF THE CITY HAVE AFFORDABLE HOUSING LB 866

Objectives:

- 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

Strategies

PROGRAMS

Land Development

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 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.

- **Shared Cost.** The public share might be 30% to 50% of construction cost. 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

Additional funding or expedited processes should be given to projects that locate affordable housing adjacent to transit, jobs, or community services. Projects that provide a mix of these features in historically redlined areas would have the highest priority.

POLICIES & REGULATIONS

Density Bonuses

The Omaha zoning ordinance currently includes a density bonus for affordable housing, but the tool has never been used.

- Under the density bonus, the base district minimum standards for parking, setbacks, and building coverage still apply. For example, a developer can create smaller lots if providing affordable units in a single-family development, but the setbacks could still be restrictive and limit the size of the structure. While setback reductions can be addressed through a series of waivers, the request complicates the process and add time and costs.

Ultimately the incentive needs to truly lower costs and risks for the developer to make it appealing. In the case of density bonuses, that does not appear to be the case for developers working in Omaha. The bonus will likely need to be paired with other incentives in this section to add value.

TOD Areas

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 in on page 17, allow ADUs by right.
- Consider proactively rezoning areas, potentially starting with transit corridors east of 72nd Street.

Planned Unit Redevelopment

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.

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

Market and Community Input



80% of residentially zoned land is for single-family homes



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



58% of disabled population that lives independently are younger than 65 years of age

GOAL: FOSTER HOUSING INNOVATION TO LOWER COSTS LB 866

Objectives:

- 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

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

- The city should consider placing their lots with OMLB.
 - › If the city maintains control of vacant lots, then consideration should be given to adopting the disposition strategy that OMLB is currently updating.



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

In partnership with local nonprofits Omaha should develop a housing pattern book, specifically oriented toward affordable products and/or products that are not commonly constructed in Omaha. If used the development process should be streamlined due to fewer waivers and potentially allow for more administrative approval of projects.

New Technologies and Techniques

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. The city should review processes to find ways to be nimbler and more adaptable to potential techniques or technologies. Partnerships in demonstration projects might be part of the process.

Codes

Previous sections have noted ways to improve and innovate related to the city's codes. In addition to these improvements, site development standards should be closely reviewed. Participants in the public engagement process noted some lots are considered "unbuildable" due to site issues or lack of access to a usable alley. Generally, any lot that had a home or structure on it at one time should not be considered unbuildable due site standards.

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 skinny infill lots. The massing and elevation options reflect a simple vernacular character present throughout South Bend's neighborhoods.



ZONING DISTRICTS ALLOWED
S1 S2 S3 S4 S5 S6 S7 S8 S9 S10 S11 S12 S13 S14 S15 S16 S17 S18 S19 S20 S21 S22 S23 S24 S25 S26 S27 S28 S29 S30 S31 S32 S33 S34 S35 S36 S37 S38 S39 S40 S41 S42 S43 S44 S45 S46 S47 S48 S49 S50 S51 S52 S53 S54 S55 S56 S57 S58 S59 S60 S61 S62 S63 S64 S65 S66 S67 S68 S69 S70 S71 S72 S73 S74 S75 S76 S77 S78 S79 S80 S81 S82 S83 S84 S85 S86 S87 S88 S89 S90 S91 S92 S93 S94 S95 S96 S97 S98 S99 S100



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 gross)	1120 sq. ft.
Basement (unfinished)	560 sq. ft.
Porch (unconditioned)	136 sq. ft.
1st Floor	560 sq. ft.
2nd Floor	560 sq. ft.
Lot Standards	
Lot Width (min.)	30'
Lot Width (max.)	60'
Cost Assumptions	
Preliminary Construction Estimates *	\$200,000 - \$250,000
Financing Options	30-yr mortgage

*Numbers shown are for basic estimation purposes only. Pricing is based on Fall 2023 cost assumptions and are subject to future 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

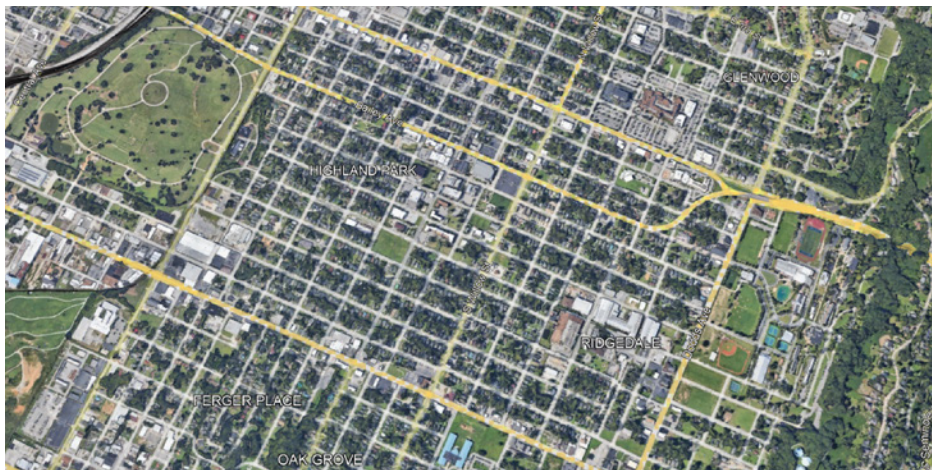


30 Foot Wide Lots; Iowa City, IA

- In R-4 or greater districts allow lot widths down to 30 feet or at least permit existing lots of this size to match setbacks of similar sized adjacent lots.
- A number of historic lots only have access for parking off the alley, but the alley is no longer maintained or accessible. The replacement of these alleys would be cost prohibitive for any developer, especially for a small project. Public works does not have the funding to replace these alleys, therefore an outside source should partner with OMLB and the city to identify the best opportunities for reinvestment in alleys and the development of affordable housing.

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.



MISSING MIDDLE FOR CHATTANOOGA, TN

With help from the Incremental Development Alliance, Chattanooga leaders and stakeholder 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](#)

Market and Community Input



1400

the number of individuals in Omaha that experienced homelessness in 2020

46%

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



83%

of renter households making between \$20,000 and \$35,000 are cost burdened



Historically Redlined neighborhoods have high concentrations of cost burdened households

GOAL: ADDRESS HOUSING INSTABILITY

Objectives:

- 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
- Increase the number of affordable and universally designed units

Strategies

PROGRAMS

Many of the previously highlighted programs would support addressing housing instability. Additionally the city could consider:

- A program to actively outreach to those that qualify for Nebraska's Homestead Exemption Program or at least potentially notify any qualifying household that is using another city program.
- Create a property tax reimbursement for low-income households that do not qualify for the Homestead Exemption Program

Transitional and Permanent Support Housing

The number of transitional and permanent supportive housing units should be expanded. These units are traditionally developed and owned by nonprofits but can receive support

from different city administered programs such as Community Development Block Grants. If additional funding can be leveraged the number of these units should be increased.

Many community stakeholders noted that these units should be paired with counseling and assistance to increase the likelihood that tenants finding success. These are not programs the city would manage but could potential be a partner using state and federal funding streams.

Eviction and Foreclosure Assistance

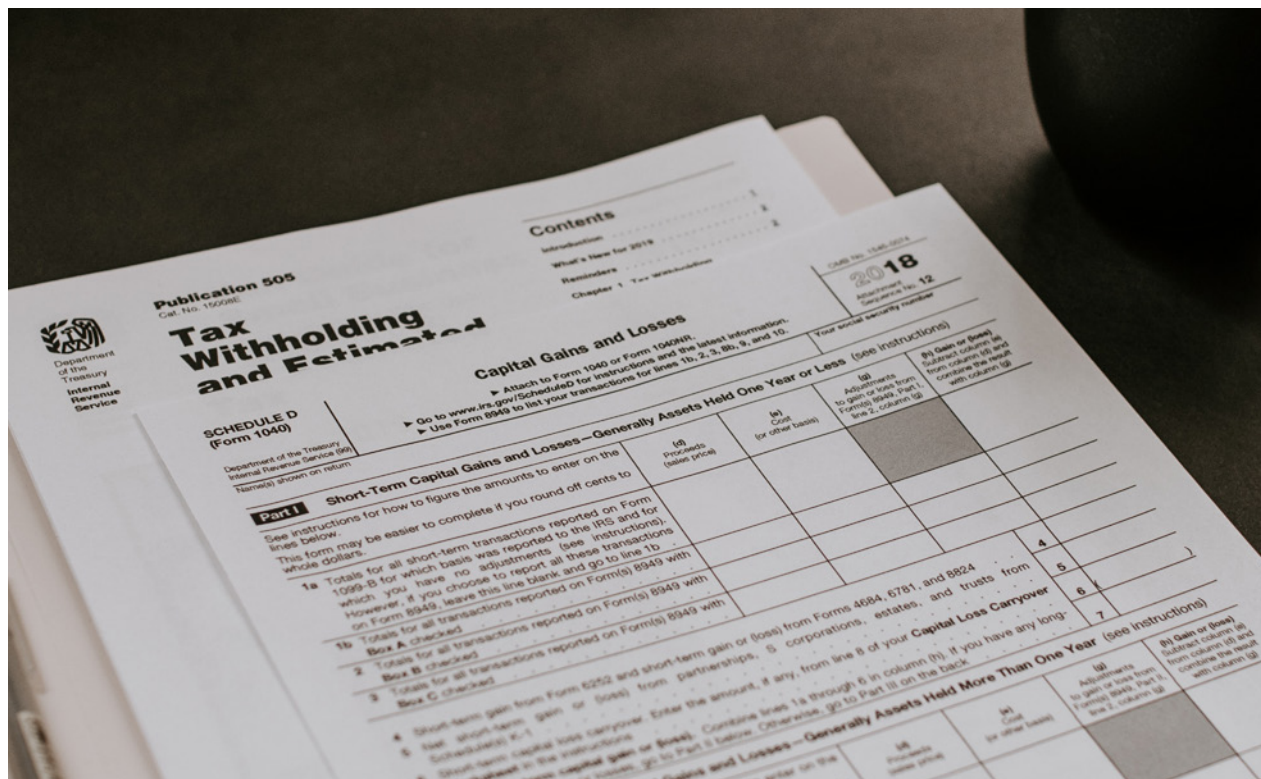
Programs to assist individuals facing eviction or foreclosure should be expanded. For eviction this should include establishment of a tenant right to counsel in eviction court. This would require a change in city ordinance. Additionally, legal counsel should be more broadly available and free for tenants. If solutions to avoid eviction can be identified, it is a win for both the landlord and the tenant.

Rent and Utility Assistance

Funding for rent and utility programs should be expanded. 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, 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.

Climate Action Plan

The city is in the process of beginning the development a Climate Action Plan. This plan should include strategies around housing.



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.

CITY PARTNERSHIPS IN INNOVATION

Workforce Development

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. Spark Developer Academy is an example of this type of program. The city should look for additional ways to partner with graduates from this program to assist them with site selection and moving through the development process. This could include a navigator that helps individuals complete their first projects.

Additionally, partnerships with Metro Community College, like that done with the Siena Francis House tiny house project, should be expanded. These partnerships, like other city programs, should prioritize expanding jobs for residents in North and South Omaha.

POLICIES & REGULATIONS

Tenant Protections

Existing tenant protections, including the rental registration program and eviction court procedures should be reviewed and improved when possible. This 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.



RENT CONTROL

During the community engagement process rental 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/Omaha Planning Department, 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.

Implementation of most of the strategies in this section are dependent on staff capacity. Evaluation of staffing needed to implement the study should be completed.

IMPLEMENTATION MATRIX			
STRATEGY - POLICIES & REGULATIONS	GOAL	PARTNERS	TIMEFRAME
Allow single-family attached and duplexes in R1 through R4 districts (page 17)	› 1, 3, 5	NA	Near
In R-3 and R-4 districts allow townhouses by right (page 17)	› 1,3,5	NA	Near
Update building codes for 3- & 4-unit structures (page 17)	› 1, 3, 4, 5	Fire Marshal	Near
Modify site development regulations in residential zoning districts to allow additional building types (page 17)	› 1, 3, 4, 5	NA	Near
ADU's (page 17) 1. Remove limitation of accessory units to detached single-family properties 2. Allow in R-5 through R-8 and TOD districts by right 3. Allow in R-1 through R-4 by conditional use permit 4. Don't require additional parking 5. Develop ADU guidance and education material	› 1, 2, 3, 4, 5	Items 1-3: N/A Item 4: Community Partner	Item 1-3: Near Item 4: Medium
Evaluate plumbing code to identify potential efficiencies supporting housing affordability which will not compromise life safety (page 17)	› 1, 3, 4	Plumbing Board	Medium
Allow manufactured housing in R-5 to R-8 by right when on placed permanent foundations and meeting criteria necessary for financing as real property (page 17)	› 1, 3, 4	NA	Medium
Complete fee evaluation to understand the impact on housing costs (page 17)	› 1, 2, 3, 5	NA	Near
Evaluate and amend multi-family land use policy to accommodate additional housing units (page 17)	› 1, 3, 4, 5	NA	Near
Amend Future Land Use policy to include medium density residential (page 17)	› 1, 2, 3, 4	NA	Medium

GOALS KEY

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2. Preserve existing affordable units
3. Ensure that all parts of the city have affordable housing
4. Foster Housing Innovation to lower costs
5. Address Housing Instability

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, and consensus building, and financing.

IMPLEMENTATION MATRIX

STRATEGY - POLICIES & REGULATIONS	GOAL	PARTNERS	TIMEFRAME
Evaluate and modify minimum parking requirements across all districts allowing residential uses (page 17)	› 1, 3, 4	NA	Near
Develop strategies to manage stormwater quality and quantity both in infill and new development (page 17)	› 1, 3, 4	Regional Communities	Medium
Identify funding strategies to address life-cycle costs associated with stormwater management (page 17)	› 1, 3, 4	Regional Communities	Medium
Evaluate Pavement Surface Evaluation and Rating (PASER) fees in relation to infill housing (page 18)	› 1, 3, 4	Public Works	Near
In TIF projects require that any subsidized or unsubsidized affordable unit be replaced one for one (page 18)	› 1, 2, 5	NA	Near
In TIF projects requiring a percentage of affordable units or a payment in lieu (page 18)	› 1, 2, 5	NA	Medium
Expedite TIF projects meet certain criteria (page 18)	› 1, 2, 5	NA	Near
Review exceptions and waivers for the past several years to determine if there are items that should be allowed by right (page 20)	› 1, 2, 3,	NA	Near
Review potential updates to the Rental Registration Program (page 20)	› 2, 5	NA	Medium
Work with state level advocates to update foreclosure auctions (page 21)	› 2, 5	NA	Medium
Modify site standards in the Density Bonus regulations, pair with other incentives (page 24)	› 1, 3, 4	NA	Near
Require a certain percentage of affordable housing within TOD districts or, at a minimum, for those projects using TIF (page 24)	› 1, 3, 4	NA	Near
As noted in earlier, allow ADUs by right (page 24)	› 1, 3, 4	NA	Near

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STRATEGY - POLICIES & REGULATIONS	GOAL	PARTNERS	TIMEFRAME
Consider proactively rezoning areas, potentially starting with transit corridors east of 72nd Street (page 24)	› 1, 3, 4	NA	Medium
Evaluate the PUR district and identify items that can be defined within the code for administrative approval or allowed by right (page 24)	› 1, 3, 4,	NA	Near
Develop a pattern book (page 26)	› 1, 3, 4	Omaha design professionals	Near
Review processes to find ways to be nimbler and more adaptable to potential techniques or technologies in the building trades (page 26)	› 1, 2, 3, 4	Omaha design & engineering professionals	Medium
In R-4 or greater districts allow lot widths down to 30 feet or at least permit existing lots of this size to match setbacks of similar sized adjacent lots (page 27)	› 1, 2, 3, 4	NA	Near
Develop an alley replacement strategy for blocks with vacant lots (page 27)	› 1, 2, 3, 4	Omaha Municipal Land Bank	Medium
Updating the city's Human Rights Ordinance to include source of income (page 30)	› 5	City Human Rights & Relations	Near
Identifying needed modifications to the rental registration program based on lessons learned (page 30)	› 5	Omaha Legal Department	Near
Improving the process for notifying those summoned to eviction court (page 30)	› 5	Omaha Legal Department	Near

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IMPLEMENTATION MATRIX

STRATEGY - PROGRAMS	GOAL	PARTNERS	TIMEFRAME
Update program guidelines to give preference to Missing Middle housing or have a greater number of universally designed units (page 15)	› 1, 3, 4	NA	Near
Establish a Development Fund (page 15)	› 1, 2, 4, 5	Philanthropic Community	Medium
Expand repair programs (page 19)	› 2, 3, 4, 5	Philanthropic Community	Long
Expand weatherization programs (page 20)	› 2, 3, 4, 5	Philanthropic Community	Medium
Establish a lot development program for affordable or innovative housing projects (page 23)	› 1, 3, 4	NA	Long
Expand the digital review process to all departments with an integrated digital platform (page 26)	› 4	NA	Medium
Transfer city owned lots to the Omaha Municipal Land Bank (OMLB) (page 25)	› 1, 3, 4	OMLB	Near
Actively reach out to those that qualify for Nebraska's Homestead Exemption Program or at least potentially notify any qualifying household that is using another city program (page 28)	› 2, 5	Nonprofit Housing Organizations	Medium
Create a property tax reimbursement program for low-income households that do not qualify for Homestead Exemption Program (page 28)	› 2, 5	Philanthropic Community	Long
Build more transitional & permanent supportive housing (page 28)	› 5	Philanthropic Community	Long
Expand resources for eviction and foreclosure prevention (page 28)	› 5	Philanthropic Community	Long
Expand rent and utility assistance programs (page 28)	› 5	Philanthropic Community	Long
Include housing strategies in the Climate Action Plan (page 28)	› 1, 2, 4, 5	NA	Near

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