

CHAPTER 6

HOUSING PROFILE AND PLAN

INTRODUCTION

The **Housing component of the La Vista Comprehensive Plan** serves to profile and analyze the existing housing stock in the City of La Vista and determine the demand for housing activities during the planning period (1997 to 2007). The following information includes the documentation of pertinent U.S. Census information and the identification and analysis of future housing characteristics and demand.

"It should be the goal of any community to provide safe, decent and affordable housing for its residents, regardless of race or social and economic status."

COMMUNITY HOUSING CONDITIONS

The following statistical and narrative documents existing housing conditions and projects future housing needs for the City of La Vista. This study process projects a ten year (1997 - 2007) demand for housing of all types. The community has a long time track record of housing development; creating new and modern housing units for both owner and renter households.

This housing profile and plan generally meets the standards of all major funding sources involved in the financing of housing, both public and private, including local lending institutions, the Departments of Housing and Urban Development (federal) Economic Development (state), the U.S.D.A. Office of Rural Development (federal, formerly the Farmers Home Administration) and the Nebraska Investment Finance Authority (state). A detailed housing and economic analysis should be conducted for any medium- to large scale residential development, in an effort to determine the specific impact that development would have on the La Vista housing market.

COMMUNITY HOUSING PROFILE

Both in 1980 and 1990, the La Vista housing stock was comprised of a variety of housing types ranging from single family homes, to mobile homes, to family and elderly multifamily structures. Since 1991, no mobile homes have existed in La Vista. The highest percentage of residential land area has been occupied by single family homes. **Table 6.1** identifies both the 1980 and 1990 **La Vista housing stock**, based on **Census data**. From 1980 to 1990, there was an increase in the La Vista housing stock of 348 units. During this same time period, the housing stock in Sarpy County increased by 8,428 units. A total of 0.5 percent of the housing stock in Sarpy County lacked complete plumbing. In comparison, **0.6 percent of the housing stock in La Vista lacked complete plumbing. In La Vista, a total of 81 units had overcrowded conditions, 1990.**

**TABLE 6.1
HOUSING STOCK PROFILE
LA VISTA/SARPY COUNTY, NEBRASKA
1980 & 1990**

<u>Inventory Change Profile</u>	<u>La Vista</u>		<u>Sarpy County</u>		
1980 Housing Stock	3,154		27,566		
1990 Housing Stock	3,502		35,997		
Change - Units	+348		+8,428		
- Percent	+11.0%		+30.6%		
- Annual Units	+35		+843		
- Annual Percent	+1.1%		+3.1%		
<u>1990 Housing Stock</u>	<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>	
Complete Plumbing	3,482	99.4%	35,798	99.5%	
Lack of Complete Plumbing	20	0.6%	196	0.5%	
TOTAL	3502	100.0%	35,994	100.0%	
<u>Overcrowdedness</u>					
With 1.01 or More Persons per Room	81	2.3%	665	1.8%	
		<u>% Change</u>		<u>% Change</u>	
<u>Number of Units</u>	<u>1980</u>	<u>199</u>	<u>1980</u>	<u>1990</u>	<u>1980-1990</u>
1 Unit	2,528	2,53	23,320	28,211	+20.9%
2 to 9 Units	164	240	1,778	2,850	+60.3%
10 or More Units	426	705	1,966	3,899	+98.3%
Mobile Homes	36	20	502	1,034	+105.9%
TOTAL	3,154	3,50	27,566	35,994	+30.6%

Source: Census of Population and Housing, 1980, STF-1A 1990
Hanna:Keelan Associates, P.C., 1997

BUILDING TRENDS

Table 6.2 identifies **building trends** in La Vista from 1985 through July, 1996. The City of La Vista has issued permits for an estimated 946 housing units since 1985. Few housing units were constructed prior to the mid 1980s. Between 1988 and 1993, multifamily construction out paced single family development at a rate of 3 to 1. As of 1994, this trend began a reversal, where single family development nearly equaled multifamily construction. Totals during 1995 and 1996 show an astounding reversal of the single family housing market, where the amount of completed units nearly doubled construction totals for all previous years.

The total number of residential building permits for La Vista in 1997 equalled 92 single family and no multifamily permits.

Three major residential subdivisions have been proposed for La Vista, for late 1997. These include South Wind, 130 acres - 175 single family lots, 9.5 acres for multifamily development and 32 acres for townhome development, Val-Verde, 109 acres - 216 single family lots, 7 acres for multifamily development and 4 acres for townhome development and Mayfair, 60 acres - 95 to 103 single family lots, with possible townhome development.

**TABLE 6.2
NUMBER OF HOUSING UNITS FOR WHICH
BUILDING PERMITS WERE ISSUED
LA VISTA, NEBRASKA
1985-1996**

<u>Year</u>	<u>Single Family</u>	<u>Multifamily</u>
1985	10	0
1986	2	0
1987	13	0
1988	30	118
1989	20	48
1990	25	96
1991	39	24
1992	31	164
1993	37	60
1994	23	48
1995	45	48
<u>1996</u>	<u>65</u>	<u>0</u>
TOTAL	340	606

Source: La Vista City Government, 1997
Hanna:Keelan Associates, P.C., 1997

HOUSING OCCUPANCY/VACANCY

Table 6.3 summarizes estimated **housing stock occupancy and vacancy status** in La Vista for 1990 and 1997. The 1990 Census recorded a total of 3,502 units, with 3,337 occupied and 165 vacant. Vacant housing units consisted of seasonal and/or vacant housing units neither for sale nor rent (8) and vacant year-round housing units (158).

Vacancy demand represents the minimum number of dwelling units required to allow for: 1) greater choice and selection for potential home buyers/renters and 2) elimination of substandard living units which are detrimental to the health and safety of the occupant(s).

Currently, the majority of communities throughout Nebraska have housing vacancy rates ranging from 1.0 percent to 3.5 percent. Communities generally located along the Interstate 80 corridor and in close proximity to urban centers, like La Vista, have some of the lowest vacancy rates. An ideal community vacancy rate is 5 to 6 percent. This rate may fluctuate higher or lower for different time periods, depending upon the anticipated population growth and overall structural condition of the existing housing stock. In **Table 6.3**, the housing vacancy rate recorded for La Vista in 1990 was 4.7 percent overall and 4.5 percent for the year-round housing stock. Few vacant seasonal housing units existed in La Vista in 1990.

In 1990, there were a total of 3,337 occupied year-round housing units in La Vista. These units were comprised of 1,962 owner occupied and 1,375 renter households.

For 1997, year-round housing stock was determined by adding 1990 Census year-round housing stock, plus housing permits issued since 1990, less housing units demolished since 1990. The 1997 year-round housing stock is estimated to be 4,199 with 60 vacant year-round housing units. **The current year-round housing vacancy rate is estimated to be 1.4 percent.**

The total 1997 year-round occupied housing units for 1997 is estimated to be 4,139. These units consist of an estimated 2,264 owner occupied and 1,875 renter occupied households.

TABLE 6.3
HOUSING STOCK OCCUPANCY/VACANCY STATUS
LA VISTA, NEBRASKA
1990/1997

a)	1990	Census Housing Stock Count	3,502
b)	1990	Vacant Housing Units	165
c)	1990	Occupied Housing Units	3,337
d)	1990	Housing Vacancy Rate	4.7%
e)	1990	Seasonal or Other Vacant Housing Units Neither for Sale nor Rent	7
f)	1990	Census Year-Round Housing Stock (a-e)	3,495
g)	1990	Vacant Year-Round Housing Stock (b-e)	158
h)	1990	Occupied Year-Round Housing Units (f-g)	3,337
		*Owner Occupied	1,962
		*Renter Occupied	1,375
i)	1990	Year-Round Housing Vacancy Rate	4.5%
j)	1997	Housing Permits Issued Since 1990 Census	705
k)	1997	Housing Units Demolished Since 1990 Census	1
l)	1997	Year-Round Housing Stock (f+j-k)	4,199
m)	1997	Vacant Year-Round Housing Units	60
n)	1997	Occupied Year-Round Housing Units	4,139
		*Owner Occupied	2,264
		*Renter Occupied	1,875
o)	1997	Year-Round Housing Vacancy Rate	1.4%

Source: Census of Population and Housing, 1990
City of La Vista, 1997
Hanna:Keelan Associates, P.C., 1997

AGE OF HOUSING STOCK

The **age of housing stock** in La Vista, for 1990, is identified in **Table 6.4**. Only 0.6 percent of the housing stock in La Vista was over 50 years of age. The highest number of housing units built in La Vista was 1,566 during the period of 1970 to 1979.

TABLE 6.4
YEAR STRUCTURE BUILT
LA VISTA, NEBRASKA
1990

Households	La Vista	% of Total
1991 to 1996	704	16.7%
1985 to 1990	243	5.5%
1980 to 1984	231	5.5%
1970 to 1979	1,566	37.2%
1960 to 1969	1,188	28.2%
1940 to 1959	267	6.3%
<u>1939 or before</u>	<u>7</u>	<u>0.6%</u>
TOTAL (specified)	4,206	100.0%
% 1939 or before	0.6%	

Source: Census of Housing, 1990
Hanna:Keelan Associates, P.C., 1997

CONDITION OF HOUSING STOCK

A city wide **conditions survey of the housing stock** in La Vista was conducted as an activity of this comprehensive planning program. A total of 4,163 units were reviewed. **Table 6.5** identifies the results of this survey. The majority of the units surveyed were rated "good." A **total of 13.1 percent of the housing units were rated as "fair" or "poor."** This equalled a total of 542 units. This percentage of "fair" and "poor" housing may require the planning and implementation of a **local housing rehabilitation and removal/replacement program.** The 48 units identified as "poor" in the 1996 housing stock survey have been rehabilitated.

TABLE 6.5
HOUSING STOCK SURVEY
LA VISTA, NEBRASKA
APRIL, 1996

	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Total</u>
Single	2,382	248	5	2,635
<u>Multifamily</u>	<u>1,239</u>	<u>241</u>	<u>48</u>	<u>1,528</u>
Total	3,621 (86.9%)	489 (11.7%)	53 (1.4%)	4,163 (100%)

Source: Hanna:Keelan Associates, P.C., April, 1996

HOUSEHOLD CHARACTERISTICS

A comparison of increasing population, the number of households and persons per household is identified in **Table 6.6**. Census data from 1980 and 1990 form the basis of this table, while projections are used to forecast 1997 and 2007 information. Long range trends indicate family sizes are decreasing. The number of people per household in La Vista is expected to decline 12 percent from 3.19 in 1980, to 2.82 in 2007. This trend is indicative of state and national statistics that show a general reduction in size of families.

**TABLE 6.6
SPECIFIC HOUSEHOLD CHARACTERISTICS
TRENDS AND PROJECTIONS
LA VISTA, NEBRASKA
1980 - 2007**

<u>Year</u>	<u>Population</u>	<u>Group Quarters</u>	<u>Persons In Households</u>	<u>Households</u>	<u>Persons Per Household</u>
1980	9,588	0	9,588	3,002	3.19
1990	9,840	0	9,840	3,337	2.95
1997	11,966	0	11,966	4,139	2.89
2007	14,500	60	14,440	5,120	2.82

Source: Census of Population and Housing, 1980, 1990
Hanna:Keelan Associates, P.C., 1997

Lastly, **Table 6.6** details **specific household characteristics** the number of people residing in group quarters; nursing homes, dormitories or correctional facilities. Housing services for La Vista's elderly population are lacking. Limited options exist for alternative housing dedicated to retirement living, such as independent 55+ years condominiums or apartments or congregate/assisted care facilities. At the very least, it is the Consultant's recommendation that a long-term residential care facility be developed by 2007 for the elderly, in order for La Vista residents to age in place and remain in the community. This facility could also serve as the focus for a retirement "campus," providing a variety of housing options to La Vista retirees.

HOUSEHOLD TRENDS AND PROJECTIONS

An analysis of household characteristics provides a profile of data necessary to plan for a community. Recent trends in household characteristics, combined with income, employment and population data can assist in determining the overall future housing needs of a planning area.

Table 6.7 depicts **tenure by household characteristics trends and projections** in La Vista for the period 1980 to 2007. By 2007, an estimated 48 percent of the total community population will reside in a rental unit. Between 1997 and 2007, renter households are projected to increase by 593. An additional 388 owner households are also expected during the ten year planning period.

**TABLE 6.7
TENURE BY HOUSEHOLD
TRENDS AND PROJECTIONS
LA VISTA, NEBRASKA
1980-2007**

<u>Year</u>	<u>Total Households</u>	<u>Owner Households</u>		<u>Renter Households</u>	
		<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
1980	3,002	1,965	65.4%	1,037	34.6%
1990	3,337	1,962	58.8%	1,375	41.2%
1997	4,139	2,264	54.7%	1,875	45.3%
2007	5,120	2,652	51.8%	2,468	48.2%

Source: Census of Population and Housing, STF-3A, 1990
Hanna:Keelan Associates, P.C., 1997

FUTURE HOUSING DEMAND

The housing stock of a community is considered a basic necessity and an adequate supply of safe and decent housing is a key factor in a community's social and economic well being. As stated throughout this Comprehensive Plan, La Vista provides a variety of housing types for its population. The city makes a true effort to encourage both the construction of new and rehabilitation of existing housing. Presently (May, 1997), an estimated **4,199 year-round housing units** exist in La Vista. Less than 2 percent of these units are vacant.

Also discussed was the **condition** of housing in La Vista. An estimated 3 to 4 percent of the housing stock is in need of rehabilitation, with an additional 0.5 to 1 percent in need of removal/replacement.

In order to effectively analyze future housing demand in the community of La Vista, three separate components must be considered. **The following narrative details (1) vacancy deficiency demand, (2) demand for new households, replacement housing units and affordable housing units, (3) "pent-up" housing demand.**

(1) HOUSING VACANCY DEFICIENCY (DEMAND)

Housing vacancy deficiency is defined as the number of vacant units lacking in a community, whereby the total percentage of vacant units is less than 5 percent. **A vacancy rate of 5 percent is the minimum rate recommended to allow a community to have sufficient housing available for both new and existing residents.** La Vista has a current housing vacancy rate of less than 5 percent, thus a housing vacancy deficiency.

The Housing Vacancy Deficiency figure considers 5 percent of the current year-round housing stock minus vacant units within the community. **The City of La Vista has an estimated housing vacancy deficiency (demand) of 150 units.**

(2) HOUSING DEMAND-NEW HOUSEHOLDS, REPLACEMENT, AFFORDABLE DEMAND

The following statistical and narrative information identifies the future renter and owner housing demand in La Vista, based on anticipated new households, the replacement of substandard housing units and the need for additional affordable housing units for low- to moderate-income families and persons, by the end of the planning period, 2007. The Demand Forecast Table, **Table 6.8** considers new households, households living in substandard units, households experiencing cost overburden, current housing development activities, a 5 percent vacancy allowance, household/income eligibility and an appropriate (development) penetration rate.

Substandard Unit.....

A substandard unit is defined as a unit lacking complete plumbing plus the number of households with more than 1.01 persons per room. Persons experiencing **rent or owner cost overburden** are persons paying more than 30 percent of their income towards housing. Consideration is also given to the number of new households, demolitions, and any other projects in the planning stage for the designated community.

Vacancy Rate

A vacancy rate can be defined as the number (or percentage) of year-round units within the existing housing supply which do not have an occupant at the time of enumeration. **A standard vacancy rate of 5 percent allows for a community to typically offer an adequate supply of safe, decent, and affordable housing.**

Penetration Rate.....

The final step in demand forecasting, the determination of a (development) **penetration rate**, is very important in the market analysis of any particular, planned owner or rental housing project. A standard to follow in conducting a market analysis is to restrict development to no more than 60 to 95 percent of the estimated unit demand at any one particular time, during a two to ten year period. This allows the local municipality to approach housing in a more "conservative" mode and prevents over-development and/or saturation of the housing market. Overdevelopment of the rental housing market could escalate the community's vacancy rate and have a negative impact on

both the value and marketing potential of the new and existing housing stock.

HOUSING DEMAND FORECAST

Table 6.8 provides a comparison of **renter and owner housing demand forecast** for the City of La Vista. Utilizing the following forecast formula (1990 to 2007) the City of La Vista will have a total renter demand for 1,244 units and total owner demand of 774 units. These totals are further adjusted by the number of owner and renter units built and occupied between 1990 and 1997, as well as factoring in the community's estimated penetration rate, or capacity to sustain new housing units. La Vista's net demand forecast (1997-2007) identifies the potential to sustain an additional 908 housing units by 2007. This is however, only one of the three components of La Vista's total estimated demand potential.

**TABLE 6.8
(2) HOUSING DEMAND FORECAST
LA VISTA, NEBRASKA
1990-2007**

<u>Source of Demand</u>	<u>Renter</u>	<u>Owner</u>
New Households (1990-2007)	1,093	690
.20 of Households Living in Substandard Units (1997)	15	5
Demolitions (1990-2007)	0	1
.20 of Households Experiencing Cost Overburden (1990)	81	75
Vacancy Allowance - 5% (New Households) (1990-2007)	55	34
TOTAL DEMAND (1990-2007)	1,244	774
Less Units Built/Occupied/Under Construction (1990-1997)	500	302
Adjusted Demand (1997-2007)	744	472
Penetration Rate As Per Community Capacity (1997-2007)	65%	90%
NEED AND DEMAND (1997-2007)	483 Units	425 Units

Source: 1990 Census
City of La Vista, 1997
Hanna:Keelan Associates, P.C., 1997

(3)"PENT-UP" HOUSING DEMAND

In addition to the previously discussed housing demand and deficiency factors, the **"pent-up" housing demand for current residents in the communities, desiring and having the capacity to afford alternative housing must also be considered.** This is a highly speculative demand and one which must be locally promoted and market driven by resident desire. The process to monitor this desire however is somewhat difficult to determine and implement.

The City of La Vista has a total estimated "pent-up" housing demand of 175 units. The community of La Vista should first concentrate its efforts on building better, more expensive rental properties. Renters are typically more apt to change housing units than the more permanent homeowners.

TOTAL HOUSING DEMAND POTENTIAL

The total estimated housing demand, or housing potential, in La Vista by 2007 is 1,233 units. This would equal an estimated 533 owner and 700 rental units. This would include an estimated 400 units of rental housing for elderly persons 55+ years of age. This total (1,233) includes the combined consideration of new households, replacement housing (of dilapidated structures), "affordable" housing for low to moderate income elderly and families, a current vacancy deficiency and a "pent up" demand for alternative housing for existing residents of La Vista. This demand (1,233 units) would require the community of La Vista to phase its housing development efforts, **averaging almost 123 units per year.**

PROPOSED RENTAL TYPES

Table 6.9 identifies suggested housing types for both the minimum **required "affordable" and "market rate" rental units** for

La Vista, Nebraska. Between the planning period 1997 to 2007, La Vista could sustain 120 additional affordable rental units and 580 additional market rate rental units. **These recommendations should serve only as a starting point for housing development activities.**

Two-bedroom "affordable" rental units could support a monthly rent of approximately \$450 to \$525. Two-bedroom "market rate" rental units would require a monthly rent of \$600+.

Affordable new rental units (120) should be built for both families and elderly households with emphasis on elderly. An estimated 50+ percent of the market rate rental units, or 310 units should be built for elderly persons, with the remaining units for families.

**TABLE 6.9
PROPOSED RENTAL TYPES
LA VISTA, NEBRASKA
2007**

	<u>Affordable*</u>	<u>Market Rate**</u>
One-Bedroom Units	20	95
Two-Bedroom Units	70	375
<u>Three-or more Bedroom Units</u>	<u>30</u>	<u>110</u>
TOTAL RENTAL UNITS	120	580
Elderly Rental Units (55+ Years)	90	310

*60% of County's Median Income or Less

**Above 60% of County's Median Income

Source: Hanna:Keelan Associates, P.C., 1997

PROPOSED OWNER TYPES

Table 6.10 identifies the suggested housing types for both the minimum required affordable and market rate owner housing units. The table recommends a need for at least 533 additional units of owner housing by 2007. These recommendations should serve only as a starting point for housing development. Affordable owner housing units should have a purchase price not exceeding \$78,600. No cost limitations exist for market rate owner units. The community should encourage the development of more "upscale" single family homes during the next ten years, with values of \$175,000 to \$300,000.

TABLE 6.10 PROPOSED OWNER TYPES LA VISTA, NEBRASKA 2007		
	<u>Affordable*</u>	<u>Market Rate**</u>
Two-Bedroom Units	15	43
<u>Three-or more Bedroom Units</u>	<u>45</u>	<u>430</u>
TOTAL OWNER UNITS	<u>60</u>	<u>473</u>
*60% of County's Median Income or Less		
**Above 60% of County's Median Income		
Source: Hanna:Keelan Associates, P.C., 1997		

HOUSING REHABILITATION NEEDS

The review of various reports and a field analysis by the Consultant revealed a strong demand housing rehabilitation activities demand in La Vista during the ten year planning period. **It is estimated, 35 housing units could warrant substantial rehabilitation activities, with an additional 143 sustaining moderate rehabilitation activities.**

HOUSEHOLD INCOME LIMITS

Table 6.11 identifies the most current, **household income limits**, at 50, 60, 80, 100 and 125 percent of median income, for Sarpy County. These guidelines serve the entire Omaha MSA including the City of La Vista. These income levels are guidelines for tenants' eligibility and affordability for most publicly funded affordable and market rate rental and owner housing programs.

**TABLE 6.11
HOUSEHOLD INCOME LIMITS
OMAHA MSA
DECEMBER, 1997**

	<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>	<u>5 Person</u>	<u>6 Person</u>
50%	\$16,900	\$19,300	\$21,750	\$24,150	\$26,100	\$28,000
60%	\$21,125	\$24,125	\$27,188	\$30,188	\$32,625	\$35,000
80%	\$27,050	\$30,900	\$34,800	\$38,650	\$41,750	\$44,800
100%	\$33,800	\$38,600	\$43,500	\$48,300	\$52,200	\$56,000
125%	\$42,250	\$48,250	\$54,375	\$60,375	\$65,250	\$70,000

Source: U.S. Department of Housing and Urban Development, 1997
Hanna:Keelan Associates, P.C., 1997

HOUSING IMPLEMENTATION

The creation of a new and improved housing stock in La Vista will depend on the implementation of development activities by both the public and private sectors, both independent of one another as well as a team. An ongoing program of new construction activities is needed to create both additional modern owner and renter housing units. The strategic planning and locating of these units will heighten the city's ability to grow.

HOUSING INITIATIVE

In response to a perceived urgent need for housing, **an estimated 705 units have been permitted in La Vista from 1990 to early 1997.** The City of La Vista will need to continue this effort if future population goals are to be met. This **Housing Initiative** should be updated periodically by community leadership. At a minimum, the Initiative should continue to address the following:

- The development of a **marketing plan** to promote well planned residential developments.
- Identification and scheduling of housing projects, both new and rehabilitation, most appropriate for La Vista. **Emphasis should be placed on continued support for elderly retirement rental and entry-level single family development.**
- Identification of **land areas** for both renter and owner housing. Areas should include land both inside and adjacent to the city. Projects planned for these areas should be compatible with adjacent land uses. **It is estimated that La Vista will need to designate up to 400 acres of land, both within and adjacent the city, for residential development. These land acres will need to be identified in both the future land use and official zoning district map to expedite new housing activities.**

- **Review and modify local ordinances**, as well as the overall political decision-making process as it pertains to residential development. This effort should attempt to eradicate any and all impediments to residential development or rehabilitation.
- **Identification of financial resources** to refinance residential development in La Vista, including both public and private sources.
- Ensure planned residential with economic development activities. Housing should be viewed as economic development.

HOUSING RESOURCES

To continue the production of new and upgrade both existing renter and owner occupied housing in La Vista, the community, in partnership with the private sector, must continue to access affordable housing programs to reduce the cost of development and/or long-term operations. The following information identifies funding sources and programs available to assist in financing the housing demand in La Vista. The (strategic) combination of two or more sources can assist in reducing development and/or operational costs of proposed affordable housing projects.

LOCAL FUNDING OPTIONS

Local funding for use in housing development and improvement programs are limited to two primary sources: (1) local tax base and (2) dollars secured via state and federal grant and loan programs, which are typically, only available to local units of government (village, city or county).

Local Tax Base.....

Tax Increment Financing - The Nebraska Community Development Law, empowers the City of La Vista to create a **Community Redevelopment Authority**. This authority would have the power to declare an area or areas of the community as blighted/ substandard, create a redevelopment plan and then utilize tax increment financing for commercial, industrial and residential oriented public improvements. The City of La Vista, as a first class city, could declare up to 35 percent of its land area within the corporate limits as blighted/substandard for redevelopment purposes.

LB 840 & 1240 - By approval of local voters, a bond fund could be established utilizing the local tax base, for economic development and both the construction of new housing and housing rehabilitation activities.

Statewide Federal Grants to the Local Limit of Government.....

The primary funding grants available to local municipalities is the Community Development Block Grant (CDBG), administered by the Nebraska Department of Economic Development. The CDBG provides funding for both economic and community development, including housing development programs to assist in financing both owner and renter occupied rehabilitation, residential building conversions and the First Time Homebuyers program.

Today, after 15 years of Nebraska's CDBG program, many communities have recaptured CDBG program funds, paid-back from previous housing and/or economic development projects. When available in La Vista, these funds could be implemented to establish local based programs of housing development or rehabilitation for low- to moderate income persons and families.

Other Local Options.....

Local Housing Authority - The Sarpy County Housing Authority serves the community of La Vista and is empowered by existing legislation to become involved in all aspects of affordable housing in the community. This includes housing for persons and families of all ages and income. The Housing Authority has access to a variety of sources of funding as well as the ability to secure tax exempt bond financing for local based housing projects.

Local Major Employers and/or Community Foundation Assistance - This is a common occurrence today within many cities and counties nationwide, in an effort to provide housing opportunities to low- and moderate-income persons and families. Major local employers and community foundations are becoming directly involved in housing developments and improvements. These major employers could provide the following:

- a. ***Direct grants.***
- b. ***Low interest loans.***
- c. ***Letter of Credit, for all or a percentage of loans to persons with disabilities.***
- d. ***GAP Financing - provides financing to cover the unfunded portion of development costs, as a deferred or less than market rate loan to the developer.***
- e. ***Mortgage Interest Rate Subsidy - provides a buy- down of a conventional loan.***
- f. ***Purchase Bonds/Tax Credits - make a commitment to purchase either/both taxable/tax exempt bonds and/or low-income tax credits utilized to finance housing development.***

Local Lending Pool - La Vista and/or Sarpy County lending institutions could participate in and set-a-side a pool of monies to assist in financing new construction or rehabilitation housing activities. The "pooling" of funds for either construction or permanent loans would increase local financing capacity as well as place lenders in a shared-risk position.

The previously described local funding options could be used separately or "pooled" together and utilized in equal proportions for the implementation of La Vista housing programs.

STATE PROGRAMS

State programs available to assist in funding a La Vista housing initiative include resources available from the **Department of Economic Development (DED)** and **Nebraska Investment Finance Authority (NIFA)**. The following describes funding programs provided by these two state agencies.

DED.....

The Nebraska Department of Economic Development (DED) is presently the administrator of

HOME funds. HOME funds are available to authorized, local or regional based Community Development Housing Organizations (CHDOs) and Community Development Corporations (CDCs) for affordable housing repair and/or new construction. An annual allocation of HOME funds is established for CHDOs and CDCs based on individual housing programs. **An annual set-a-side of HOME funds also exist for providers of services for "special populations" including persons with disabilities.**

DED also administers the non-entitlement **Community Development Block Grant** program, available to local community and county municipalities for financing housing, planning and public works projects.

DED also administers the **Nebraska Homeless Shelter Assistance Trust Fund and Emergency Shelter Grant** to assist local or regional based groups in the provision of housing improvements for homeless and "at risk of homeless" persons and families.

NIFA.....

NIFA is the premiere provider of funding for affordable housing development in Nebraska. "Sample" programs include the following:

- a) **Low-Income Housing Tax Credit Program** - Provides up to 9 percent tax credit to developers for the development of low cost, affordable multifamily, single-family or elderly housing projects. Set-a-side of credits exist for non-metropolitan areas of the State and nonprofit developers. A set-a-side also exists for smaller rental projects (less than \$100,000 in tax credits). **Nonprofit developers can utilize the resources of the Equity Fund of Nebraska to secure tax credit equity.**
- b) **Single Family Mortgage Program** - Provides a less than current market interest rate for first-time homebuyers. Local La Vista lender participation is encouraged in this program. This program combined with the State CDBG or HOME program, for low- to moderate income homebuyers, could absorb 95 to 100 percent of the financing needed to develop affordable single family housing.
- c) **Crown Program** - A low-income housing tax credit set-a-side of \$250,000 (tax credits) for the implementation and administration of a community based single family residential rental program being developed for Nebraska communities.
- d) **Tax Exempt Bond Financing** - Similar to the Crown Program, NIFA is available to establish special purpose finance programs for other types of housing activities. Tax exempt bond financing could be established for local, regional or state based programs for either new construction or rehabilitation activities. The establishment of such a fund would be directed at a specific plan-of-action.
- e) **NebHiRed** - program to underwrite affordable single family housing.

and

- f) **MUFAMCO** - Multifamily housing projects program utilizing a package combination of low-income housing tax credits (4%), tax exempt bond financing, Fannie Mae assistance and other available funding, such as HOME or CDBG funds.

NIFA is also involved with other state departments and agencies in the Technical Assistance Review Program (TARP). The TARP is a "single stop" source of funding for both new construction and housing rehabilitation programs on the local-, regional- and statewide basis.

Nebraska Housing Trust Fund

The Nebraska Housing Trust Fund, enacted by state legislation in 1996, will provide \$24,000,000 for affordable housing efforts for the four years, starting in 1998.

Two other important State funding sources available to be pooled with other resources or operate independently are available through the **Nebraska Energy Office (NEO)** and the **Federal Home Loan Bank (FHLB)** of Topeka, Kansas.

NEO

Low-Income Weatherization Assistance Program - Federally funded program assists people with low incomes by making energy improvements to their homes. The program is a statewide effort carried out primarily by Nebraska Community Action Agencies. The weatherization program concentrates on those energy improvements which have the greatest impact on making recipients' homes more energy efficient, thereby lowering their energy consumption. Eligible weatherization measures include caulking, weatherstripping, ceiling, wall and floor insulation and furnace repair.

NEEM - Energy efficiency program designed to provide energy loan assistance funds for innovative residential projects.

FHLB.....

Affordable Housing Program - This program makes low-interest loans to finance home ownership for families with incomes at or below 80 percent of the median income for the area. The program can also finance the purchase, construction or rehabilitation of rental housing in which 20 percent of the units are occupied by and affordable to very low-income households. These funds are available through the Federal Home Loan Bank's member institutions in Nebraska, and are loaned on a competitive basis, with semiannual application dates. This program can be combined with other programs (i.e., State CDBG, Low-Income Tax Credit, etc.) to absorb the development subsidy requirements for both renter and owner occupied housing projects.

FEDERAL FUNDING

The primary provider of federal funding to La Vista for housing development, both new construction and rehabilitation, is HUD. Housing programs provided by HUD are available for both nonprofit and for-profit developers. Funds from these programs are commonly mixed or pooled

with other public funding sources, as well as conventional financing.

HUD.....

- a) **Section 202 Program** - Provides a capital advance to nonprofit developers for development of elderly rental housing for either independent living or congregate (frail elderly) living. The program provides 100 percent financing, with a capital advance (no repayment loan) and operational subsidy.
- b) **Section 811 Program** - Provides a capital advance to nonprofit developers for development of renter housing **for persons with disabilities**. The program provides 100 percent financing with an operational subsidy.

and

- c) **Mortgage Insurance** - The HUD 221(d)(3) or 221(d)(4) provides up to 100 percent mortgage insurance for nonprofit developers [(d)(3)] and 90 percent mortgage insurance coverage for profit-motivated developers [(d)(4)]. Permanent financing can be provided via the public funds (i.e., CDBG, HOME) and/or conventional financing.

FINANCIAL "POOLING"

Financial "pooling" of funding sources is defined as the mixing of two or more program resources to obtain a total operating fund capable of meeting a specific housing program budget. Previously described were local, state and federal funding sources, all suitable to meet the safe, affordable and accessible housing needs of low/moderate income persons and families. Each of these funding sources have "rules" of allocation, as it relates to the use of dollars for housing development and recipient qualifications. The mixing of funds results in the mixing of rules, thus more time attributed to administration.

The majority of funding sources discussed are only available to nonprofit organizations, typically local, community based groups having a well-defined mission statement and plan for housing low/moderate income persons. These organizations are typically of a 501(c)(3) tax-exempt status.

The securement and eventual "pooling" of public funding sources is enhanced by the use of private, conventional financing. This informs public providers that a good faith effort is being made by an organization to create a **workable public/private partnership**. This partnership not only creates a greater amount of dollars for a specific housing program but relays a message to the community that the private sector is in support of the program.

Table 6.12 provide a "**sampling**" of **public funding sources** to assist in financing housing project in La Vista.

**TABLE 6.12
"SAMPLING" PUBLIC FUNDING SOURCES
1997**

<u>Housing Program</u>	<u>Sponsoring Agency</u>	<u>Allowed Use of Funds</u>	<u>Availability of Funds</u>
1. TIF	City of La Vista	Public Improvements	Year-Round
2. LB 840/1240	Sarpy County	Affordable Housing Development	Year-Round- Approval of Voters
3. Sec 8	Local Housing Authority	Tenant Based Rent Subsidy	Year-Round
4. CDBG- Housing	DED	Housing Rehab & Downpayment Assistance	Annually
5. Affordable Housing Fund	DED	Housing Related Activities	Year-Round
6. HOME	DED-CHDO	Rehab/New Construction	Annually
7. NE Homeless Shelter Assistance Trust Fund	DED-Nonprofit Provisions	Admin./Rehab/New Construction	Annually
8. LIHTC	NIFA	Affordable Rental Housing	Annually
9. Single Family Mortgage Program	NIFA	First-Time Homebuyers	Year-Round
10. Crown Program	NIFA	Rent to Own Single Family Program	Annually
11. Tax Exempt Bond Financing	NIFA	Affordable/Market Rate Rental Housing	Year-Round
12. MUFAMCO	NIFA	Affordable Rental Housing	Year-Round
13. NebHiRed	NIFA	Single Family Development	Year-Round
14. Nebraska Housing Trust Fund	DED	Affordable Housing	Annually
15. Low-Income Weatherization Assistance program	NEO-Community action Agencies	Weatherization	Year-Round
16. Affordable Housing Program	Federal Home Loan Bank	Affordable Owner/Renter Housing	Bi-Annually
17. Section 202	HUD	Affordable Elderly Rental Housings	Annually
18. Section 811	HUD	Affordable Rental Housing Persons with Disabilities	Annually

Source: Hanna:Keelan Associates, P.C., 1997

