

VIII. Recommendations and Implementation

Residential Site Analysis

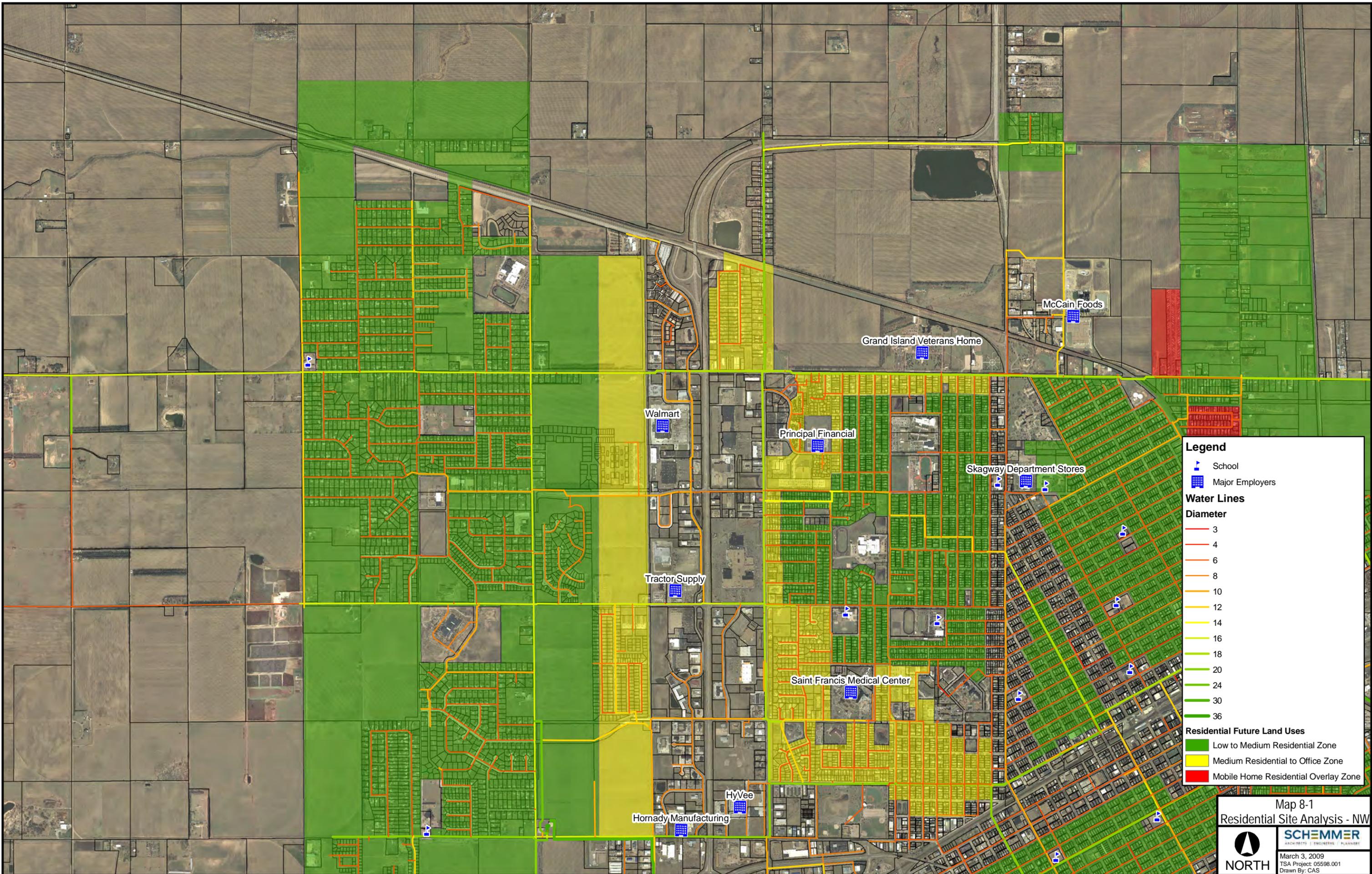
A residential site analysis has been performed to devise the potential housing development areas in Grand Island. Although infill development residential lots within the core of the city provides the best opportunity for affordable residential development, the expected demand for housing in Grand Island is well past the availability of infill lots. Selecting areas of specific importance to affordable housing will help to steer development in a direction that is beneficial to the city and affordable by the general populace.

To complete this analysis, the City's comprehensive plan, including the future land use map, was reviewed. The existing infrastructure, proximity to major employment centers, and surrounding development around possible development areas was considered. Discussions with City planning staff also took place.

Maps 8-1 through 8-4 on the following pages review the City's future land uses, water lines, and the locations of major employers and schools. These maps are useful tools in analyzing the best locations for new affordable housing development.

Map 8-5 provides the suggested approximate locations of residential development. Due to the availability of existing infrastructure and lower development costs in the northwestern areas of the city, much of the proposed near-term residential development is proposed in that sector.





Legend

- School
- Major Employers

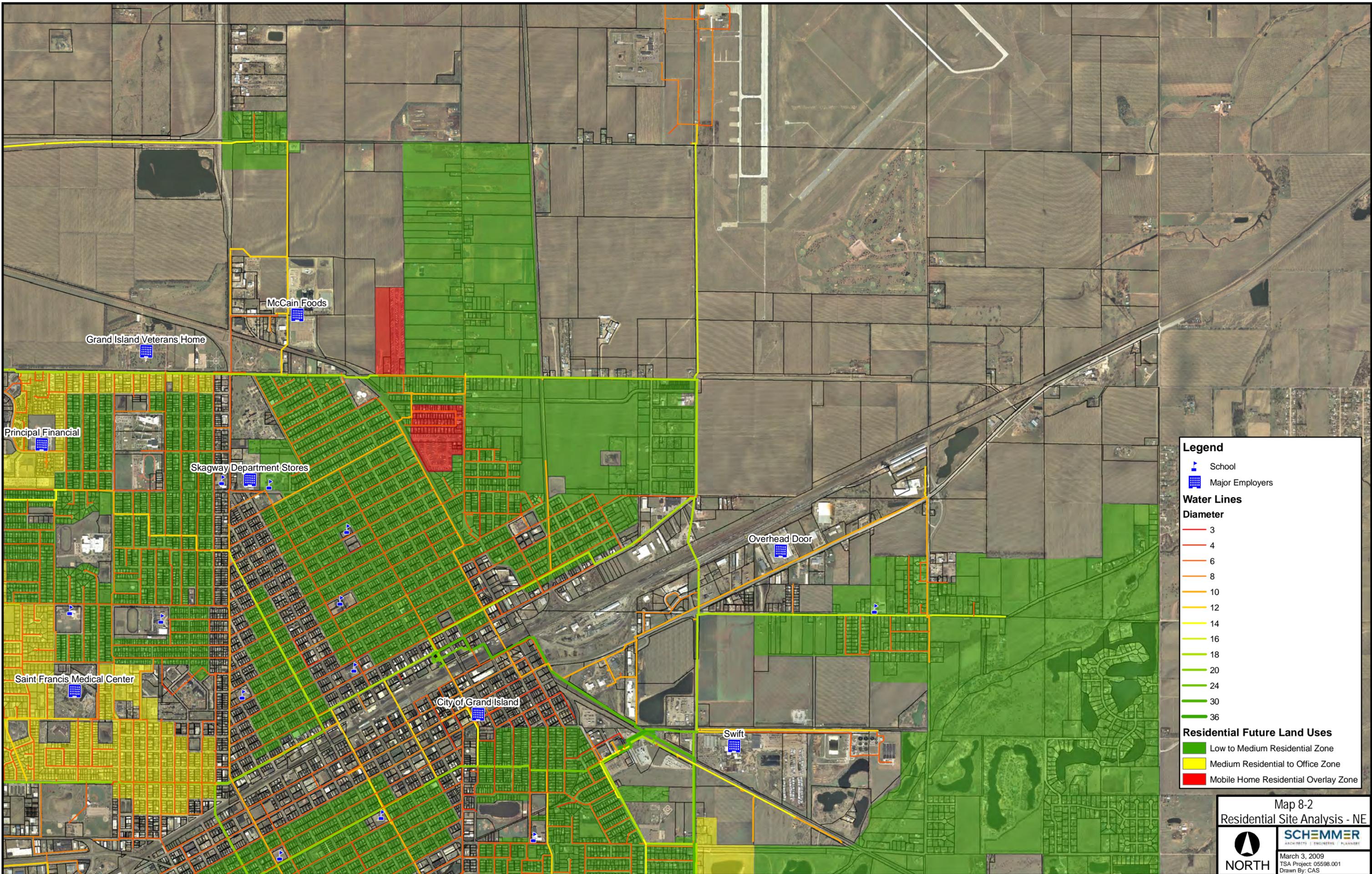
Water Lines

Diameter

- 3
- 4
- 6
- 8
- 10
- 12
- 14
- 16
- 18
- 20
- 24
- 30
- 36

Residential Future Land Uses

- Low to Medium Residential Zone
- Medium Residential to Office Zone
- Mobile Home Residential Overlay Zone



Legend

- School
- Major Employers

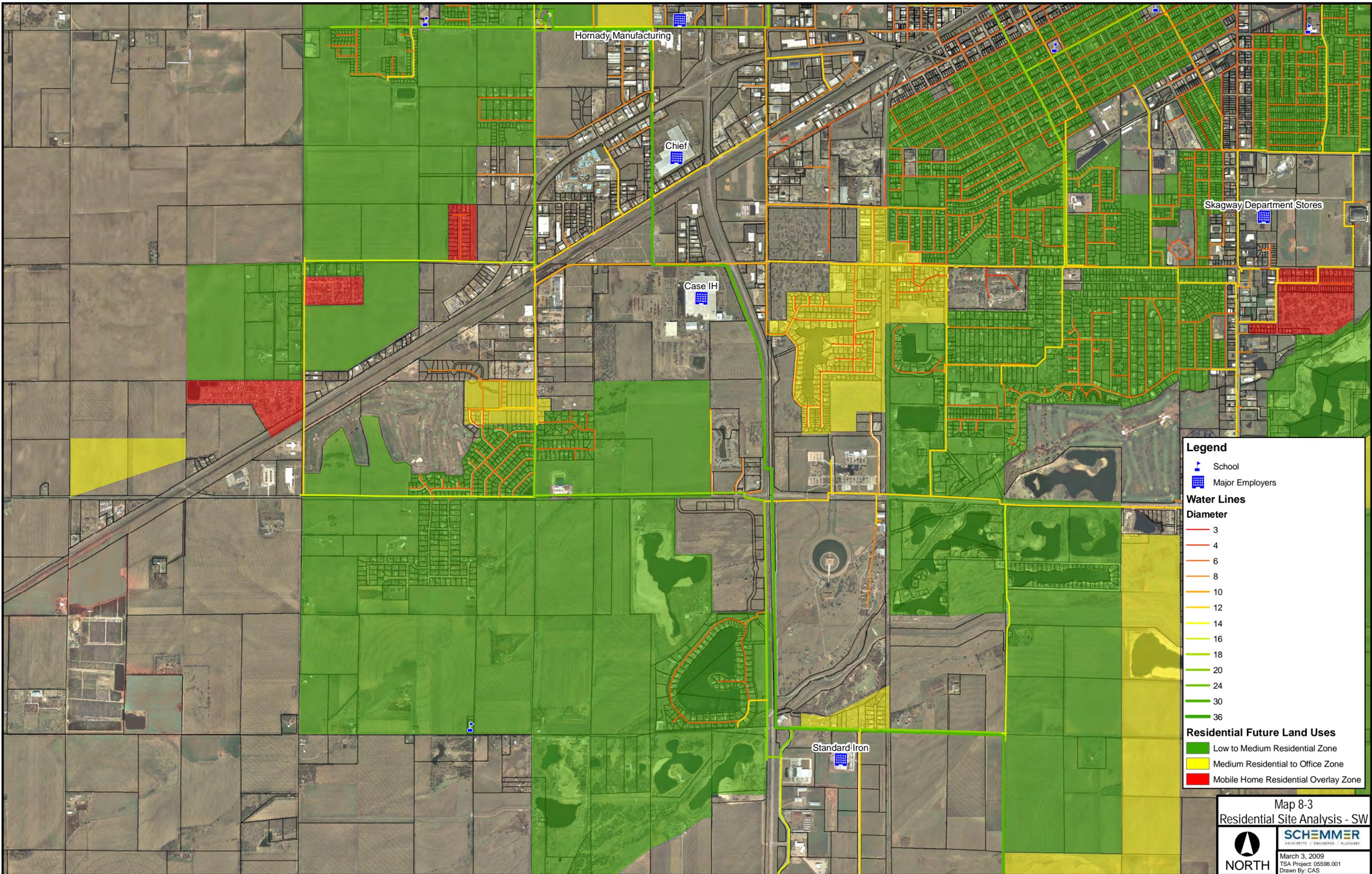
Water Lines

Diameter

- 3
- 4
- 6
- 8
- 10
- 12
- 14
- 16
- 18
- 20
- 24
- 30
- 36

Residential Future Land Uses

- Low to Medium Residential Zone
- Medium Residential to Office Zone
- Mobile Home Residential Overlay Zone



Hornady Manufacturing

Chief

Case IH

Skagway Department Stores

Standard Iron

Legend

- School
- Major Employers

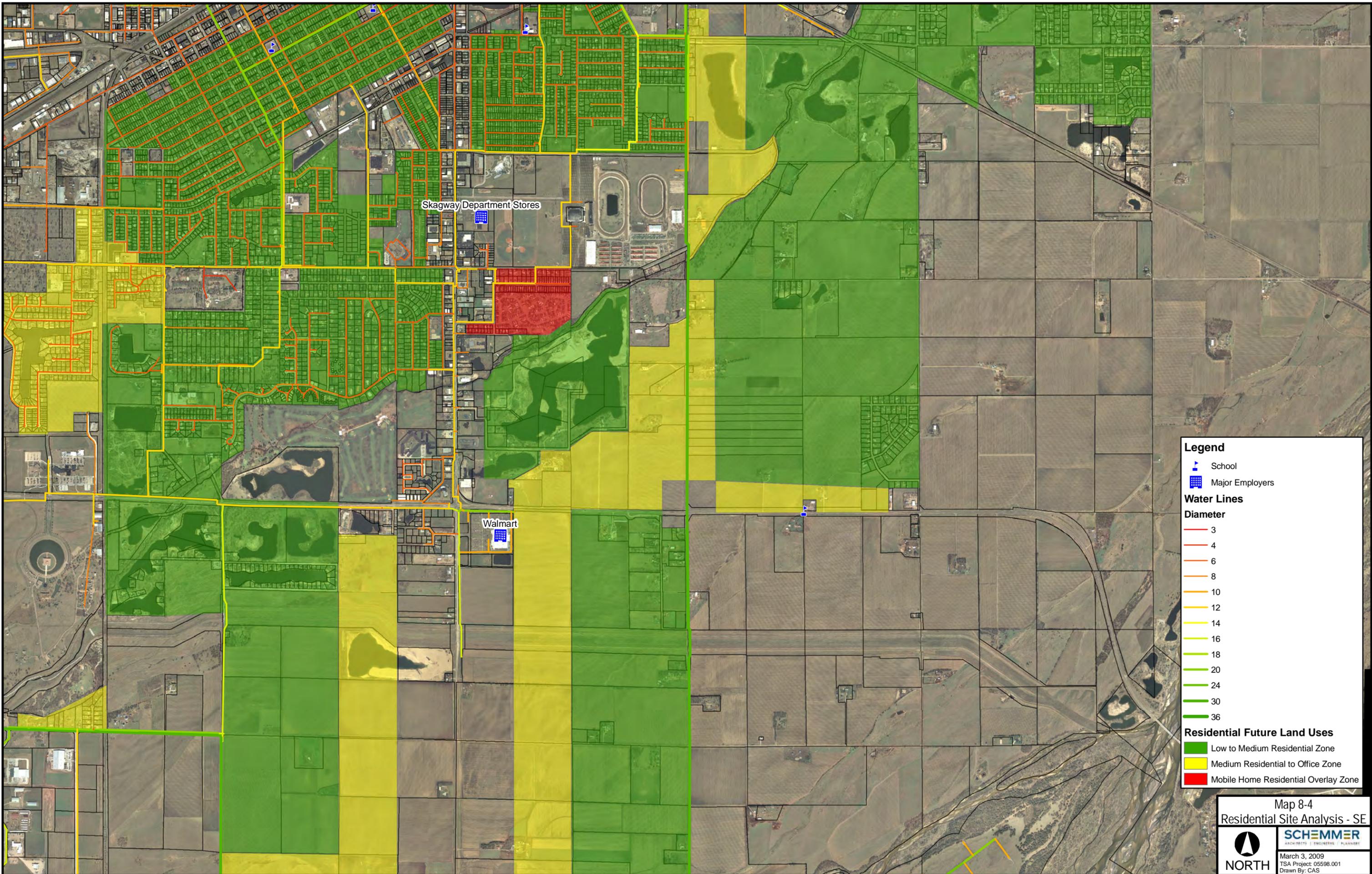
Water Lines

Diameter

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- 24
- 30
- 36

Residential Future Land Uses

- Low to Medium Residential Zone
- Medium Residential to Office Zone
- Mobile Home Residential Overlay Zone



Skagway Department Stores

Walmart

Legend

- School
- Major Employers

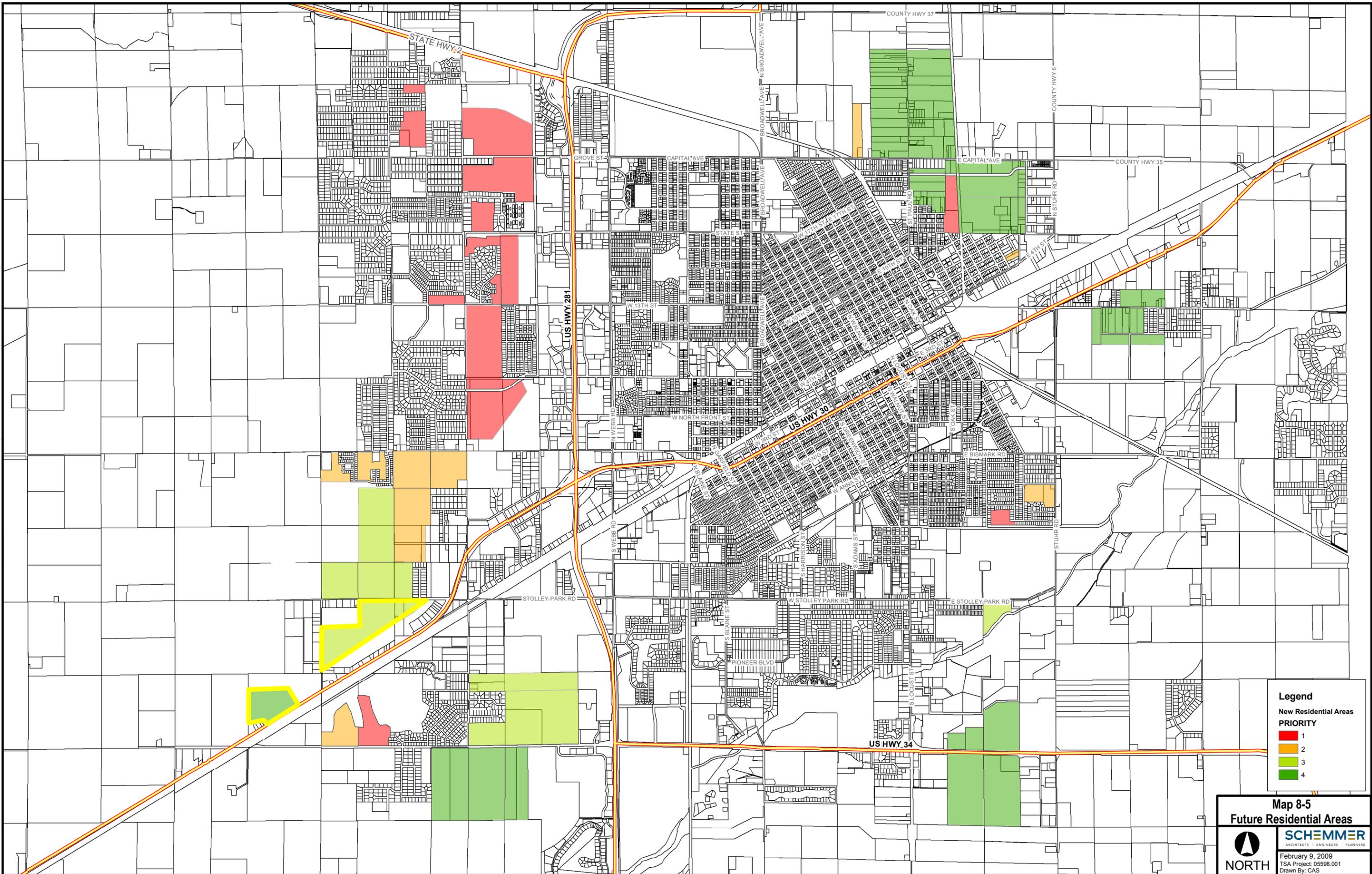
Water Lines

Diameter

- 3
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- 24
- 30
- 36

Residential Future Land Uses

- Low to Medium Residential Zone
- Medium Residential to Office Zone
- Mobile Home Residential Overlay Zone



Legend

New Residential Areas
PRIORITY

- 1 ■
- 2 ■
- 3 ■
- 4 ■

Map 8-5
Future Residential Areas

SCHEMMER
ARCHITECTS | ENGINEERS | PLANNERS

February 9, 2009
TSA Project: 05598.001
Drawn By: CAS

NORTH

Recommendations for Implementation

As shown in the information, analysis, and derived goals detailed earlier in this study, there is a definite need for additional affordable housing in Grand Island. The housing affordability gap is growing and measures need to be taken to close that gap. Although these are recommendations, action will be necessary to make sure the housing affordability gap doesn't increase significantly over the next few years. If inflation rises but salaries do not increase at the same rate, the ability of residents to purchase quality, affordable housing will get worse if not addressed.

The following specific recommendations provide additional detail on actions for many of the goals discussed within Chapter 7.

Plan Implementation

The City should create an "Affordable Housing Committee" that meets at least quarterly to assess and direct housing development and education activities. Without significant efforts put forth by this committee to implement the study, the likelihood of the success of the study will diminish significantly.

The Affordable Housing Committee would need to be comprised of individuals from a wide range of backgrounds. In order to be successful, the Committee should include input from a variety of both private and public sector participants such as community organizations, financial institutions, educational entities, contractors, developers, and the various housing organizations serving the community.

This committee would have many duties including, but not limited to, organization and promotion of first-time home buyer classes, organization and promotion of home maintenance and improvement education classes, prioritization of dilapidated and abandoned housing for demolition, and the promotion of affordable housing programs.

Housing Rehabilitation

The community needs to conduct comprehensive rehabilitation of at least 35 homes each year for a total of 175 units over the lifespan of this study. Funding should be provided through various sources, including HUD's CDBG Program, Nebraska Department of Economic Development's Home program and the Affordable Housing Trust Fund. The community should also continue to promote rehabilitation by the private sector as well.

The City should promote the private rehabilitation of homes by working with the Affordable Housing Committee to develop the partnerships necessary to create a “Housing Rehabilitation Warehouse”. The warehouse would accept tax deductible donations of items, including; household tools and building materials of all kinds, such as windows, plumbing fittings, electrical fittings and wire, framing materials, hardware and miscellaneous fixtures. Proceeds from the resale of these items, at an affordable price, would help fund affordable housing opportunities in Grand Island.

To track the progress of efforts to meet this recommendation, the Committee should work with the City’s building department to develop a way to track private rehabilitation in addition to government-funded efforts.

Replacement Housing

Projections state that Grand Island will need to replace 23 housing units by the end of 2013. It is recommended that the Affordable Housing Committee coordinate an ongoing informal list of dilapidated units to prioritize properties for acquisition and demolition for the replacement with a new affordable housing unit. The City should utilize a mix of funding streams and organizations, including Habitat for Humanity, to meet the aforementioned need by the end of 2013.

All newly constructed units should fit the appropriate size, scale, and architectural design of the surrounding neighborhood.

New Housing Construction

Approximately 556 new housing units will need to be constructed by the end of 2013. To reach this goal, an average of 181 units will need to be constructed each year. The City should promote affordable housing development in a proactive effort to increase the percentage of affordable housing units of those added to the housing stock each year.

	2013 Need
No bedroom	8
1 bedroom	10
2 bedrooms	170
3 bedrooms	244
4 bedrooms	91
5 or more bedrooms	32
Total	556

CDBG Entitlement Funding

By the 2010 Census it's expected that Grand Island's Urban Area (which includes the Village of Alda) will surpass 50,000 enabling the community to receive CDBG entitlement funding. If entitlement status is accepted, Grand Island should maintain at least a 45% to 50% share of the entitlement funding for housing programs. The following suggested break down of funding allocation was developed after review of CDBG action plans of other communities and discussions with CDBG program administrators. This break down should be used as just a general guideline, actual allocations should be based on demand that varies on an annual basis.

Single Family Rehabilitation

- 10%-15% - Owner-occupied rehabilitation
- 5%-10% - Emergency Repairs
- 3%-5% - Demolition program

Housing Accessibility

- 2%-4% - Removal of architectural barriers

New Housing Development

- 10%-20% - Various programs for new housing development, including infill unit construction

Homeless Assistance

- 5%-10% - Various programs to support the development of additional housing opportunities for the homeless

Economic Development

- 30%-35% - Funding for various economic development activities

Program Administration

- 18%-19% - Funding for program administration and planning activities

Regulatory Controls and Affordable Housing

Introduction

The purpose of this section is to recognize how land development regulations can impede the development of affordable housing and present possible zoning standard changes that would support affordable housing construction.

Zoning Techniques that Support Affordable Housing

There are numerous development standards that can be used to reduce a local government's impact on housing costs without reducing the quality of residential neighborhoods.

Small Lot Sizes

The production of affordable housing relies, in part, on the cost of the land on which it is built. Through the implementation of zoning regulations, a city can reduce the cost of the land for each lot destined for affordable housing. Allowing, even promoting, smaller lot sizes reduces the cost of land for each unit within a development.

Smaller lot sizes not only reduce the price of land per affordable housing unit, it cuts down on the cost of other aspects of the development of the housing unit. A developer can spread the cost of the construction of streets, sidewalks, and utilities among a larger number of units per acre, reducing the overall burden per housing unit for the development of those amenities. Smaller lot sizes are also popular with housing owners that are responsible for their own lot maintenance. With less to maintain, the homeowner has lower maintenance and upkeep costs.

Mixing Housing Unit Types

A mix of housing unit types in a neighborhood provides affordable housing in a defined area for a diverse cross-section of the population. Individuals, couples, young families, and seniors can all find affordable housing options in a neighborhood with mixed development. Additionally, as their housing needs change, families may be able to find suitable housing within the same neighborhood.

Traditional Neighborhood Developments

Many of the subject neighborhoods within the study were developed in the style of a typical Traditional Neighborhood Development (TND). Smaller lot sizes and a mix of housing types are very noticeable aspects of these types of developments.

The popularity of these types of developments is returning across the nation. TNDs allow for a mix of housing types including single-family homes, duplexes, town homes, condominiums, and apartments.

This variety provides housing opportunities for an array of age and income categories, thus promoting greater diversity and encouraging long-term residency within the neighborhood.

Permitting, Fees, and the Development Review Process

Various aspects of the development process can hinder affordable housing development in a community. Development fees, permitting procedures, and the development review process can increase the amount of time and money necessary to build affordable housing. By complicating the process and increasing the cost burden on developers, possible developments can often be stopped or delayed, providing reduced or no benefit to the community.

One of the ways to avoid hindering growth is to make affordable housing developments a priority in the development review process. By placing proposed affordable housing developments at the “front of the line” at the time of application, overall review time can be reduced.

The City should also review its development permit fee structure in order to better promote affordable housing development. One option is giving the City Council ability to waive development application fees for non-profit developers of affordable housing developments.



Funding Options

Local Funding

Tax Increment Financing

As of January 1, 2009, the City of Grand Island Community Redevelopment Authority (CRA) declared seven areas as blighted and in need of redevelopment. These seven areas, covering 16.6% of the community, were selected based on the existence of blight and substandard conditions. The Grand Island CRA uses Tax Increment Financing (TIF) to fund commercial, industrial, and residential improvements. Tax Increment Financing uses the additional tax revenue created by development within the aforementioned areas to finance additional improvements in the blighted area. Up to 100% of this additional tax revenue can be used for up to 15 years for public improvements within the redevelopment area.

Local Option Municipal Economic Development Act (LB 840)

This local option tax allows communities to collect tax dollars for economic development. LB 840 was approved by the voters of the community in 2003. It is a bond fund that is paid off by the taxes is created to aid in new construction or rehabilitation. For Grand Island, it allows for approximately \$750,000 to be invested in economic development annually.



State Funding

Nebraska Investment Finance Authority (NIFA)

Nebraska Investment Finance Authority is a quasi-governmental organization that provides numerous financial resources for community betterment. Their programs assist in homeownership, rental housing, agriculture, manufacturing, medical, and community development activities. Some of their programs include:

BINGO Bonds

The Building Infrastructure in Nebraska for Greater Opportunities (BINGO) program is a loan guarantee program that allows infrastructure, affordable housing, or community development projects to be financed at attractive rates.

Collaborative Resource Allocation for Nebraska (CRANE)

A program created to encourage the development of affordable housing through a strategic allocation process between NIFA and other collaborating resource providers in order to make difficult affordable housing projects a reality.

NIFA works with communities and neighborhoods who have partnered with non-profits and for-profits in an effort to make long-term, coordinated job creation/enhancement, housing development and community development strategies that work.

Credit to Own (Crown) Program

A lease-to-own program created to assist very low-income households to obtain ownership while assisting local governments in neighborhood revitalization. Objectives include:

1. Construct housing that is decent, safe, and permanently affordable for low-income residents;
2. Develop strong public/private partnerships to solve housing problems;
3. Offer renters a real plan to own a home; and
4. Restore unused, vacant, in-fill lots to become a neighborhood asset.

Infrastructure Loan Guarantee Program

Although not a loan, NIFA provides a loan guarantee to private lenders who are financing construction of affordable lots. Created to stimulate the private sector, the program is directed towards reducing the risk to private lenders to fund the development of a lot. This program provides support for the creation of suitable lots for affordable housing, targeting household incomes at or below the 150% threshold of area median income.

Low Income Housing Tax Credits Program (LIHTC)

The Low-Income Housing Tax Credit program encourages private investment in the development of rental housing by providing a credit that offsets an investor's federal income tax liability. The amount of credit an investor may claim is directly related to the amount of qualified development costs incurred and the number of low-income units developed that meet the applicable federal requirements for both tenant income and rents.

NebHi-RED

The Nebraska Housing Initiative for Residential Economic Development program brings together non-profit housing development corporations, communities, lenders and contractors to construct housing for families with incomes below 80% of the area median income.

Tax Exempt Bond Financing Program for Multi-Family Projects

Assists in the financing of projects that involve the acquisition, construction or rehabilitation of rental housing for low to moderate-income households. A specified minimum percentage of the units must be set-aside for occupancy by low-income households, the remaining units must be rented by low to moderate-income households.

Nebraska Department of Economic Development (DED)

The state's economic development agency, DED works with communities and businesses to promote development and expansion of economic activities. They provide funding for housing and community development to local governments, public housing authorities, and non-profits. Some of their programs include:

The HOME Investment Partnerships Program (HOME)

A program directed towards the construction, rehabilitation, and acquisition of housing for low-income families, both renters and owners. Private, local, or regional Community Development Housing Organizations (CHDOs) administer the funds, providing "gap" financing that will often make projects more fiscally feasible. Typically, HOME funds are combined with funds from other sources to bring houses or apartments within the financial means of the assisted families (incomes at or below 80% of the area median income).

Predevelopment Revolving Loan Fund (PDLF)

This program assists community-based organizations with the initial "seed financing" for housing development projects. As the NIFA website states, the PDLF program was created to provide the following services:

1. Technical assistance to enable community-based organizations to qualify for a NIFA predevelopment loan;
2. Short-term low interest or, if matching funds are provided, no interest predevelopment loans of up to \$20,000; and,
3. Assistance in using the predevelopment loan funds successfully in order to obtain the appropriate professional services, resources, and financing necessary to develop housing that responds to the community's needs.

Nebraska Affordable Housing Trust Fund (NAHTF)

This program assists governmental subdivisions, housing authorities, and community based organizations to acquire, construct, or rehabilitate housing units for low and very low-income households. Additionally, the funds can be allocated towards infrastructure projects that are deemed necessary for the development of affordable housing at the time of development. They can also be used for down payment and closing cost assistance.

Nebraska Energy Office

The Nebraska Energy Office offers programs for homeowners for improvements, mainly related to energy efficiency and affordability. Some of their programs include:

Dollar and Energy Saving Loans

Through low-interest financing, this program assists with numerous typical home, building, or system energy efficiency improvements. Typically the loans are provided through a participating local lender in conjunction with the Nebraska Energy Office, with an interest rate of 5%. The loan term is dependent on the type of improvement completed.

Low-Income Weatherization Assistance Program

The Low-Income Weatherization Assistance Program provides funding for various home weatherization activities for households with incomes at or below 150% of the poverty level. Some of the eligible activities include, but are not limited to, caulking, furnace repair or replacement, weather-stripping, and ceiling, wall and floor insulation.

Federal Funding

Department of Housing and Urban Development (HUD)

Many of the various housing programs under HUD control are available for both profit and non-profit developers. Typically HUD funds are combined with other public financing options or conventional financing to make projects workable:

Community Development Block Grants (CDBG)

Community Development Block Grants are a major funding source for multiple housing improvement activities. CDBG funds are currently provided to the Nebraska Department of Economic Development by the Department of Housing and Urban Development (HUD) to allocate to applicants to the program. However, the City of Grand Island is on the verge of becoming an entitlement community, providing the City with an annual allocation of CDBG funds without an application process. The CDBG program is discussed further in the Specific Recommendations section.

Homeless-Specific Assistance Programs

Shelter Plus Care (S+C)

S+C provides grants for rental assistance to homeless persons with disabilities. Grants are offered in combination with supportive services from other sources.

Emergency Shelter Grants (ESG) Program

This program provides funds to assist in the renovation, rehabilitation, expansion or conversion of buildings into emergency shelters. Funding from this program can also be allocated towards certain operating costs and essential services for the homeless population.

Surplus Property for Use to Assist the Homeless (Title V)

Program allows for the acquisition of federal properties that are deemed unutilized, underutilized, excess, or surplus, by states, local governments, or nonprofit organizations to use in the assistance of homeless persons.

Supportive Housing Program

Grants for acquisition, rehabilitation, new construction, or the leasing of buildings that provide transitional or permanent housing and supportive services to homeless persons. Assistance for transitional housing is capped at 24 months or less. Possible residents must be disabled to qualify for permanent housing assistance.

Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) Program

Section 8 assists very low-income, single, and homeless individuals to acquire decent, safe, and sanitary housing in privately owned units. Rental assistance payments typically cover the difference between 30 percent of the tenant's adjusted income and the unit's rent. Assistance through HUD can last for up to 10 years for SRO units and can be used for the rehabilitation of the property.

Housing

Self-Help Homeownership Opportunity Program (SHOP)

Competitive grants to national and regional nonprofit organizations that have experience in providing or facilitating self-help housing assistance. Eligible uses of the funds include land acquisition, infrastructure improvements, and administrative costs. The homebuyers in the program are required to contribute a significant amount of sweat equity towards the construction of their homes.

Capacity Building for Community Development and Affordable Housing

This program provides grants to community development corporations and community housing development organizations to improve their ability to conduct community development and affordable housing projects and programs. Eligible applicants within Grand Island: Grand Island Area Habitat for Humanity.

Housing Opportunities for Persons With AIDS (HOPWA)

Provides funding allocations and grants to states, cities, and nonprofit organizations to provide housing for low-income persons and their families living with HIV/AIDS.

One- to Four-Family Home Mortgage Insurance (Section 203(b))

Section 203(b) provides mortgage insurance to finance the construction of new housing and home ownership. The program is directed towards the insurance of mortgages provided by

commercial lenders to protect them against losses, increasing the potential for lenders to invest in the home mortgage market.

Note: Mortgage insurance through HUD is available for many other activities, including rehabilitation loans, energy efficiency improvements, manufactured homes, and others.

Good Neighbor Next Door

The Good Neighbor Next Door program provides the ability for law enforcement officers, teachers, firefighters, and emergency medical technicians to purchase homes in revitalization areas at significant discounts. Each year HUD sells a number of properties in its inventory at a 50% discount to persons in the aforementioned trades.

HOME New Construction, Substantial Rehabilitation, Conversion/Acquisition Program

Provides funding for substantial rehabilitation, reconstruction, and construction of housing. Eligible activities include property acquisition, conversion, site improvements, demolition and other expenses as approved.

HOME Rental Rehabilitation Loan Program

Funding for the rehabilitation or rental housing that is affordable to and occupied by low-income persons and families. Individuals, corporations, partnerships, non-profit organizations and HRAs are eligible property owners that can receive assistance. Match funding is required for loans.

HOME Tenant-Based Rental Assistance Program (TBRA)

TBRA provides a rental subsidy to individual households, assisting in housing costs including rent, utility costs, security deposits, and/or utility deposits. Tenants must have incomes at or below 80% of the area median income.

HUD Section 202 Program

Provides capital advances for the financing of construction, rehabilitation, or acquisition (with or without rehabilitation) of structures that will provide supportive housing for very low-income elderly persons.

HUD Section 811 Program

Section 811 provides funding to nonprofit organizations to construct rental housing that provides for the availability of supportive services for adults with disabilities. The program

provides 100 percent financing to the organization and provides rent subsidies to make the units affordable to very low-income residents.



Plan Maintenance

The intent of an affordable housing study is for it to be under constant review and consideration when making decisions about housing issues in Grand Island. The study should be a continuously utilized document to best suit the needs of the City and its citizenry.

Any changes to the plan should be made utilizing the proper configuration for amendments. The City should initiate an annual review utilizing members of the original steering committee and community development personnel whenever possible.

When possible, the City will invite public involvement when conducting a review of the Grand Island Affordable Housing Study. Public involvement should include the use of occasional public meetings as utilized in the development of this study.

The Grand Island Affordable Housing Study should be reviewed, at a minimum, once a year.

