



YORK COUNTY HOUSING STUDY



ACKNOWLEDGMENTS

York County Development Corporation

Executive Committee

- Kelly Kadavy
- Scott Schmid
- Daryl Wilton
- Brad Leggett
- Tony North
- Amie Kopcho
- Katie Quiring
- Tara Vasicek
- Randy Obermeir
- Kurt Bulgrin

The County and Cities and Villages of York County

- City of Henderson
- City of York
- Village of McCool Junction
- Village of Benedict
- Village of Bradshaw
- Village of Waco
- Village of Gresham
- Village of Lushton
- Village of Thayer

YCDC Staff

- Lisa Hurley
- Deb Heskett

Consultants



CONTENTS

1 COMMUNITY ASSESSMENTS.....	5
York County Assessment.....	6
Community Assessment	
City of York.....	16
City of Henderson.....	22
City of McCool Junction.....	27
City of Waco.....	32
Housing Conditions & Community Opportunities	37
Benedict.....	39
Bradshaw.....	42
Gresham.....	45
Henderson.....	48
Lushton.....	52
McCool Junction.....	54
Thayer.....	58
Waco.....	60
York.....	62
Conclusion	65
2 DEFINING HOUSING ISSUES.....	67
A Public Process.....	68
Defining Housing Issues.....	84
Strategic Housing Goals	88
3 DIRECTIONS FORWARD	91
York County Housing Strategy	
Housing Partnerships	92
Financing Mechanisms.....	94
Program Focuses and Targets	95

CHAPTER 1

COMMUNITY ASSESSMENTS

INTRODUCTION

A Housing Needs Assessment is designed to explore, evaluate, and identify strategies to address housing issues throughout the study area. The housing market impacts the quality of life for residents of the region, for people interested in moving to the area, and for businesses seeking to recruit and retain new employees. To best understand the York County Housing Market, the Housing Assessment explores demographic trends, construction activity trends, personal observations, and an extensive public engagement process.

YORK COUNTY ASSESSMENT

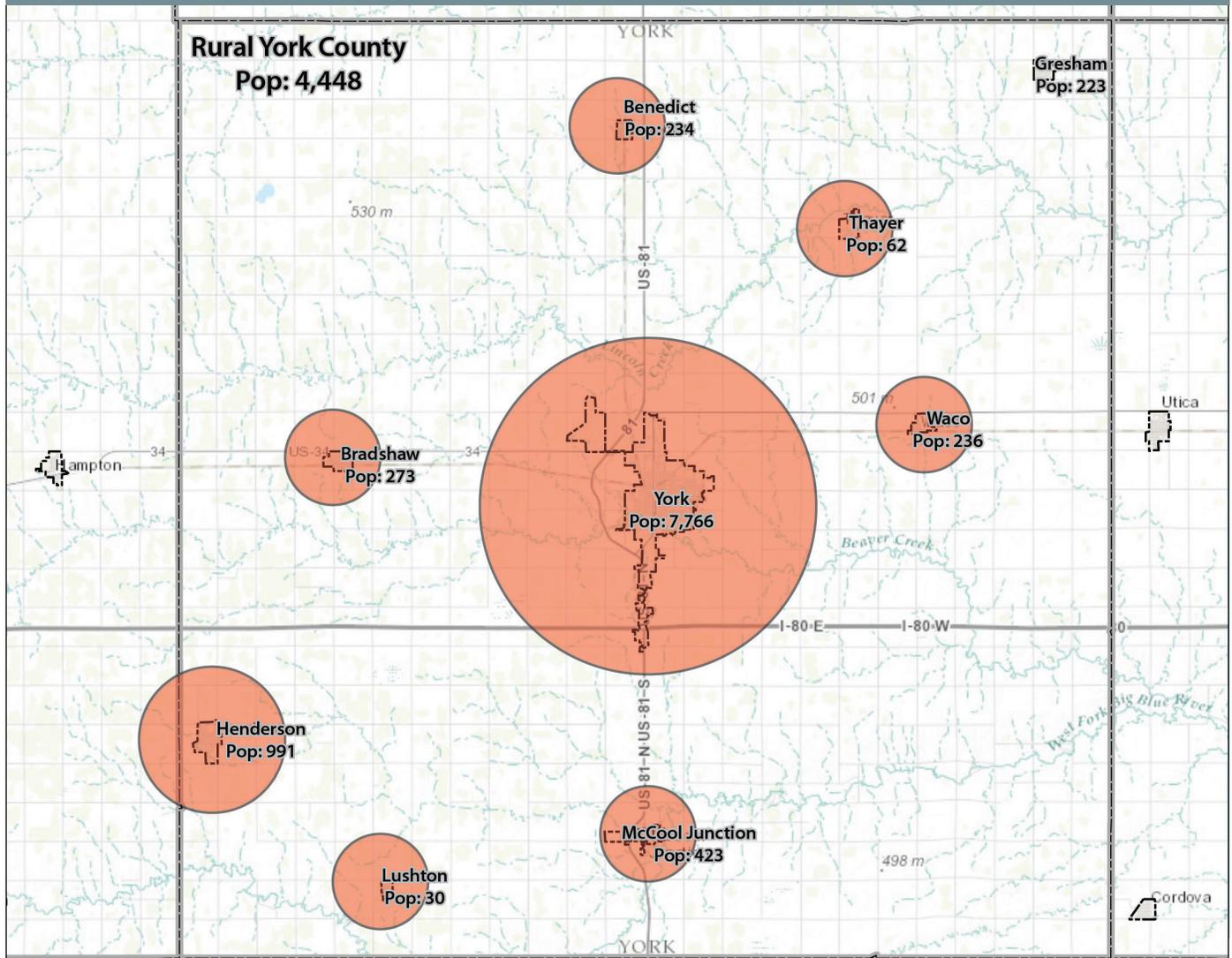
York County is a rich tapestry of Nebraska culture and agricultural history. The assessment explores each of the communities located in York County to understand the places that form the fabric of the region.

Population Change and Characteristics

Population change is a tool used to gauge the level of change that has occurred over time and the potential causes of the change. Like many rural counties in the Midwest, York County experienced population loss during the first decade of the new century caused, in part, by the great recession.

Aside from Fillmore County, York experienced the highest decrease in population compared to adjoining counties in the region. Since 2010 the county's strong job market has likely leveled off some of this population decline, however, success for rural areas will lie in both job creation and in finding ways to attract new residents to the area to fill those jobs. This may lead to a change in the demographics and cultural make-up of the region as common in many Midwest communities over the past two decades.

MAP 1.1: Map of York County, Nebraska



MAP 1.2: Counties Surrounding York County, Nebraska

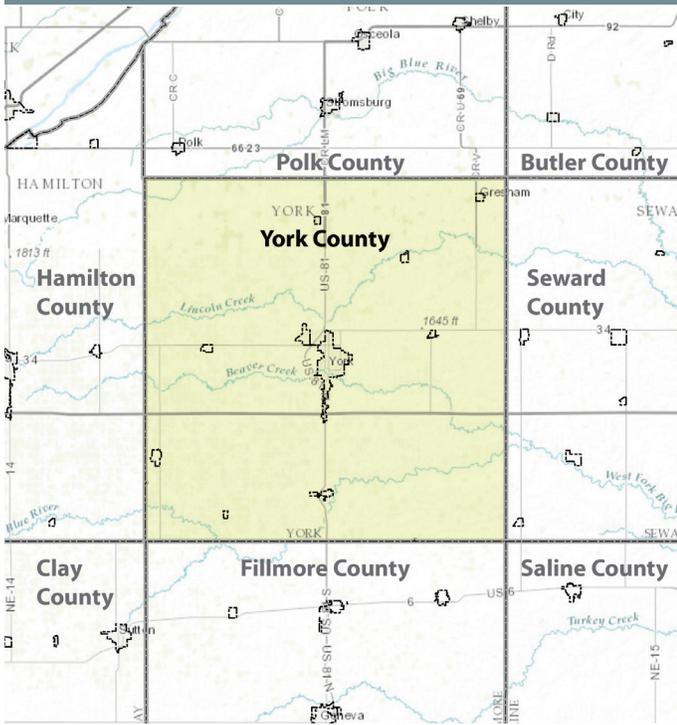


FIGURE 1.3: Surrounding Counties Population Change

	2000	2010	2014	CHANGE	PERCENT CHANGE (00-14)
York	14,598	13,665	13,797	-801	-5%
Butler	8,767	8,395	8,312	-455	-5%
Clay	7,039	6,542	6,425	-614	-9%
Fillmore	6,634	5,890	5,767	-867	-13%
Hamilton	9,403	9,124	9,098	-305	-3%
Polk	5,639	5,406	5,307	-332	-6%
Saline	13,843	14,200	14,317	474	3%
Seward	16,496	16,750	16,939	443	3%

Source: American Community Survey; U.S. Census Bureau





The general population trend in York County and its communities is one of stability and/or slow decline which can be attributed, in part, to the fact that the population is aging. To further understand the impact of the region’s aging population, an analysis was completed that compared predicted population to actual 2010 Census population counts.

The estimates in Figure 1.4 are based on estimated birth and death rates for the population developed by the U.S. Bureau of the Census and the National Center for Health Statistics. The analysis indicates that:

- In-migration occurs when the actual population is greater than the predicted population. This was the case for Henderson and McCool Junction.
- Henderson overcame an aging population and actually experienced some in-migration. However with a median age of 54 this will continue to be a very significant hurdle for the city.
- The population of York should have remained stable but instead experienced an outmigration of more than 300 residents.
- The communities with a negative difference between predicted and actual experienced population loss both due to low birth rates and an out-migration of some residents. Benedict is an example of a community with a young population (in 2000) which should have produced natural population growth but instead saw population loss due to outmigration.

FIGURE 1.4: Actual Versus Predicted Population Change

	2000 POPULATION	2010 PREDICTED	2010 ACTUAL	DIFFERENCE - PREDICTED VS. ACTUAL
Benedict	278	285	234	-51
Bradshaw	336	336	273	-63
Gresham	270	263	223	-40
Henderson	986	855	991	136
Lushton	33	30	30	0
McCool Junction	385	394	409	15
Thayer	71	73	62	-11
Waco	256	252	236	-16
York	8,081	8,088	7,766	-322
York County	14,598	14,547	13,665	-882

Source: RDG Planning & Design; U.S. Census Bureau



**FIGURE 1.5:** Median Age

	2000 MEDIAN AGE	2010 MEDIAN AGE	2014 MEDIAN AGE
Benedict	34.3	40.2	36.5
Bradshaw	38	42.8	48.1
Gresham	38.8	41.5	33.3
Henderson	50.4	52.8	54.2
Lushton	56.5	50.1	48.7
McCool Junction	35.2	38.6	36.8
Thayer	41.3	50.8	48
Waco	39.2	46.7	48.1
York	38.1	39.4	38.6
York County	38.8	42.2	41.2
State of Nebraska	35.3	36.2	36.2

Source: American Community Survey; U.S. Census Bureau

York County Economy and Employment

York County’s strong economy has a significant impact on housing and housing demand. A basic assessment of economic trends indicates the following:

- A higher median household income is driven by established industries and a low unemployment rate. Quality jobs and housing costs that match wages will be key to attracting new families to the area. Median household income is important for establishing the threshold at which families qualify for assistance. Higher incomes elevate this threshold.
- Unemployment rates are extremely low, leaving very few qualified individuals to fill new or existing positions. Figure 1.6 illustrates that this is not just an issue for York County but nearly all of the surrounding counties have workforces that are nearly at full employment. This means that cities and counties are competing against one another for a very small pool of potential applicants. New residents must be attracted to the region to address this issue. Housing, schools, and community amenities are often an important part to creating an incentive package that attracts workers to a region.
- Occupations focus on management, business, science, and the arts. This focus is true for the larger region with many of these workers being employed in the education and health care industries. As a regional commercial hub, York also has a substantial percentage of residents employed in sales and office occupations.

FIGURE 1.6: Employment Trends

	2014 POPULATION	LABOR FORCE*	UNEMPLOYMENT RATE
York	13,797	11,176	2.40%
Butler	8,312	6,608	4.10%
Clay	6,425	5,071	3.70%
Fillmore	5,767	4,658	2.30%
Hamilton	9,098	7,123	2.80%
Polk	5,307	4,230	2.90%
Saline	14,317	11,236	5.30%
Seward	16,939	13,479	4.30%

* Population 16 years and over
Source: American Community Survey, 2014

FIGURE 1.7: Laborforce by Occupation

	YORK	BUTLER	CLAY	FILLMORE	HAMILTON	POLK	SALINE	SEWARD
Management	33.2	29.6	34.1	33.5	34.5	35.7	29.5	36.0
Service	18.2	13.9	11.8	18.2	12.9	13.3	16.7	16.8
Sales & Office	22.8	18.2	20.5	18.7	25.3	19.6	16.7	19.7
Natural Resources, Construction, & Maintenance	11.4	15.4	18.3	14.8	12.2	15.3	12.0	13.2
Production, Transportation, & Material Moving	14.4	22.9	15.5	14.8	15.1	16.1	25.1	14.3

Source: American Community Survey, 2014



York County Housing Trends

York County is similar to a number of different peer communities when considering individual factors. In terms of population, York County is most comparable to Butler and Polk in that each lost between five and six percent of their population between 2000 and 2014. In terms of employment, York County is most similar to Fillmore, Hamilton and Polk Counties as each of these have very low unemployment rates.

However, in terms of general housing trends York County is most like Saline County. The ratio of owner occupied and renter occupied units in each of these counties is comparable, representing a similar housing and neighborhood character. In addition, the vacancy rates are comparable at approximately 11 percent.

Housing Occupancy

With the exception of Saline County, York County provides a greater percentage of renter housing units than adjacent counties; this stock of housing is essential to attracting young households. Almost all young professionals and even many young families begin their experience in a community's housing market as renters. A healthy housing market provides housing options at all stages of life, such as quality rental units for those at the beginning of their adult life or for down-sizing later in life.

FIGURE 1.8: County Occupancy Trends

	YORK	BUTLER	CLAY	FILLMORE	HAMILTON	POLK	SALINE	SEWARD
Owner-Occupied	3,927	2,633	2,047	1,920	2,733	1,697	3,575	4,668
% Of Occupied Units	71%	78%	77%	77%	77%	77%	70%	74%
Renter-Occupied	1,637	758	602	563	830	515	1,556	1,598
% Of Occupied Units	29%	22%	23%	23%	23%	23%	30%	26%
Total Vacant*	667	662	352	430	405	519	631	609
Vacancy rate*	10.7%	16.3%	11.7%	14.8%	10.2%	19.0%	11.0%	8.9%
Total	6,231	4,053	3,001	2,913	3,968	2,731	5,762	6,875

Source: U.S. Census Bureau, 2010

* A detailed analysis of individual community vacancy rates is contained later in this chapter

County Housing Affordability

One metric used to determine the affordability of a housing market is to compare median household incomes to median home values. An affordable, self-sustaining housing market, with adequate value and revenues to support market-rate new construction, typically exhibits a value to income ratio between 2.5 to 3.0. Ratios above 3.0 present significant affordability issues while ratios below 2.0 are significantly undervalued relative to income.

An unaffordable housing market presents significant challenges to attracting new residents and to allowing residents to move within the housing market. A more pressing issue in York County, an undervalued market is equally troublesome. An undervalued housing market stagnates the economy in several ways.

1. Purchasing a home is comparatively more affordable than rental options causing rents to be driven lower to a level where it is no longer feasible for new rental units to be developed;
2. The lack of new rental units limits the accessibility of the housing market to new residents, employees, and families;
3. Undervalued markets discourage new construction, especially speculative housing, because new units cannot be appraised at a value that equals the cost of construction. This limits the profits for the developer and more broadly, for-profit construction in general.

An affordable, self-sustaining housing market, with adequate value and revenues to support market-rate new construction, will typically have a value to income ratio between 2.5 to 3.0.

York County has a fairly healthy ratio at 2.21, indicating an ability to support new construction and the rehabilitation of existing housing. Many of the surrounding counties are experiencing very low home values which discourages the development of speculative housing and the construction of new rental housing.

Nationally the cost of rental properties is increasing as demand continues to remain high. Lower wages, expectation of more affordable housing in rural areas, and lack of builders comfortable with the rental market all combine to limit the amount of new rental construction activity occurring in the region. Quality, affordable rental units, especially for those households making just above the limits set for housing assistance was a reoccurring concern expressed by many stakeholders. A lack of new construction only drives up housing costs and allows poor quality units to remain on the market.

FIGURE 1.9: Household Income & Housing Costs

	2014 POPULATION	2014 MEDIAN HOUSEHOLD INCOME	2014 MEDIAN HOME VALUE	VALUE TO INCOME ↔	MEDIAN CONTRACT RENT
York	13,797	\$50,922	\$112,600	2.21	\$460
Butler	8,312	\$49,241	\$101,200	2.05	\$427
Clay	6,425	\$50,682	\$80,100	1.58	\$365
Fillmore	5,767	\$52,063	\$76,700	1.47	\$377
Hamilton	9,098	\$58,382	\$111,600	1.91	\$418
Polk	5,307	\$54,375	\$97,600	1.79	\$392
Saline	14,317	\$46,814	\$94,800	2.02	\$515
Seward	16,939	\$59,503	\$142,700	2.39	\$483
State of Nebraska		\$52,400	\$130,000	2.48	\$578

Source: American Community Survey, 2014



Community Housing Affordability

The communities of York County range from fairly healthy ratios to several with significantly undervalued housing markets. The most healthy housing markets can be found in York (2.19), McCool Junction (2.11), and Waco (1.98); each of these communities is near the threshold where they may be able to support new construction and the rehabilitation of existing housing units driven, in part, by the private market. The remaining communities suffer from undervaluation which will continue to stagnate housing production, rehabilitation, and housing quality. The undervaluation is most acute in Thayer (0.55), Gresham (1.08), and Bradshaw (1.52).

The undervalued housing market in many communities through York County will continue to discourage private market investment including new construction and rehabilitation. Housing production and rehabilitation will likely require public support.

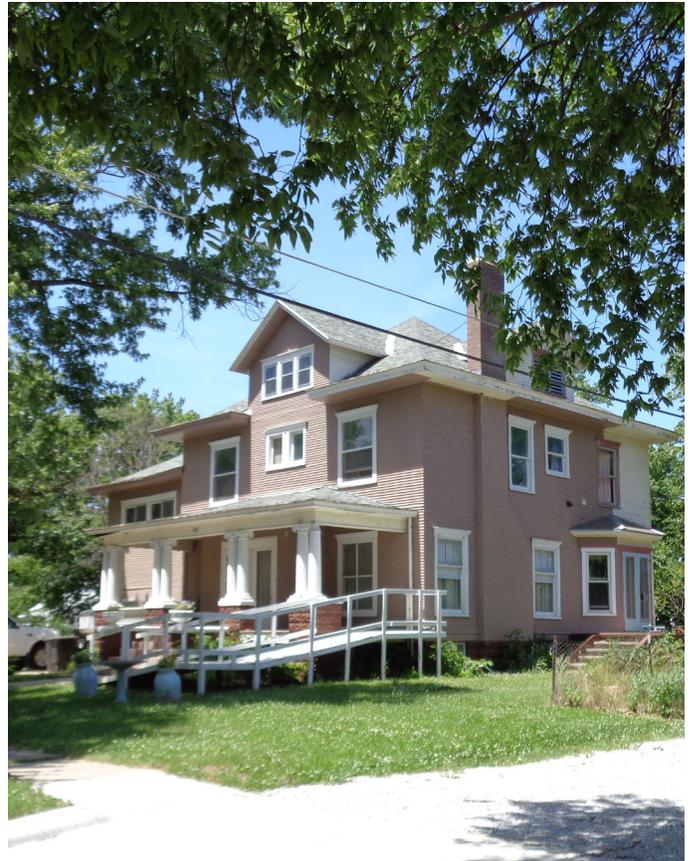


FIGURE 1.10: Median Household Income & Housing Costs

	MEDIAN HOME VALUE (2014)	MEDIAN HOUSEHOLD INCOME (2014)	VALUE TO INCOME ↔	MEDIAN CONTRACT RENT (2014)
Benedict	\$70,600	\$46,354	1.52	\$319
Bradshaw	\$58,600	\$48,036	1.22	\$367
Gresham	\$45,000	\$41,607	1.08	\$359
Henderson	\$89,500	\$52,426	1.71	\$491
Lushton	\$81,700	\$53,125	1.54	-*
McCool Junction	\$108,800	\$51,607	2.11	\$406
Thayer	\$36,300	\$66,250	0.55	-*
Waco	\$81,700	\$41,250	1.98	\$600
York	\$106,500	\$48,622	2.19	\$474
York County	\$112,600	\$50,922	2.21	\$460

Source: American Community Survey, 2014

* Indicates that too few samples were collected to estimate

GUIDE TO ANALYSIS TABLES

The following section provides an overview of the demographic, housing, and economic trends in the county's largest communities. This guide is meant to be a reference to help understand the methodology of the tables contained in this forthcoming analysis. All data comes from the U.S. Census Bureau or American Community Survey, unless otherwise noted.

Affordability Gauge

A comparison of median household incomes to median home values to evaluate the affordability of a marketplace. An affordable, self-sustaining housing market, with adequate value and revenues to support new market-rate construction, will typically have a value to income ratio between 2.0 to 3.0. Issues with affordability and valuation exist at both ends of the spectrum

FIGURE 2.13: Population Projection (Updated)

HENDERSON	2010	2015	2020	2025
Natural Change	991	921	873	840
0.2% Annual Growth		1,003	1,013	1,023
0.5% Annual Growth		1,003	1,028	1,054

Population Projections

A projection for how each community can be expected to grow considering a number of factors related to historic trends and how and why a place grows or doesn't. Factors include: historic trends; age/sex mix of the current population; expected migration of new residents; and new employment options.

Occupancy Analysis

An examination of the number of dwelling units that are owner occupied, renter occupied, or vacant and how these trends have changed over time. This information combined with a review of construction activity can shed light on a communities changing housing demand.

FIGURE 2.15: Occupancy Analysis (Updated)

Henderson	2000		2010		2014		Net Change 00-14
	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number	Percent of Occupied Units	
Owner-Occupied	341	82%	338	78%	327	80%	-14
Renter-Occupied	76	18%	95	22%	82	20%	6
Total Vacant	36		48		39		3
Vacancy rate	7.9%		10.0%		8.7%		
Total	453		481		448		-5

Housing Affordability Analysis

An assessment of housing costs to incomes that begins to identify gaps in the market. Monthly costs for owner units are generally considered affordable if the overall housing unit costs between 2 and 2.5 times the household's yearly income. This ratio covers all housing costs, including taxes, insurance and utilities. Affordable rental units (including utilities) are considered to have monthly rents less than 30% of the household's monthly gross income. This analysis evaluates the availability of affordable housing and compares the quantity of housing that is affordable to each income group. A positive balance indicates a surplus of housing within the affordability range of each respective income group, while a negative balance indicates a shortage. This analysis is meant to illustrate larger trends and not exact demand in certain price ranges. It does not take into consideration housing quality or mortgage status.

FIGURE 2.16: Housing Affordability Analysis (Updated)

HENDERSON									
Income Range	Percent of City Median	Percent of Households	Number of Households in Each Range	Affordable Range for Owner Units	Number of Owner Units Affordable	Affordable Range for Renter Units	Number of Renter Units Affordable	Total Affordable Units	Balance
\$0-25,000	48%	17.11%	70	\$0-50,000	52	\$0-400	23	75	5
\$25,000-49,999	49-95%	27.38%	112	\$50,000-99,999	133	\$400-800	31	164	52
\$50,000-74,999	96-143%	8.80%	36	\$100,000-149,999	105	\$800-1250	0	105	69
\$75-99,999	144-191%	14.67%	60	\$150,000-200,000	33	\$1250-1500	0	33	-27
\$100-150,000	191-286%	22.00%	90	\$200-\$300,000	4	\$1500-2000	0	4	-86
\$150,000+	OVER 286%	10.02%	41	\$300,000+	0	\$2000+	28	28	-13
Median	\$52,426	100.00%	409.00		327		82	409	0



Housing Demand Model

This analysis builds on the population projections, housing trends, and community conversations to forecast the demand for additional housing. The model is built on the following assumptions with appropriate adjustments made for each communities circumstances.

Household population at the end of the period does not include residents living in group care facilities, dormitories, and other institutional quarters. The non-household population does not produce a demand for conventional housing units. For this analysis it is assumed that the proportion of non-household population will remain stable through the planning period.

Average people per household is expected to remain constant over the next decade. Some growth may occur as Millennials move into their childbearing years but this forecast focuses on the demand created by this cohort leaving their parents homes and the housing needs they will have.

Unit demand at the end of the period is calculated by dividing household population by the number of people per household. This equals the number of occupied housing units.

A manageable housing vacancy provides housing choice for new residents moving to a community. In York County’s current economy, a higher vacancy rate likely reflects units that are in poor condition or inappropriately priced. Higher rates do create more demand in the model but are not a positive for the overall perception and health of the market; while falling vacancy rates create less demand in the model and can result in rising housing costs.

Unit needs at the end of each period are based on the actual household demand plus the number of projected vacant units.

Replacement need is the number of housing units demolished or converted to other uses. Homes in poor condition or obsolete should gradually be replaced in a city’s housing supply. The number of units lost annually is based on both the quantity and quality of a community’s housing stock.

Cumulative need shows the number of total units needed between the base year of 2015 and the year indicated at the end of the period.

Housing Development Program

Building on the Housing Demand Model, the Development Program forecasts production targets for owner and renter occupied units based on the following:

The proportion of rental development should be slightly higher than current owner/ renter ratios. This is done to address both pent-up demand created by a lack of rental construction over the past twenty years, changes in the lending market leaving households in rental units for longer periods, and the growing number of young households entering the market.

Owner-occupied units will be distributed roughly in proportion to the income distribution of households for whom owner-occupancy is an appropriate strategy.

Most low-income residents will be accommodated in rental units.

It is important to note that most lower-cost owner-occupied housing will be produced indirectly through a filtering process. Thus, a unit that meets the needs of a high-income, empty-nester household may encourage that household to sell their current home to a moderate income family. Filtering processes rarely satisfy an affordable housing need on a one-to-one basis, but they do realistically address part of the market demand.

FIGURE 2.17: Housing Demand Model

HENDERSON	2015	2020	2025	TOTAL
Population at End of Period	1,003	1,028	1,054	
Household Population at End of Period	944	980	1,004	
Average Persons Per Household	2.18	2.18	2.18	
Household Demand at End of Period	433	449	461	
Projected Vacancy Rate	3.67%	3.97%	4.47%	
Unit Needs at End of Period	450	468	482	
Replacement Need		3	2	5
Cumulative Need During Period		21	16	38
Average Annual Construction		4	3	4

FIGURE 2.18: Housing Development Program (2014 - 2020)

HENDERSON	2015-2020	2020-2025	TOTAL
Total Need	21	16	38
Total Owner Occupied	11	8	19
Affordable Low: <\$125,000	3	2	6
Affordable Moderate: \$125-\$175,000	2	2	4
Moderate Market: \$175-\$250,000	3	2	5
High Market: >\$250,000	2	2	4
Total Renter Occupied	11	8	19
Low: Less than 450	3	2	4
Affordable: 450-700	4	3	8
Market: Over \$700	4	3	7

COMMUNITY ASSESSMENTS

The following section provides a detailed assessment of the county’s four largest cities, where the majority of building activity has occurred in the last thirty years. An overview of each city and village is offered in the following section on housing and community opportunities.

City of York, Nebraska – Community Assessment

The most populous city in York County, York is the primary urban center of employment, retail and service opportunities, education, and healthcare in the region. As a result of its regional presence, much of the housing demand and activity is drawn to the city of York.

Primary Themes

Population Change

Based on the age of residents, the population of York should have remained stable between 2000 and 2010 with the number of births slightly out-pacing the number of deaths. However, the population actually declined by 315 residents due to out-migration.

Out-migration is both a cause and a symptom of conditions and can be attributed to a diverse number of factors including the economy but also housing market conditions.

The low vacancy rate in York creates a condition where the housing market is not accessible for new residents or those interested in a different housing option within the community. The connection to the overall economic picture is best illustrated in the ability of employers to recruit and retain new employees; while there are jobs available in York, if a new employee cannot find a quality place to live and are forced to reside elsewhere (in Seward, for example), it is less likely that the employer will be able to retain the employee.

Inherently linked to the low vacancy rate is the low level of housing construction which limits the availability for new buyers/renters but also the opportunity for existing owners to move within the housing market.

A strong job market and young population indicates that York should be able to reverse the trend of population decline, however this pattern relies on the construction of new homes to house new residents and employees.

At a Glance

Affordability Gauge



2015 Population: 7,957

2025 Population: 8,364 (407 new residents)

Affordability Balance:

- Surplus of housing units for households with incomes below 50,000. Shortages for households with incomes greater than \$50,000.

Projected Vacancy Rate: 3.0%

2010 Owner | Renter Occupancy: 64% | 36%

Housing Demand by 2025: 470units (47 units/yr)

- Renter Units: 235
- Owner Units: 235

FIGURE 1.11: York Construction Activity

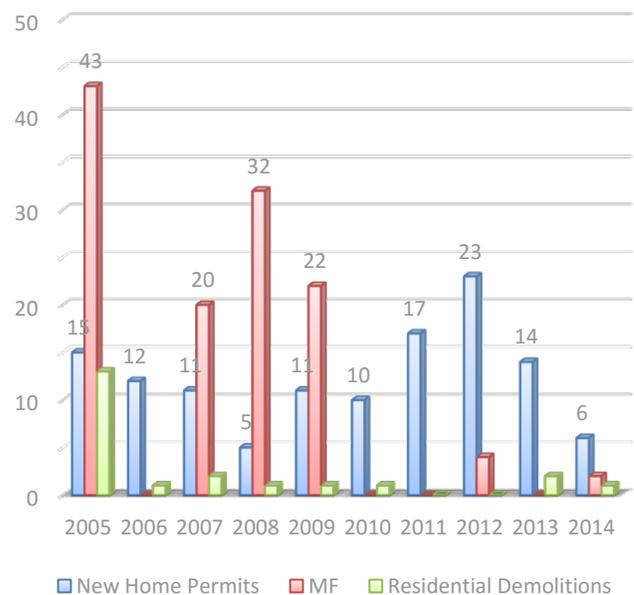




FIGURE 2.12: Population Projection

	YORK	SEWARD	AURORA
2014 Population	7,878	7,050	4,461
Median Household Income	48,622	58,261	54,484
Median Home Value	106,500	137,000	98,600
Value to Income Ratio	2.19	2.35	1.81
Median Contract Rent	474	509	415
<i>Median Rent Percent of Median Household Income</i>	<i>11.70%</i>	<i>10.48%</i>	<i>9.14%</i>
Median Year Built	1965	1975	1968
Average Number of Bedrooms	2.61	2.86	2.93

Source: American Community Survey, 2014

FIGURE 1.13: Historic Population Change

YORK CITY	POPULATION AT DECADE'S END	CHANGE IN POPULATION	% GROWTH DURING DECADE	ANNUAL GROWTH RATE
1960	6,173			
1960-1970	6,778	605	9.8%	0.9%
1970-1980	7,723	945	13.9%	1.3%
1980-1990	7,884	161	2.1%	0.2%
1990-2000	8,084	197	2.5%	0.2%
2000 - 2010	7,766	-315	-3.9%	-0.40%
1960-2010		1,593	25.8%	0.5%

FIGURE 1.14: Population Projection

YORK CITY	2010	2015	2020	2025
Natural Change	7,766	7,661	7,622	7,596
0.2% Annual Growth		7,957	8,037	8,118
0.5% Annual Growth		7,957	8,158	8,364
1.0% Annual Growth		7,957	8,363	8,789



FIGURE 1.15: Occupancy Analysis

	2000		2010		2014		NET CHANGE ('00-'14)
	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number
Owner-Occupied	2,094	63%	2,090	64%	1,982	59%	-112
Renter-Occupied	1,210	37%	1163	36%	1365	41%	155
Total Vacant	228	-	380	-	390	-	162
Vacancy rate	6.5%	-	10.5%	-	10.4%*	-	-
Total	3,532	-	3,633	-	3,737	-	205

*A survey of landlords and realtors indicates a vacancy rate closer to 3%

Low Vacancy Rate

A low vacancy rate may seem like a positive feature for a community; an assertion that the housing market is balanced in term of supply and demand. However, a healthy vacancy rate is typically considered to be in the range of 5% to 6% compared to York’s estimated rate of 3%. A healthy vacancy rate indicates that there is availability within the housing market for new residents to enter the market and for established residents to move-up or downsize as desired.

A healthy vacancy rate also has the effect of creating competition in the housing market which typically drives housing quality to improve. In a low vacancy environment, a new employee may be forced to decide whether to select from a limited number of low quality units with comparatively high rents or to live elsewhere. The construction of new units or the improvement of existing, sub-par units creates additional supply which creates more opportunity for all participants in the housing market while driving up the quality of housing units.



Defining Housing Affordability

The definition of affordable housing is defined by a household's income. What is affordable to one income bracket is not affordable to another. The cost of housing can also be defined as either market rate or below market rate.

Units that are below market rate require some assistance to be built. The rent or value of these units would be priced below construction costs and therefore builders need assistance to cover the cost of development and construction. These assistance packages vary but ensure that communities have safe and affordable housing for households in the lowest income ranges.

Cost of Housing

Many participants in the process of developing the study noted that York's market seems to cost more than other communities in the area. Based on the 2014 Census, Figure 1.12, York's median home value and contract rent are below those in Seward. This perception may reflect the cost for quality housing or housing of a certain size. While housing in York is only slightly higher than Aurora, it would appear that a buyer is getting less house for their dollar as indicated by the average number of bedrooms.

Figure 1.16 purely considers census numbers and does not capture households having to double-up or the quality of housing

Shortage of Homes in Target Price Points

Affordability is a concept that is relative to the income of a particular household. Therefore, Figure 1.16 looks at affordability based on household income. An affordable unit should not consume more than 30% of a household's total income.

York has a shortage of homes that are affordable for households with incomes greater than \$50,000 with the demand most acute for households earning more than \$75,000 (Figure 1.16). Conversely, there is a surplus of units that would be affordable for households earning less than \$50,000 per year however this surplus is likely accompanied by condition and quality issues.

The shortage of units for upper income households suggests the housing market can support additional owner units priced between \$150,000 and \$300,000. Often the construction of homes within these price-points can be supported by the private market.

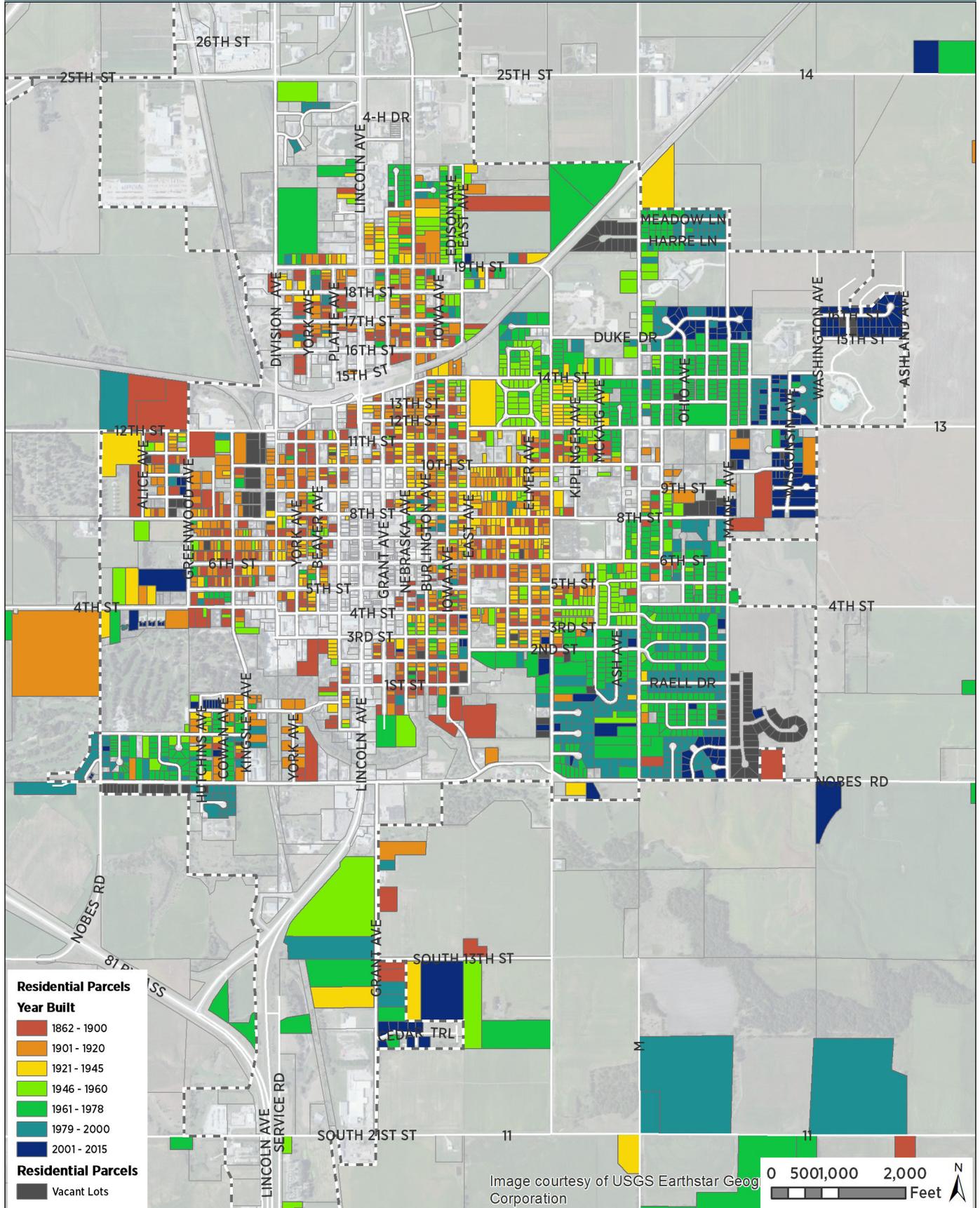
The affordability analysis relies that units be high quality deserving of the sale price or the monthly rent requested. Further, competition is required to ensure that housing options are appropriately priced by the market.

FIGURE 1.16: Housing Affordability Analysis

YORK CITY

Income Range	Percent of Households	Number of Households in Each Range	Affordable Range for Owner Units	Number of Owner Units Affordable	Affordable Range for Renter Units	Number of Renter Units Affordable	Total Affordable Units	Balance
\$0-25,000	17.45%	584	\$0-50,000	210	\$0-400	375	585	1
\$25,000-49,999	29.76%	996	\$50,000-99,999	727	\$400-800	968	1695	699
\$50,000-74,999	14.67%	491	\$100,000-149,999	395	\$800-1250	22	417	-74
\$75-99,999	14.82%	496	\$150,000-200,000	335	\$1250-1500	0	335	-161
\$100-150,000	14.91%	499	\$200-300,000	204	\$1500-2000	0	204	-295
\$150,000+	8.40%	281	\$300,000+	111	\$2000+	0	111	-170

FIGURE 1.19: Year Built of Residential Structures and Vacant Lots, York



Housing Production

Housing production in York has been relatively stagnant over the past ten years with new production not meeting the demand of the market. As a result, established residents tend to stay in their homes for longer, limiting the availability of housing for lower and middle income households. The construction of new units at mid-high market rates would help enable more movement and activity within the existing housing stock.

Figure 1.17 illustrates a housing demand model built on a project population of 8,789 by 2025. While this growth rate is slightly higher than the city has experienced in the last thirty years, key indicators show a significant demand for additional housing. One key factor is the extremely slow construction market of the last 10 years, resulting in pent-up demand by both existing homeowners looking to move-up and new residents trying to relocate to the community. Additionally, within the York area there are over 300 job openings. Not all of these jobs will be filled by individuals moving to the area but a large number of them will require employees to come from outside the area. These employees will require housing, units they cannot find in a market with a 3% vacancy rate. This model creates a demand for an additional 470 units by 2025. It is likely that the city can support an even higher construction rate.

Compared to its peer communities such as Aurora and Seward, York has an older (median of 1965) and smaller housing stock (average of 2.61 bedrooms). Both trends reinforce the need for additional housing construction to create a more balanced housing market with availability for different types

of buyers and renters - students, first-time home buyers, the move-up market, and the downsizers.

Rental Market Demand

Participants in the planning process indicated a need for additional rental products. The large number of rental units priced below \$800 indicated that there is a limited variety of units available with higher income households winning the battle for the highest quality units. Figure 1.18 illustrates a development program that reflects the need for additional rental housing.

Lot Production

Residential construction in York has lagged behind its peer communities including Seward. While this can be attributed to a number of factors, the limited number of new lots being produced for development is a major limitation to the amount of housing construction that occurs. Historically the majority of residential lots in York have been developed by the private market; while this is a sign that the housing market is self sufficient, the production has not kept up with market demand to support population growth.

Residential lots can be produced on greenfield sites at the perimeter of the city, through the redevelopment of urban sites, or the re-purposing of existing land within the city. The private market is generally able to support the production of market rate lots on greenfield sites but the acquisition and redevelopment of urban sites generally requires support from the city.

FIGURE 1.17: Housing Demand Model

YORK CITY	2015	2020	2025	TOTAL
Population at End of Period	7,957	8,363	8,789	
Household Population at End of Period	7,535	7,919	8,323	
Average Persons Per Household	2.26	2.26	2.26	
Household Demand at End of Period	3,334	3,504	3,683	
Projected Vacancy Rate	3.00%	3.75%	5.00%	
Unit Needs at End of Period	3,437	3,641	3,877	
Replacement Need		15	15	30
Cumulative Need During Period		218	251	470
Average Annual Construction		44	50	47

FIGURE 1.18: Housing Development Program (2014 - 2020)

YORK CITY	2015-2020	2020-2025	TOTAL
Total Need	218	251	470
Total Owner Occupied	109	126	235
Affordable Low: <\$125,000	18	21	39
Affordable Moderate: \$125-\$175,000	24	27	51
Moderate Market: \$175-\$250,000	35	40	75
High Market: >\$250,000	33	38	70
Total Renter Occupied	109	126	235
Low: Less than 450	33	37	70
Affordable: 450-700	36	42	78
Market: Over \$700	40	46	87

Henderson, Nebraska – Community Assessment

Henderson is a strongly respected community in the region for its community pride and character. The health of Henderson is evident in its recent investment in the revitalization of its downtown district, new residential development, a well-respected school district, and the quality of its housing and commercial buildings. While these positive features mark Henderson as a respected community with a high quality of life for its residents, the limited amount of new construction and low vacancy rate threaten to limit growth in Henderson.

Primary Themes

Construction Activity Must Increase

The city must find ways to encourage new housing development in the city to support new growth that will allow Henderson to reach a population of 1,054 residents by 2025 (a 0.5% annual growth rate).

Another way to look at this growth rate is that the city will need to add units at a rate of four per year, well above the current level of construction. This will support new demand but there is likely 'pent-up' demand from existing households wishing to "move-up" or "downsize" within the community that may support even more building activity.

New housing production should also include additional rental options. High quality rental options allow new residents and new employees to 'test-drive' their new community while gaining the financial stability to purchase a home. These additional units could be in the form of traditional multi-family structures but could also be accommodated in downtown units, duplex, or townhome units. Over the next ten years, half of the city's new housing should meet the needs of the rental market.

Limited Housing Options

Based on a count by the city, Henderson's vacancy rate is approximately 3.67%. Compounding on this low vacancy rate, realtors and community officials noted that finding housing, especially in specific price points is very difficult in Henderson.

Quality housing options priced above \$150,000 are in short supply creating competition within lower price points. With few options, including very few quality rental units, prospective residents are often forced to look for housing in other communities, both in and outside of York County. This high demand for housing over a long period of time may result in increased housing costs which can create an additional hardship for those in the lowest income brackets.

At a Glance

Affordability Gauge

1.71



Undervalued
(Less than 2)

Affordable
(2-3)

Unaffordable
(Greater than 3)

2015 Population: 1,003

2025 Population: 1,054 (51 new residents)

Affordability Balance:

- Surplus of housing units for households with incomes below 75,000. Shortage for households with incomes greater than \$75,000.

Projected Vacancy Rate: 3.67%

2010 Owner | Renter Occupancy: 78% | 22%

Housing Demand by 2025: 38 units (4 units/yr)

- Renter Units: 19
- Owner Units: 19

FIGURE 2.20: Henderson Construction Activity



Low Vacancy Rate

A low vacancy rate may seem like a positive feature for a community; an assertion that the housing market is balanced in term of supply and demand. However, a healthy vacancy rate is typically considered to be in the range of 5% to 6% compared to Henderson’s estimated rate of 3.67%. A healthy vacancy rate indicates that there is availability within the housing market for new residents to enter the market and for established residents to move-up or downsize as desired.

A healthy vacancy rate also has the effect of creating competition in the housing market which typically drives improvements in housing quality. In a low vacancy environment, a new employee may be forced to decide whether to select from a limited number of low quality units with comparatively high rents or to live elsewhere. The construction of new units or the improvement of existing, sub-par units creates additional supply which creates more opportunity for all participants in the housing market while driving up the quality of housing units.



FIGURE 1.21: Historic Population Change

HENDERSON	POPULATION AT DECADE'S END	CHANGE IN POPULATION	% GROWTH DURING DECADE	ANNUAL GROWTH RATE
1960	730			
1960-1970	901	171	23.4%	2.1%
1970-1980	1,072	171	19.0%	1.8%
1980-1990	999	-73	-6.8%	-0.7%
1990-2000	986	-13	-1.3%	-0.1%
2000 - 2010	991	5	0.5%	0.05%
1960-2010	-	261	35.8%	0.6%

FIGURE 1.22: Population Projection

HENDERSON	2010	2015	2020	2025
Natural Change	991	921	873	840
0.2% Annual Growth		1,003	1,013	1,023
0.5% Annual Growth		1,003	1,028	1,054

Defining Housing Affordability

The definition of affordable housing is defined by a household's income. What is affordable to one income bracket is not affordable to another. The cost of housing can also be defined as either market rate or below market rate.

Units that are below market rate require some assistance to be built. The rent or value of these units would be priced below construction costs and therefore builders need assistance to cover the cost of development and construction. These assistance packages vary but ensure that communities have safe and affordable housing for households in the lowest income ranges.

FIGURE 1.23: Occupancy Analysis

Henderson	2000		2010		2014		Net Change 00-14
	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number
Owner-Occupied	341	82%	338	78%	327	80%	-14
Renter-Occupied	76	18%	95	22%	82	20%	6
Total Vacant	36		48		39		3
Vacancy rate	7.9%		10.0%		8.7%*		
Total	453		481		448		-5

*A survey by city staff estimates that the actual vacancy rate is closer to 3.67%

FIGURE 1.24: Housing Affordability Analysis

HENDERSON

Income Range	Percent of Households	Number of Households in Each Range	Affordable Range for Owner Units	Number of Owner Units Affordable	Affordable Range for Renter Units	Number of Renter Units Affordable	Total Affordable Units	Balance
\$0-25,000	17.11%	70	\$0-50,000	52	\$0-400	23	75	5
\$25,000-49,999	27.38%	112	\$50,000- 99,999	133	\$400-800	31	164	52
\$50,000-74,999	8.80%	36	\$100,000- 149,999	105	\$800-1250	0	105	69
\$75-99,999	14.67%	60	\$150,000- 200,000	33	\$1250-1500	0	33	-27
\$100-150,000	22.00%	90	\$200- \$300,000	4	\$1500-2000	0	4	-86
\$150,000+	10.02%	41	\$300,000+	0	\$2000+	28	28	-13



Lot Production

Henderson has been successful in producing residential lots for development. The most recent project located along 18th Street was initiated by the city with tax increment financing to create residential lots for sale and development. This project was successful with the majority of lots sold quickly between \$8,000 and \$15,000. The success of this project demonstrates the strong demand for quality housing in Henderson.

It is more costly for a private developer to create development lots due to the financing required, interest rates, the carrying costs throughout the process, and the risk involved in selling the lots. Compared to lots developed by the private market in York which typically begin at \$35,000, the development sites in Henderson are quite affordable and quite attractive for home builders. The city should continue to produce housing lots for sale and private construction.



FIGURE 1.25: Housing Demand Model

HENDERSON	2015	2020	2025	TOTAL
Population at End of Period	1,003	1,028	1,054	
Household Population at End of Period	944	980	1,004	
Average Persons Per Household	2.18	2.18	2.18	
Household Demand at End of Period	433	449	461	
Projected Vacancy Rate	3.67%	3.97%	4.47%	
Unit Needs at End of Period	450	468	482	
Replacement Need		3	2	5
Cumulative Need During Period		21	16	38
Average Annual Construction		4	3	4

FIGURE 1.26: Housing Development Program (2014 - 2020)

HENDERSON	2015-2020	2020-2025	TOTAL
Total Need	21	16	38
Total Owner Occupied	11	8	19
Affordable Low: <\$125,000	3	2	6
Affordable Moderate: \$125-\$175,000	2	2	4
Moderate Market: \$175-\$250,000	3	2	5
High Market: >\$250,000	2	2	4
Total Renter Occupied	11	8	19
Low: Less than 450	3	2	4
Affordable: 450-700	4	3	8
Market: Over \$700	4	3	7

FIGURE 1.27: Year Built of Residential Structures and Vacant Lots, Henderson

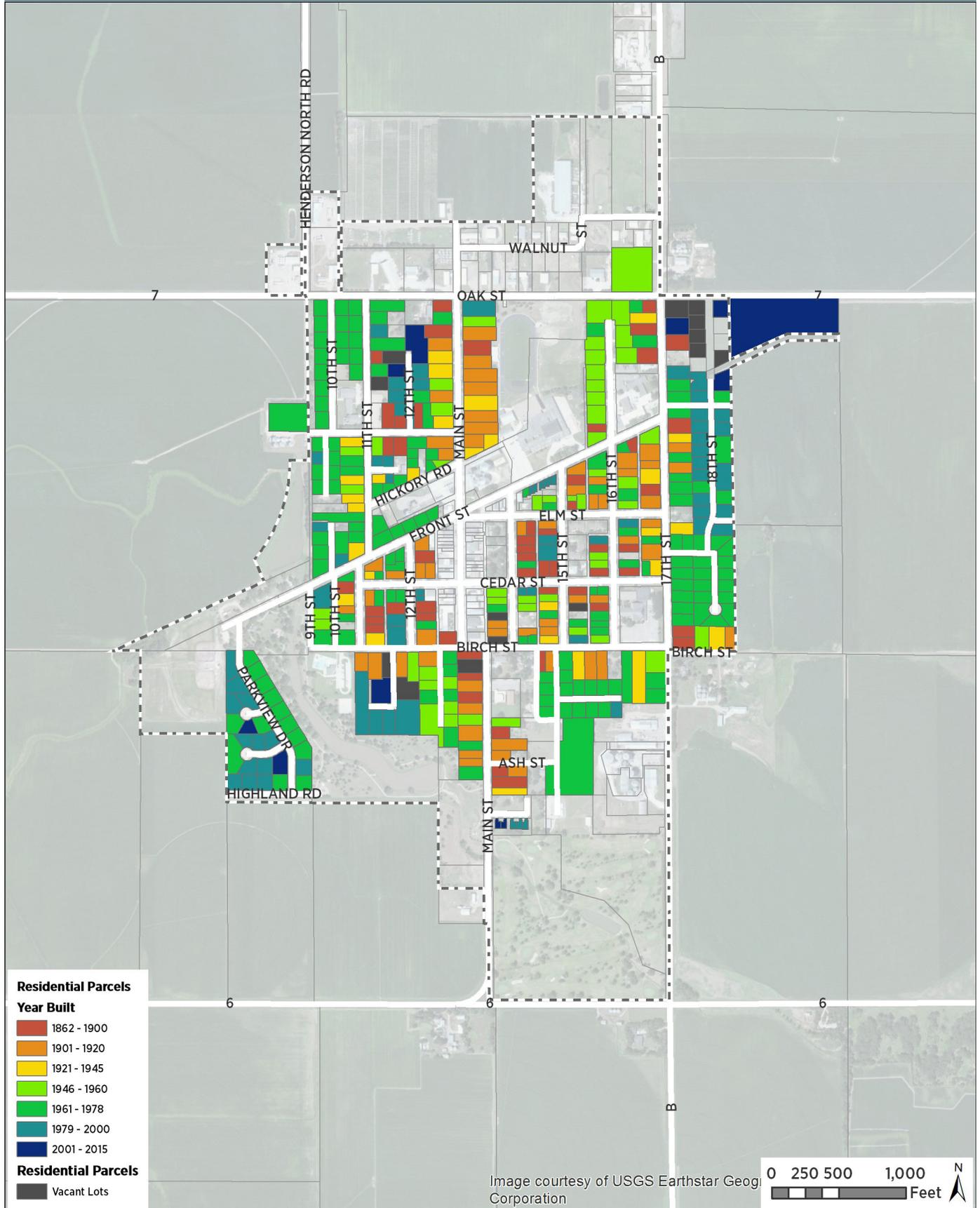
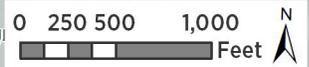


Image courtesy of USGS Earthstar Geog Corporation



McCool Junction, Nebraska – Community Assessment

McCool Junction is a strong community which through ambition, a realistic outlook, and thrifty investments has overcome its aging population in the past decade (Figure 1.4). It is projected that this trend will continue and the village will grow to a population of 451 by 2025.

Primary Themes

Strong Growth Prospects

McCool Junction is well positioned to grow. With its well-respected school, high quality housing stock, ability to produce housing lots, and convenient access to York, McCool Junction will continue to be an attractive community in the region. Each of these factors has the potential to draw new residents into McCool Junction.

In order to capitalize on these features and grow, McCool Junction will need to maintain its image as a high quality community, continue to provide quality services including its school system, and market itself to current and potential residents of York County.

The greatest opportunity to support the continued growth and viability of McCool Junction is to attract young families to live in McCool Junction. These populations are typically stable in their housing tenure and are generally interested in residing in a place that offers a high quality and safe environment for raising a child including good schools and a small town feel.

Vacancy Rate

Based on a count by community leaders, the vacancy rate in McCool Junction is between three and five percent suggesting that there is a limited supply of housing units available in the market at any time. A healthy vacancy rate, approximately between five and six percent, provides options for new residents to access housing and providing opportunities for existing residents to 'move-up' within the housing market; a low vacancy rate stagnates the housing market.

The production of additional housing options including quality rental units will make McCool Junction more accessible to new residents and families while allowing current residents to move within village's housing market.

At a Glance

Affordability Gauge



2015 Population: 429

2025 Population: 451 (22 new residents)

Affordability Balance:

- Adequate number of housing units for households with incomes below \$50,000. Shortage or very limited supply for households with incomes greater than \$50,000.

Projected Vacancy Rate: 3-5%

2010 Owner | Renter Occupancy: 75% | 25%

Housing Demand by 2025: 26 units (2 units/yr)

- Renter Units: 13
- Owner Units: 13

FIGURE 1.28: McCool Junction Construction Activity



Lot and Housing Production

McCool Junction has been successful in producing new housing and new lots for residential development. These efforts have been a joint effort of the village and the private market including lot production, new construction on infill lots, and relocating farmsteads into the village. This combination of efforts has helped McCool Junction reverse its trend of population decline.

The most recent lot production project used city labor to install site infrastructure along the west side of McCool Junction. This approach reduced costs to a minimum which, in turn, allowed the city to offer residential lots at an affordable price. This initiative and investment should continue to pro-

duce building lots and high quality residential development which will allow McCool Junction to continue to grow.

Housing production has been strong over the past ten years including a mix of new home construction and home relocations. McCool Junction will need to produce new units at a rate of approximately three per year to meet the projected 2025 population of 474. It is recommended that 50% of new housing produced in McCool Junction be high quality rental options to allow new residents to enter the market without needing to purchase a home immediately. The city's current lot supply provides an adequate number of lots to meet this demand but not a lot of variety, supporting additional lot development in the coming years.

FIGURE 1.29: Historic Population Change

MCCOOL JUNCTION	POPULATION AT DECADE'S END	CHANGE IN POPULATION	% GROWTH DURING DECADE	ANNUAL GROWTH RATE
1960	331	-	-	-
1960-1970	387	56	16.9%	1.6%
1970-1980	419	32	8.3%	0.8%
1980-1990	432	13	3.1%	0.3%
1990-2000	439	7	1.6%	0.2%
2000 - 2010	423	-16	-3.6%	-0.37%
1960-2010	-	92	27.8%	0.6%

FIGURE 1.30: Population Projection

MCCOOL JUNCTION	2010	2015	2020	2025
Natural Change	409	412	413	413
0.2% Annual Growth	409	429	433	438
0.5% Annual Growth	409	429	440	451
1.0% Annual Growth	409	429	451	474



Defining Housing Affordability

The definition of affordable housing is defined by a household's income. What is affordable to one income bracket is not affordable to another. The cost of housing can also be defined as either market rate or below market rate.

Units that are below market rate require some assistance to be built. The rent or value of these units would be priced below construction costs and therefore builders need assistance to cover the cost of development and construction. These assistance packages vary but ensure that communities have safe and affordable housing for households in the lowest income ranges.

FIGURE 1.31: Occupancy Analysis

McCool Junction	2000		2010		2014		Net Change 00-14
	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number
Owner-Occupied	114	70%	122	75%	122	80%	8
Renter-Occupied	48	30%	40	25%	30	20%	-18
Total Vacant	8		10		14		6
Vacancy rate	4.7%		5.8%		8.4%*		
Total	170		172		166		-4

Source: U.S. Census Bureau, 2016

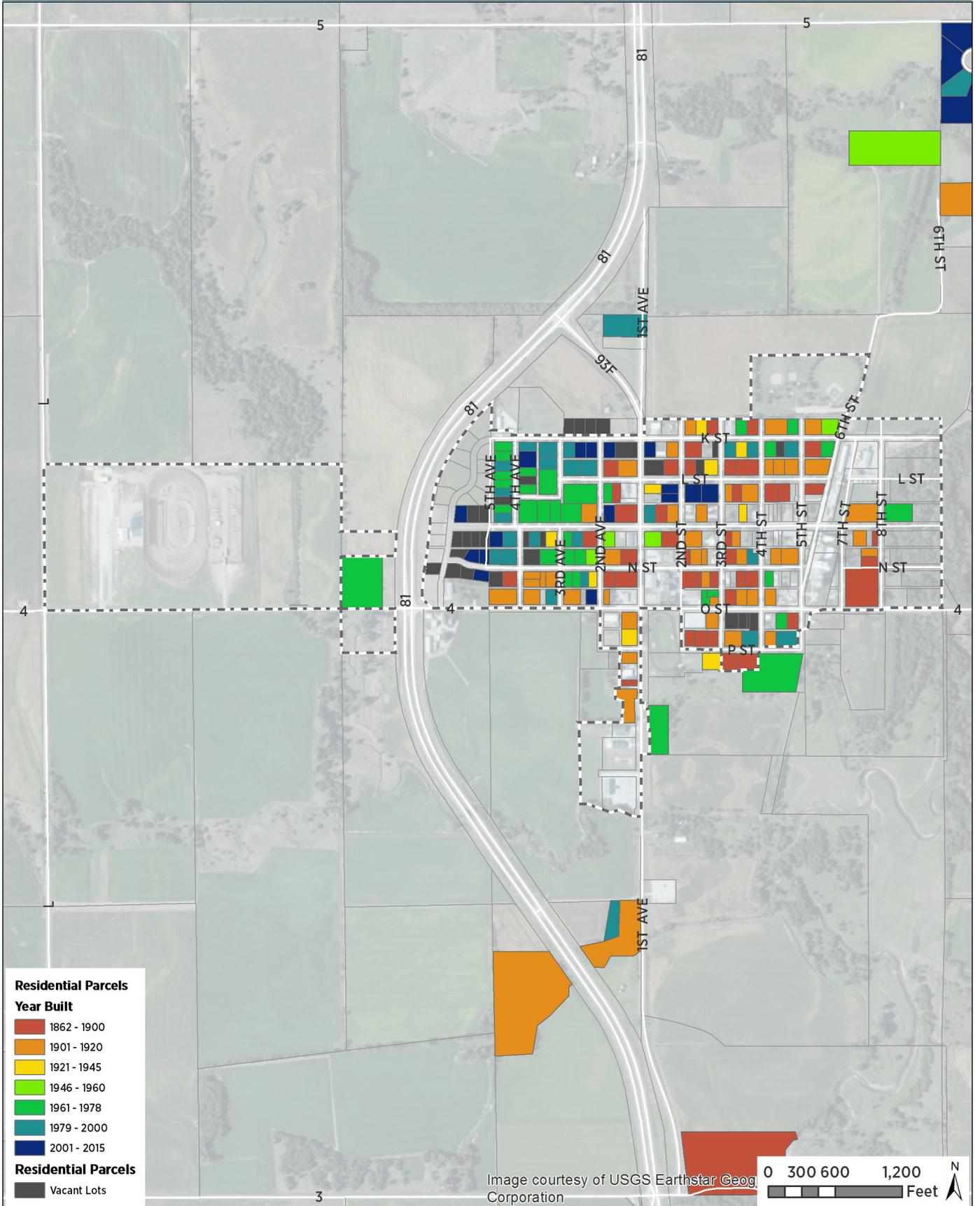
*A survey conducted by village staff estimates that the vacancy rate closer to 3.0%

FIGURE 1.32: Housing Affordability Analysis

MCCOOL
JUNCTION

Income Range	Percent of Households	Number of Households in Each Range	Affordable Range for Owner Units	Number of Owner Units Affordable	Affordable Range for Renter Units	Number of Renter Units Affordable	Total Affordable Units	Balance
\$0-25,000	7.24%	11	\$0-50,000	20	\$0-400	15	35	24
\$25,000-49,999	28.95%	44	\$50,000- 99,999	35	\$400-800	14	49	5
\$50,000-74,999	21.71%	33	\$100,000- 149,999	30	\$800-1250	1	31	-2
\$75-99,999	9.21%	14	\$150,000- 200,000	28	\$1250-1500	0	28	14
\$100-150,000	26.32%	40	\$200- \$300,000	4	\$1500-2000	0	4	-36
\$150,000+	6.58%	10	\$300,000+	5	\$2000+	0	5	-5

FIGURE 1.35: Year Built of Residential Structures and Vacant Lots, McCool Junction



Housing Diversity

McCool Junction has been able to reverse its trend of population out-migration (Figure 1.4) through acknowledging and investing in its strengths. This approach to investment and community development should continue in order to support diverse residential development. In the recent past new construction has focused on traditional single-family homes but interest in other housing types is strong. Lower maintenance rental and owner-occupied duplexes and townhomes are appealing to both young professionals (the new school teacher) and older adults looking to downsize. The downsizing market provides an excellent opportunity to bring existing homes to the market for young families.



FIGURE 1.33: Housing Demand Model

MCCOOL JUNCTION	2015	2020	2025	TOTAL
Population at End of Period	429	451	474	
Household Population at End of Period	429	451	474	
Average Persons Per Household	2.52	2.52	2.52	
Household Demand at End of Period	170	179	188	
Projected Vacancy Rate	3.00%	3.75%	5.00%	
Unit Needs at End of Period	176	186	198	
Replacement Need		2	2	4
Cumulative Need During Period		12	14	26
Average Annual Construction		2	3	3

FIGURE 1.34: Housing Development Program (2014 - 2020)

MCCOOL JUNCTION	2015-2020	2020-2025	TOTAL
Total Need	12	14	26
Total Owner Occupied	6	7	13
Affordable Low: <\$125,000	1	1	2
Affordable Moderate: \$125-\$175,000	1	2	3
Moderate Market: \$175-\$250,000	2	2	3
High Market: >\$250,000	2	3	5
Total Renter Occupied	6	7	13
Low: Less than 450	2	2	3
Affordable: 450-700	1	2	3
Market: Over \$700	3	4	7

Waco, Nebraska – Community Assessment

Waco is a small community with convenient access to both York and Seward via Highway 34 providing a small town housing alternative for those employed in either city. In addition to access along Highway 34, Waco is also located within five miles of Interstate 80. By virtue of its location, Waco is positioned to capture a share of rural growth through quality housing production and community investment.

Primary Themes

Housing Production

A limited amount of housing construction has occurred in the past ten years. Using public financing, the village supported the creation of a cul-de-sac development near the north side of Waco. Developed in the late 1990’s, the nine residential building sites were slow to sell and develop with only four units at present. While the development is not fully occupied, the units that have been constructed represent high quality construction and significant value. There are many reasons that residential lots in smaller communities are slow to absorb. The ability to get traditional financing in a market where the initial appraisal may be lower than the construction cost is one factor. Some marketing may also be required but often not done. This can include selling the community along with the individual lot, such as landscaping buffers between the lots and the highway and creating an appealing entrance to the subdivision through code enforcement.

The village should continue to support the production of new residential units, both owner occupied options and rental options, to create momentum in the housing market. Future efforts should focus on creating successful neighborhoods with attractive landscaping, sidewalks, and proximity to community services. Residential lots created in Waco must be able to compete with other options available to buyers in York, Seward, and other peer communities.

At a Glance

Affordability Gauge



2015 Population: 246

2025 Population: 259 (13 new residents)

Affordability Balance:

- Shortage for households with incomes greater than \$100,000.

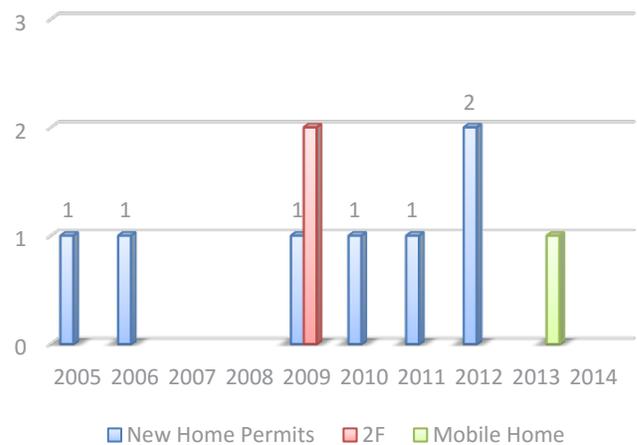
Projected Vacancy Rate: 4.7%

2010 Owner | Renter Occupancy: 87% | 13%

Housing Demand by 2025: 16 units (2 units/yr)

- Renter Units: 8
- Owner Units: 8

FIGURE 1.36: Waco Construction Activity



Property Maintenance

The housing stock in Waco is predominately in fair to good condition with a number of properties displaying condition issues. Often condition issues arise from owners being unable to perform the necessary maintenance required to keep their home in a state of good repair. However perception issues and a trend of disinvestment typically begins gradually with only a single property which eventually leads to more disinvestment until it becomes a problem.

A targeted housing rehabilitation program offered by the village, a church, or other non-profit organization can help prevent small housing issues from becoming a wide-spread issues. A nuisance enforcement program to respond to and resolve property maintenance issues can help promote community pride, a good perception of Waco, and a strong welcome for potential new residents. This effort may be combined with other York County communities, more details of this type of program can be found in Chapter 3.

Community Amenities and Appearance

Waco has a good location that should make it an alternative for those working in York, Seward, or the rural areas of the region. The village should seek to enhance its amenities, appearance, and housing opportunities to better market itself to prospective residents, buyers, and businesses.

FIGURE 1.37: Historic Population Change

WACO	POPULATION AT DECADE'S END	CHANGE IN POPULATION	% GROWTH DURING DECADE	ANNUAL GROWTH RATE
1960	166	-	-	-
1960-1970	214	48	28.9%	2.6%
1970-1980	225	11	5.1%	0.5%
1980-1990	221	-4	-1.8%	-0.2%
1990-2000	256	35	15.8%	1.5%
2000 - 2010	236	-20	-7.8%	-0.81%
1960-2010	-	70	42.2%	0.9%

FIGURE 1.38: Population Projection

WACO	2010	2015	2020	2025
Natural Change	236	231	227	223
0.2% Annual Growth	236	246	248	251
0.5% Annual Growth	236	246	252	259

Defining Housing Affordability

The definition of affordable housing is defined by a household's income. What is affordable to one income bracket is not affordable to another. The cost of housing can also be defined as either market rate or below market rate.

Units that are below market rate require some assistance to be built. The rent or value of these units would be priced below construction costs and therefore builders need assistance to cover the cost of development and construction. These assistance packages vary but ensure that communities have safe and affordable housing for households in the lowest income ranges.

FIGURE 1.39: Occupancy Analysis

WACO	2000		2010		2014		NET CHANGE ('00 - '14)	
	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number	
Owner-Occupied	87	82%	91	87%	95	81%	8	
Renter-Occupied	19	18%	14	13%	23	19%	4	
Total Vacant	9		9		7		-2	
Vacancy rate	7.8%		7.9%		5.6%			
Total	115		114		125		10	

FIGURE 1.40: Housing Affordability Analysis

WACO								
Income Range	Percent of Households	Number of Households in Each Range	Affordable Range for Owner Units	Number of Owner Units Affordable	Affordable Range for Renter Units	Number of Renter Units Affordable	Total Affordable Units	Balance
\$0-25,000	5.93%	7	\$0-50,000	23	\$0-400	5	28	21
\$25,000-49,999	44.92%	53	\$50,000-99,999	32	\$400-800	18	50	-3
\$50,000-74,999	11.02%	13	\$100,000-149,999	20	\$800-1250	0	20	7
\$75-99,999	8.47%	10	\$150,000-200,000	17	\$1250-1500	0	17	7
\$100-150,000	25.42%	30	\$200-300,000	2	\$1500-2000	0	2	-28
\$150,000+	4.24%	5	\$300,000+	1	\$2000+	0	1	-4





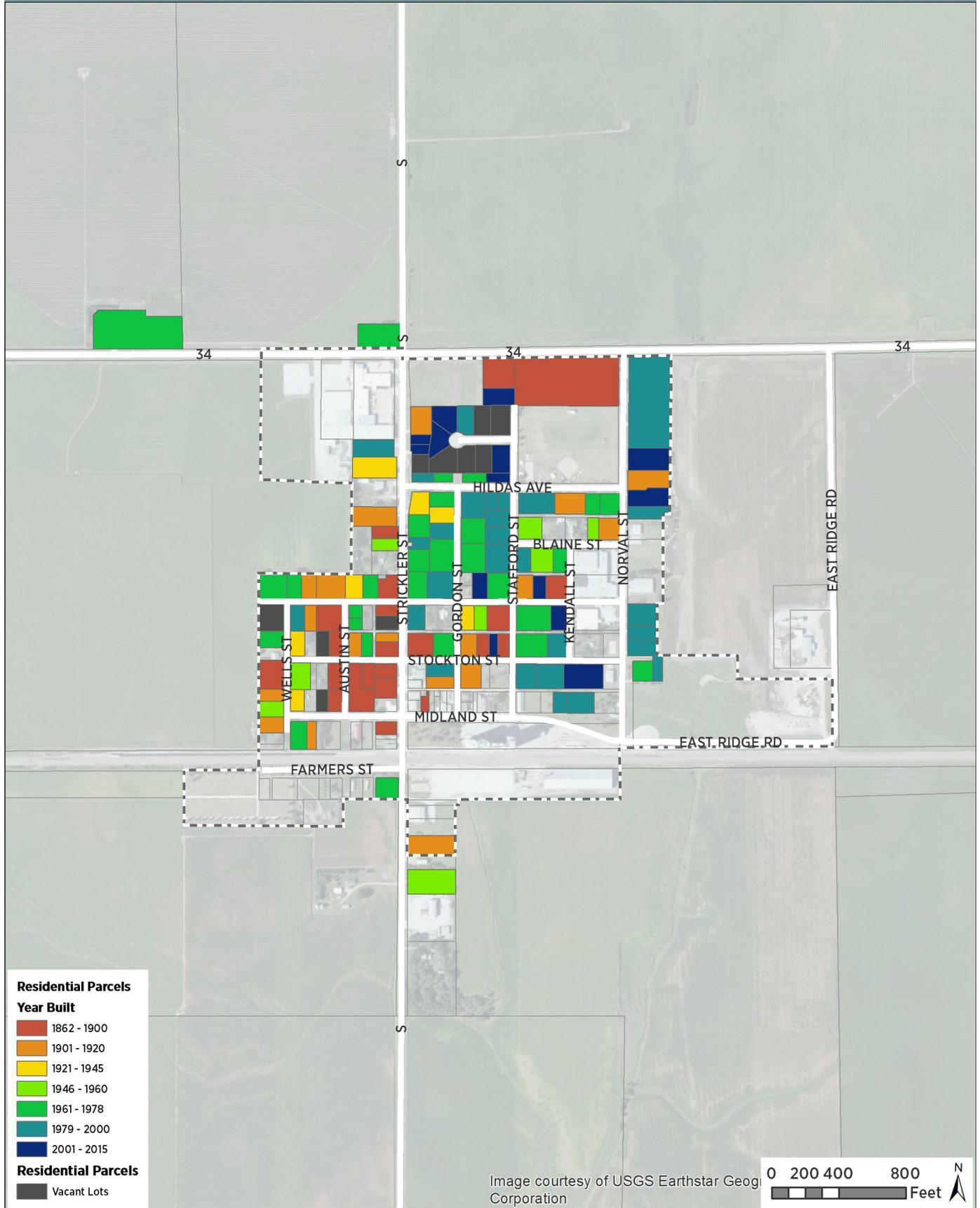
FIGURE 1.41: Housing Demand Model

WACO	2015	2020	2025	TOTAL
Population at End of Period	246	252	259	
Household Population at End of Period	246	252	259	
Average Persons Per Household	2.25	2.25	2.25	
Household Demand at End of Period	109	112	115	
Projected Vacancy Rate	4.70%	4.70%	4.70%	
Unit Needs at End of Period	115	118	121	
Replacement Need		5	5	10
Cumulative Need During Period		8	8	16
Average Annual Construction		2	2	2

FIGURE 1.42: Housing Development Program (2014 - 2020)

WACO	2015-2020	2020-2025	TOTAL
Total Need	8	8	16
Total Owner Occupied	4	4	8
Affordable Low: <\$125,000	1	1	2
Affordable Moderate: \$125-\$175,000	1	1	1
Moderate Market: \$175-\$250,000	1	1	2
High Market: >\$250,000	2	2	3
Total Renter Occupied	4	4	8
Low: Less than \$450	0	0	1
Affordable: \$450-\$700	2	2	3
Market: Over \$700	2	2	3

FIGURE 1.43: Year Built of Residential Structures and Vacant Lots, Waco



HOUSING CONDITIONS AND COMMUNITY OPPORTUNITIES

The county's housing stock is its largest single capital investment and residents generally form their image of a community on the quality of neighborhoods and the housing in the community. The previous sections considered existing and projected housing trends. This section summarizes general housing conditions by community and uses this as the basis for specific community-oriented housing strategies.

An Analysis of York County's Communities

The following section is based on community visits that were completed in the fall/winter of 2015. A driving tour of each community was completed to identify potential areas for reinvestment, redevelopment and development. These were general assessments and not based on a house by house inventory but on broader neighborhood evaluation.

General conclusions regarding housing conditions:

- Overall, York County's housing stock is in very good condition. The region's pride in ownership is evident in the quality of housing.
- This same pride of ownership is also evident in the small number of code violations and site condition issues. Residents make the effort to maintain their properties and homes.
- Outside of the City of York, there are very limited rental opportunities. Most of the communities' rental housing stock resides within traditional single-family homes. These homes are often the smallest, oldest, highest maintenance, and least energy efficient homes in a community.
- Traditionally the smallest communities and those lacking a school often have some of the lowest quality housing stock.
- The decrease in population and employment in the rural portions of the county has had the biggest affect on the county's smallest communities. The loss of this population, and the businesses that they supported, has left some communities struggling to find ways to encourage new growth and therefore investment in housing.

Community Opportunities

As noted previously, a general evaluation was completed for each community. These assessments were used to identify opportunity areas for each community and are illustrated in a series of maps.

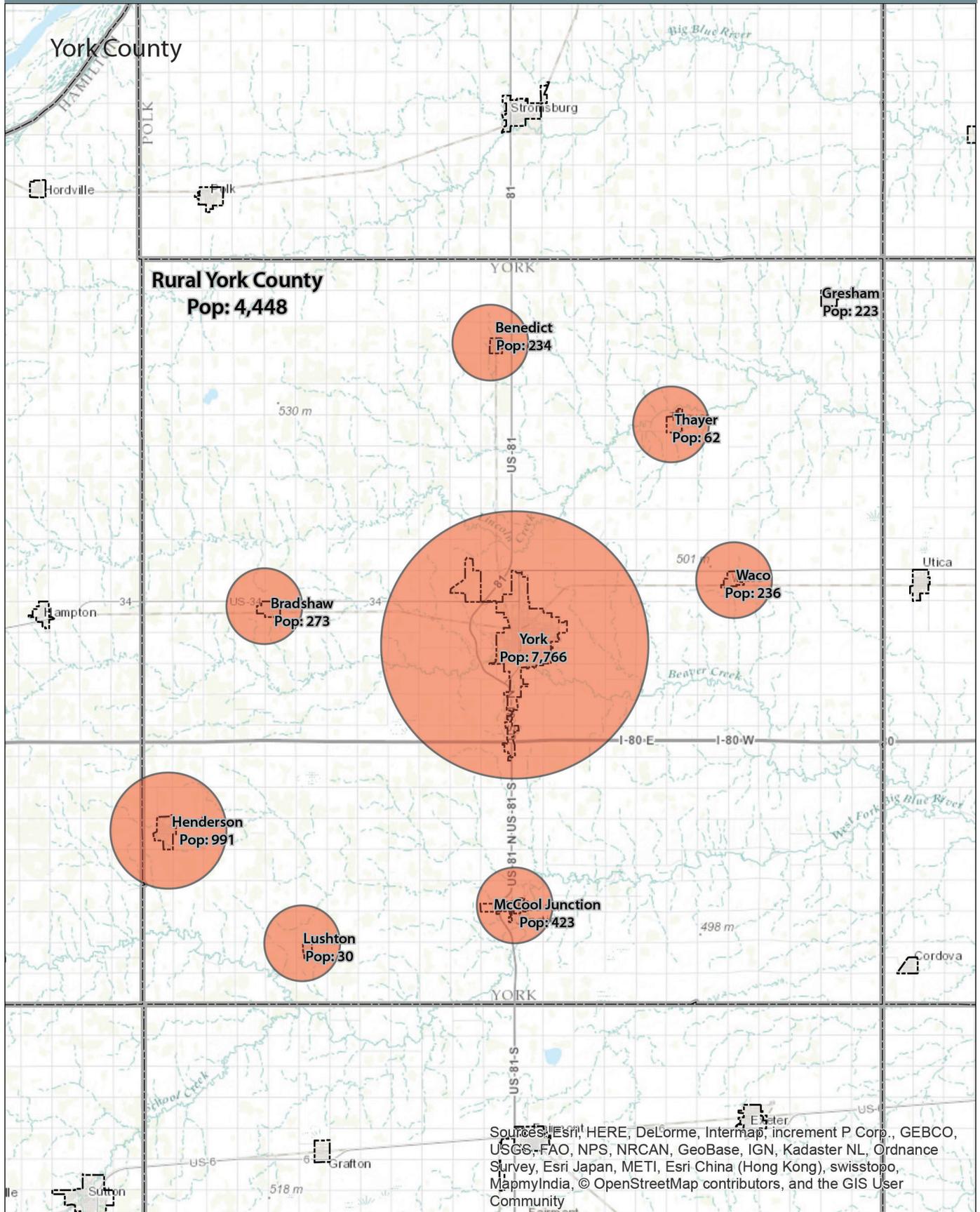
The opportunity categories include:

- **New Development:** Areas adjacent to or within city limits that are potential sites for lot development. The assessment of site conditions and access to water and sewer services would need to be evaluated further to confirm the suitability of these sites.
- **Infill & Stabilization:** These areas have more serious housing deficiencies and vacant lots. Sites are large enough & clustered enough that a target program to remove deteriorated structures & develop vacant lots will have a major impact.
- **Neighborhood Conservation:** These areas have a cluster of housing in fair condition. Policies for this area should focus on conserving the existing housing stock through a coordinated rehabilitation strategy.
- **Redevelopment Opportunity:** These areas have the most deteriorated structures. Infrastructure improvements and removal of deteriorated structures should create safe affordable housing & stronger neighborhoods.
- **Gateway Preservation and Enhancement:** Entrances to the community where code enforcement and property maintenance should be stressed to provide the best first impression of a community.

Not every one of these categories are applied to a community but they provide a strong foundation for the policies and programs identified in the following chapters of this document.

The following section provides a general overview of key community opportunities.

FIGURE 1.43: Communities of York County, Nebraska



BENEDICT

Benedict is located approximately nine miles north of York on Highway 81. With a population of approximately 214 residents, Benedict is a quaint community with an operating co-op, fair housing stock, and convenient access to York and Columbus using Highway 81.

Housing Strategies

Gateway Corridor Enhancements

The majority of how people, residents and visitors alike, perceive a place is based on how it looks from their car windows. The gateway corridors create this impression and communicates the level of pride that residents have in their community. Targeted attention and policies to improve the appearance of Benedict's gateway corridors is recommended.

Contractor Recruitment and Scale Development

Community leaders and stakeholders in Benedict shared that one of the major challenges to housing production is the availability of contractors to build new homes; anecdotally, with wait times that can exceed two years. This is likely driven by high construction demand in York and Seward which are likely more profitable for home builders.

Benedict will continue to compete with other communities for available builders. Efforts should be made to recruit contractors that can focus on infill and rehabilitation work in the community.

At a Glance

Affordability Gauge



Median Home Value:	\$70,600
Median Household Income:	\$46,354
Median Contract Rent:	\$319

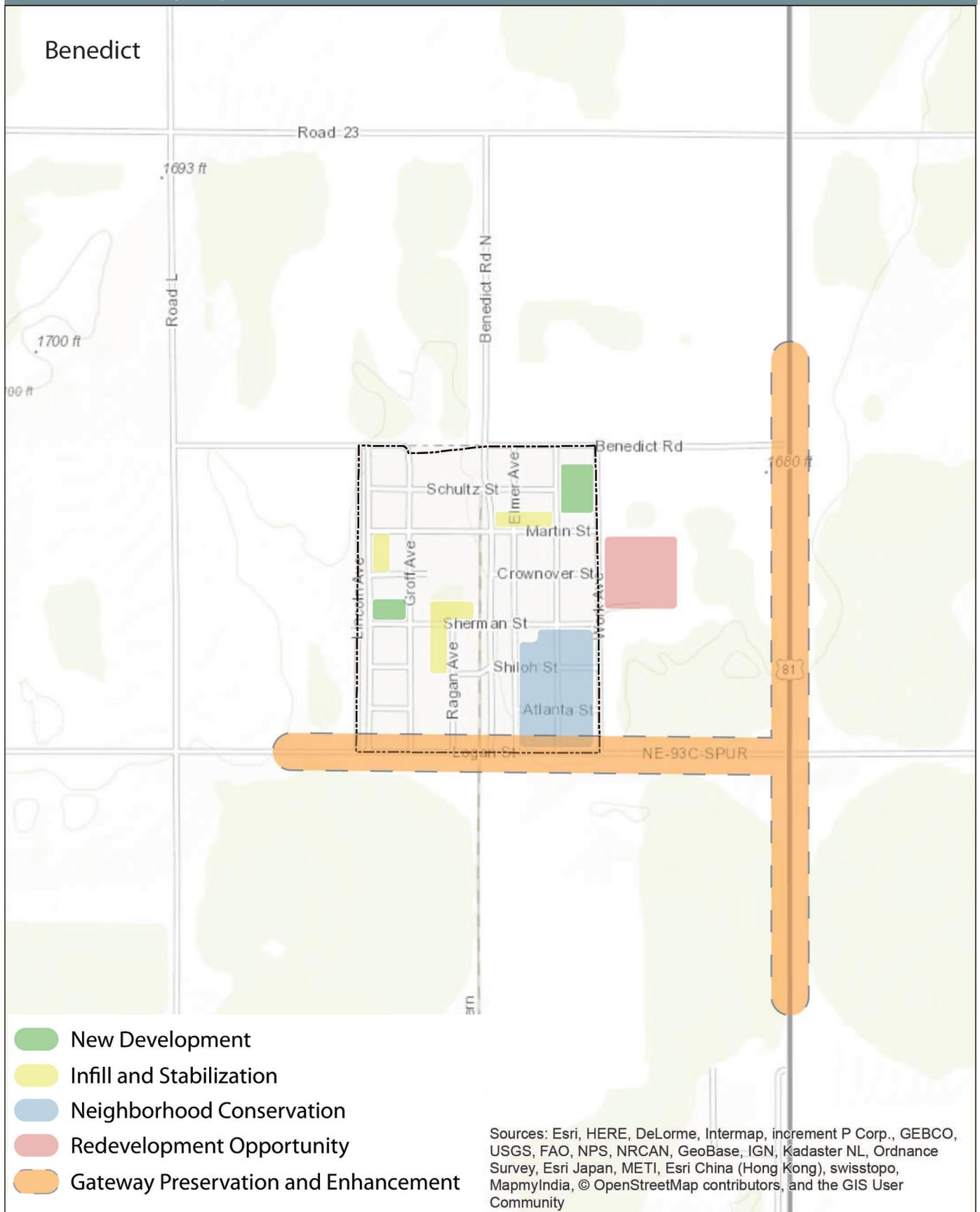
2000 Population:	278
2010 Population:	285
2014 Population Est:	214

Predicted vs. Actual Population Change (2000 to 2010):

51 fewer residents than projected suggesting a pattern of outmigration and natural population decline.



FIGURE 1.44: Housing Policy Areas - Benedict, Nebraska



Infill Development

The village should seek to encourage the construction of new housing on existing lots within the community. This type of initiative helps to stabilize existing neighborhoods.

Targeted Housing Rehabilitation Program

There are a number of houses that require attention ranging from minor to major reinvestments. A targeted rehabilitation program would repair/stabilize participating homes throughout the community.

Demolition Program

A partner program to the above, a demolition program is appropriate to remove the houses with structural or condition issues that cannot be addressed otherwise. Both of these programs may be done in partnership with other communities in order to share resources and costs.



Lot Development

While much of the anticipated growth can be accommodated on existing lots, the city could seek to encourage new housing and residential lot development.

Highway 81 Improvements

There have been ongoing discussion on plans to improve Highway 81 into a four lane highway. The community should support this project for its potential to improve the housing, commercial, and industrial economy in Benedict.

Distinct Bedroom Community

Access and proximity to York, expounded by potential improvements to Highway 81, make it possible for Benedict to become a distinct and desirable bedroom community for people employed in York. New lot development may help attract new housing and thus new residents.

Former School Reuse

The former Benedict school is currently privately owned and occupied as a single-family residents. Before closure in the early 2000s, the facility had been expanded and anecdotally, was reported to have been in good condition.

Long term the building could represent a significant opportunity for the community. The site could serve as a major park resource and, if renovated, could house a significant number of residential units and commercial enterprises.



BRADSHAW

Bradshaw is located approximately seven miles west of York on Highway 34 and 14 miles east of Aurora. The housing stock in Bradshaw ranges from very good condition including a number of new homes to those in poor condition including older homes and a concentration of older mobile homes. Housing strategies should focus on improving the appearance and condition of gateway corridors, targeted infill development, and the development of high quality neighborhoods.

Housing Strategies

Gateway Corridor Enhancements

The gateway corridors create the impression for both residents and visitors. These corridors communicate the level of pride that residents have in their community. Targeted attention and policies to improve the appearance of Bradshaw's gateway corridors is recommended.

Distinct Bedroom Community

The direct access and close proximity to both York and Aurora make it possible for Bradshaw to position itself as a distinct and desirable bedroom community for those employed in either city. This would require attention to make Bradshaw a distinct and welcoming place to live. Housing investment should focus on the creation of high quality neighborhoods that can compete with options in York, Aurora, and Henderson.

At a Glance

Affordability Gauge

1.22



Undervalued
(Less than 2)

Affordable
(2-3)

Unaffordable
(Greater than 3)

Median Home Value: \$58,600

Median Household Income: \$48,036

Median Contract Rent: \$367

2000 Population: 336

2010 Population: 273

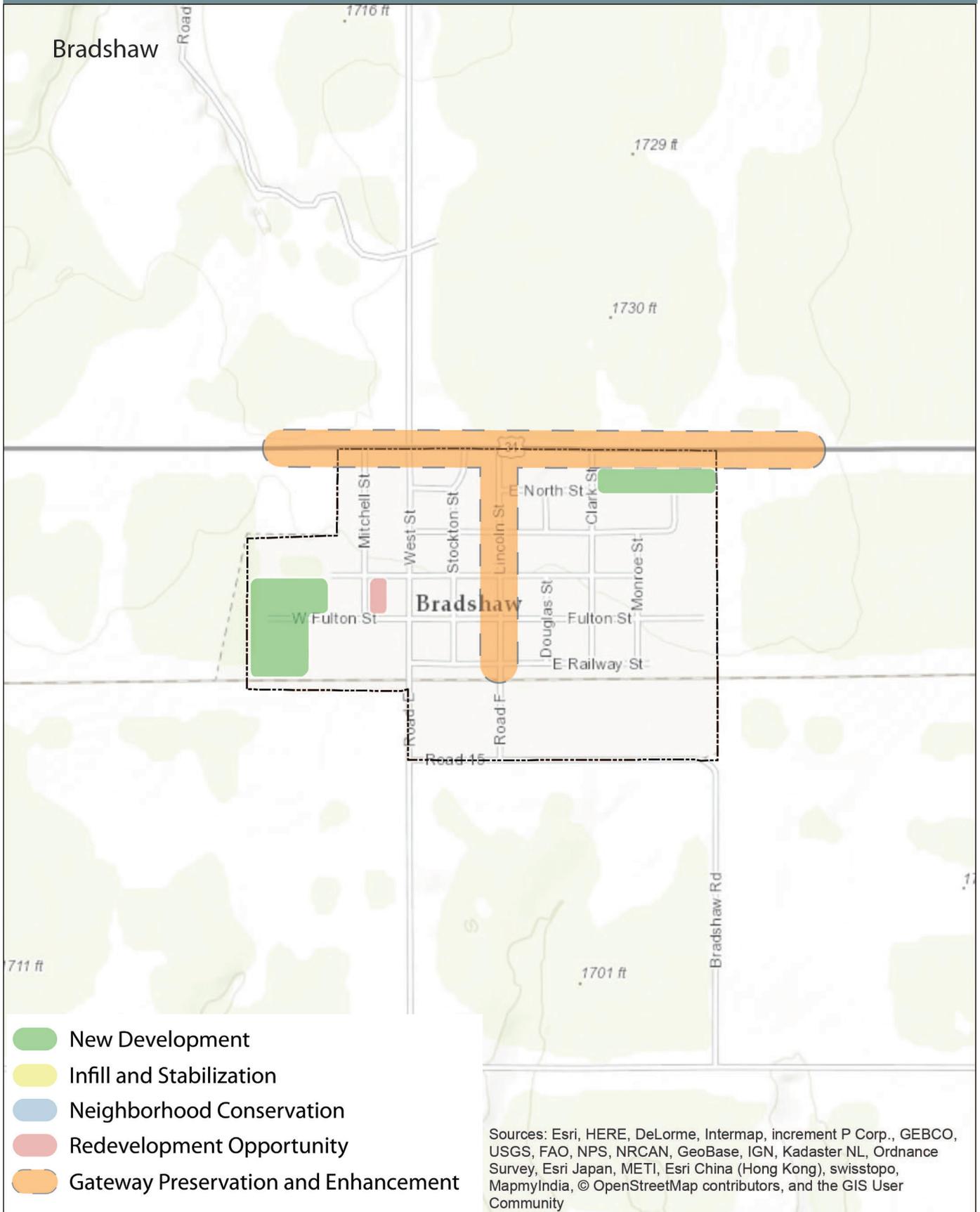
2014 Population Est: 267

Predicted vs. Actual Population Change (2000 to 2010):

63 fewer residents than projected suggesting a pattern of outmigration and natural population decline.



FIGURE 1.45: Housing Policy Areas - Bradshaw, Nebraska



Infill Development

The Village should seek to encourage new housing on existing lots within the community. This type of initiative helps to stabilize existing neighborhoods.

Targeted Housing Rehabilitation Program

There are a number of houses in existing neighborhoods that require attention ranging from minor to major reinvestment. A targeted rehabilitation program would repair/stabilize participating homes throughout the community.

Demolition Program

A partner program to the above, a demolition program is appropriate to remove the houses with structural or condition issues that cannot be addressed otherwise.

New Housing Development

While much of the anticipated growth can be accommodated on existing lots, the village should seek to encourage new housing and residential lot development. If possible, the residential lots should leverage existing infrastructure including connections to roadways, sewer and water lines, and proximity to park infrastructure.



GRESHAM

One of the most isolated communities in York County, Gresham is uniquely situated between York (21 miles), Seward (25 miles) and Columbus (32 miles). While farther from the county's job center than any other community in York County, Gresham is located within a feasible commute distance to each of the above communities. Housing strategies should focus on enhancing the quality of amenities, improving the gateway corridors, and targeting new housing development to most effectively enhance the core.

Housing Strategies

Distinct Bedroom Community

Gresham's unique location within 35 miles of three population centers presents an opportunity for Gresham to become a high quality bedroom community for those employed in the job centers. This would require attention to make Gresham a distinct and welcoming place that would make the community more attractive to new residents. Housing investment should focus on the creation of high quality neighborhoods that can compete with other housing options.

Gateway Corridor Enhancements

The gateway corridors create the impression for both residents and visitors. These corridors communicate the level of pride that residents have in their community. Targeted attention and policies to improve the appearance of Gresham's gateway corridors is recommended.

At a Glance

Affordability Gauge

1.08



Undervalued (Less than 2) Affordable (2-3) Unaffordable (Greater than 3)

Median Home Value: \$45,000

Median Household Income: \$41,607

Median Contract Rent: \$359

2000 Population: 270

2010 Population: 223

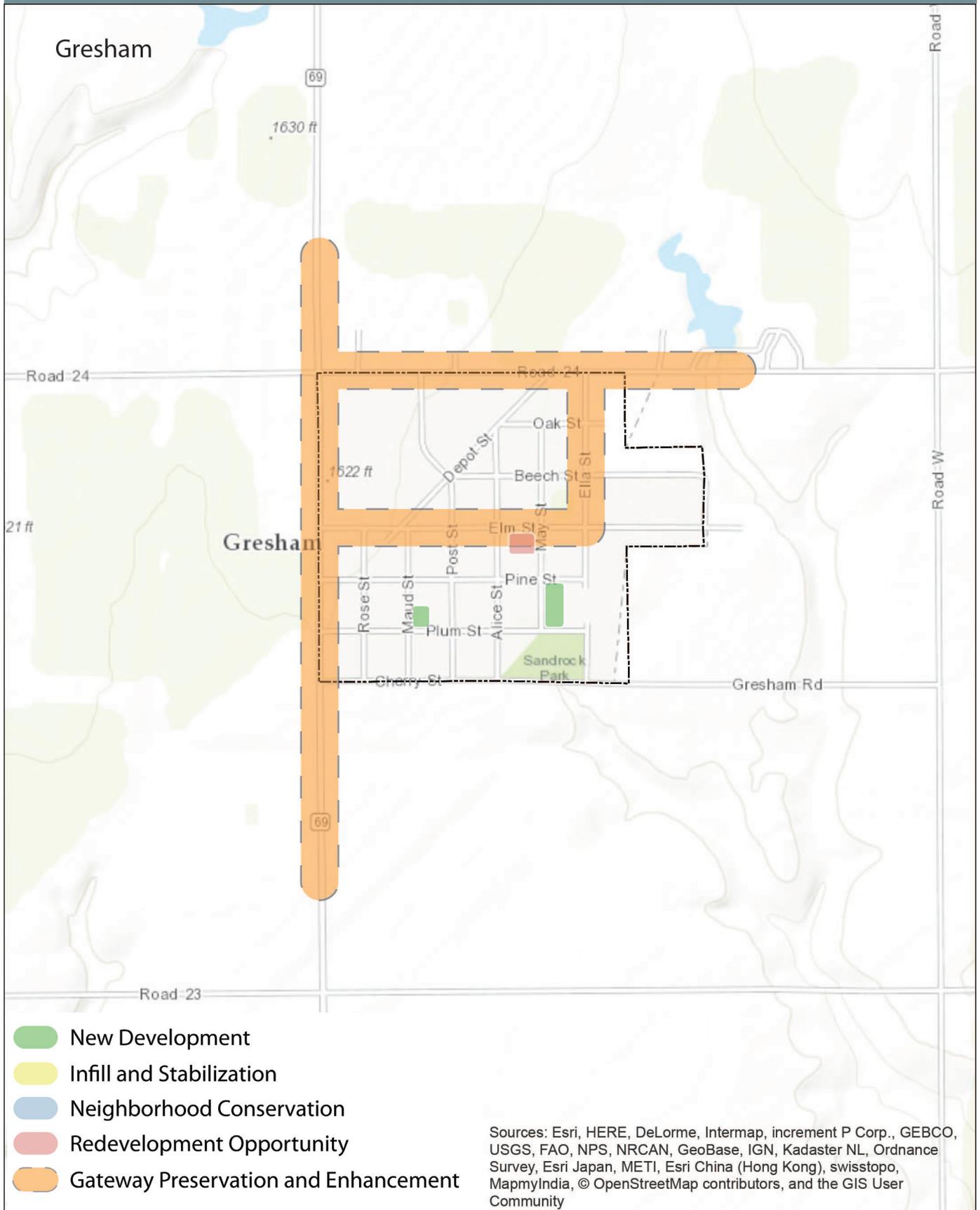
2014 Population Est: 251

Predicted vs. Actual Population Change (2000 to 2010):

40 fewer residents than projected suggesting a pattern of outmigration and natural population decline.



FIGURE 1.46: Housing Policy Areas - Gresham, Nebraska



Infill Development

The city should seek to encourage new housing on existing lots within the community. This type of initiative helps to stabilize existing neighborhoods.

Targeted Housing Rehabilitation Program

There are a number of houses that require attention ranging from minor to major reinvestment. A targeted rehabilitation program would repair/stabilize participating homes throughout the community.



HENDERSON

As one of the larger population and employment centers in York County, additional analysis on Henderson can be found earlier in this chapter. The purpose of this section is to provide a high-level overview of impressions, trends, and recommended programs.

Henderson is a well respected community with good housing stock, a strong employment base, and a strong sense of community pride. While a strong community that is positioned for growth, a number of housing policies would enable Henderson to maximize its potential. Housing policies should focus on:

- Building on the quality of Henderson as a place where people want to live
- Expanding lot development to create high quality neighborhoods
- Improving the appearance of gateway corridors

Continue to Enhance Quality of Place

Henderson is an attracted and well-respected community where people enjoy living and where non-residents may want to live. The city has done a good job reinforcing this positive perception. Efforts to enhance existing features, such as the downtown streetscape project and investments in schools, should be supported to further improve the quality of Henderson.

At a Glance

Affordability Gauge



Median Home Value: \$89,500

Median Household Income: \$52,426

Median Contract Rent: \$491

2000 Population: 986

2010 Population: 991

2015 Population Est: 1,003

Predicted vs. Actual Population Change (2000 to 2010):

136 more residents than projected suggesting a pattern of in-migration



Continue Residential Lot Development

The city has been successful in its most recent lot development program. The 18th Street project developed a number of lots which sold and developed very quickly. This development generated building lots in a high quality neighborhood configuration that were competitively priced for the region. These efforts and programs should continue.

Gateway Corridor Enhancements

The gateway corridors create the impression for both residents and visitors. These corridors communicate the level of pride that residents have in their community. Targeted attention and policies to enhance the appearance of Henderson's gateway corridors is recommended.





LUSHTON

Lushton is the smallest incorporated area in York County and, outside of the unincorporated areas, provides the most rural housing options for residents of York County. By virtue of its small size, Lushton will have limited capacity to support new development or carry out policy activities. Housing strategies should include property maintenance initiatives along the gateway corridors and the improvement of existing housing stock with new construction where desired.

Gateway Corridors and Appearance

The gateway corridors create the impression for both residents and visitors. These corridors communicate the level of pride that residents have in their community. Targeted attention and policies to improve the appearance of Lushton's gateway corridors is recommended.

Encourage Reinvestment

Maintenance and reinvestment in Lushton's housing stock is necessary to avoid further deterioration and important to the overall health of the community. This reinvestment could be supported through a county-wide program or through a community organization, such as a church, that chooses to focus attention on helping fellow residents maintain their homes and properties.

Limited New Development

There are a number of sites within Lushton that could accommodate new home construction. A limited amount of new development should be encouraged - either traditional construction or the relocation of farmsteads.

At a Glance

Affordability Gauge

1.54



Undervalued
(Less than 2)

Affordable
(2-3)

Unaffordable
(Greater than 3)

Median Home Value: \$81,700

Median Household Income: \$53,125

2000 Population: 33

2010 Population: 30

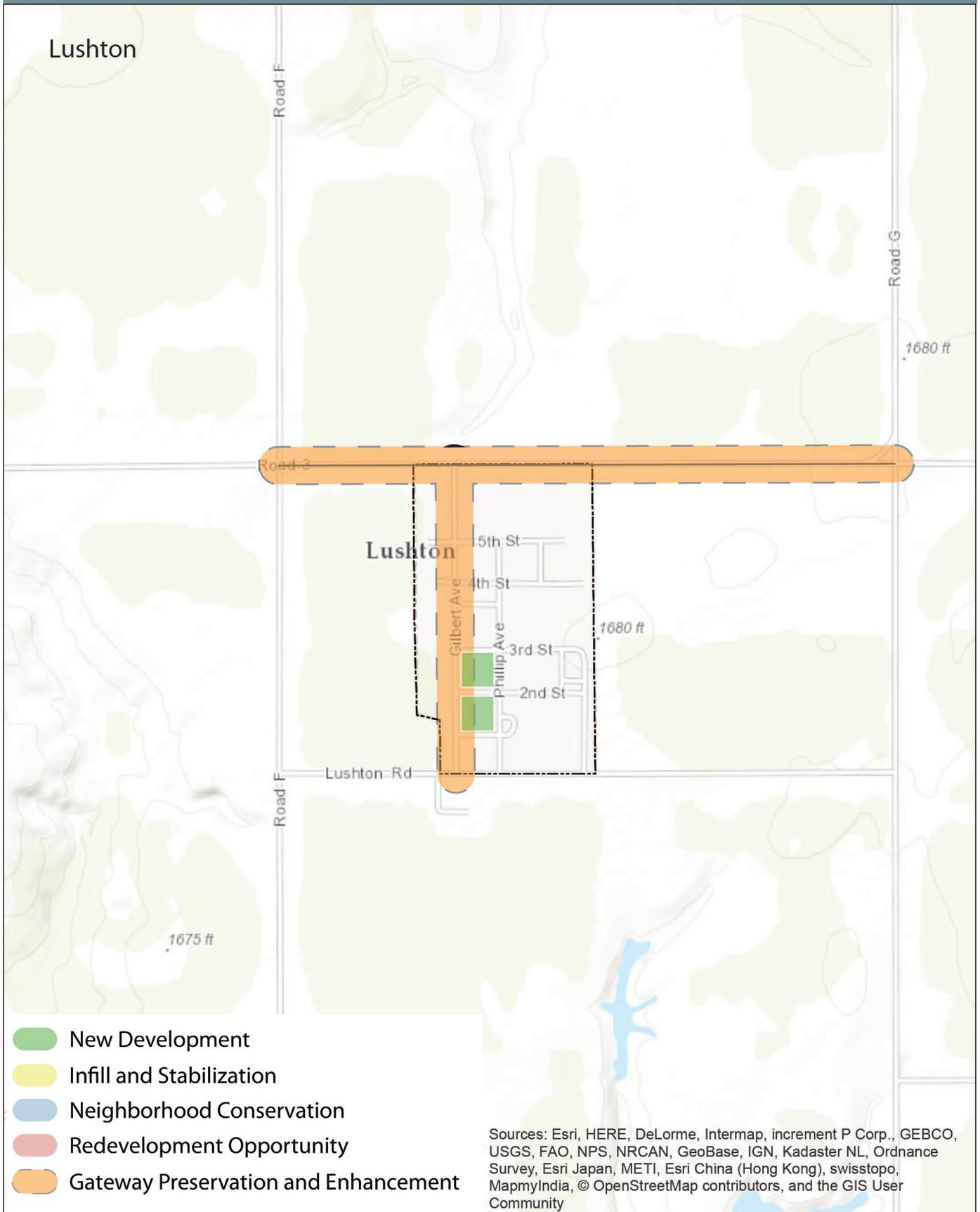
2015 Population Est: 36

Predicted vs. Actual Population Change (2000 to 2010):

No evidence of in-migration or outmigration. Due to the size of Lushton, population counts and estimates are subject to a high margin of error.



FIGURE 1.48: Housing Policy Areas - Lushton, Nebraska



MC COOL JUNCTION

As one of the larger population and employment centers in York County, additional analysis on McCool Junction can be found earlier in this chapter. The purpose of this section is to provide a high-level overview of impressions, trends, and recommended programs.

While a strong community that is positioned for growth, a number of housing policies would enable McCool Junction to maximize its potential. Housing strategies should focus on continuing to enhance the appeal of McCool Junction for new and prospective residents, the continued production of high quality neighborhoods, and encouraging a limited amount of commercial and employment activity based on its Highway 81 access.

Distinct Bedroom Community

McCool Junction's direct access and close proximity to York presents an opportunity to continue and expand its role as a high quality bedroom community for those employed in the population centers. This would require that continued attention be paid to making McCool Junction a distinct and welcoming place. Housing investment should focus on the creation of high quality neighborhoods that can compete with other housing options in York. Additionally, the investments made in the school district should continue, making McCool Junction a place young families in the region desire.

At a Glance

Affordability Gauge



Median Home Value: \$108,800
 Median Household Income: \$51,607
 Median Contract Rent: \$406

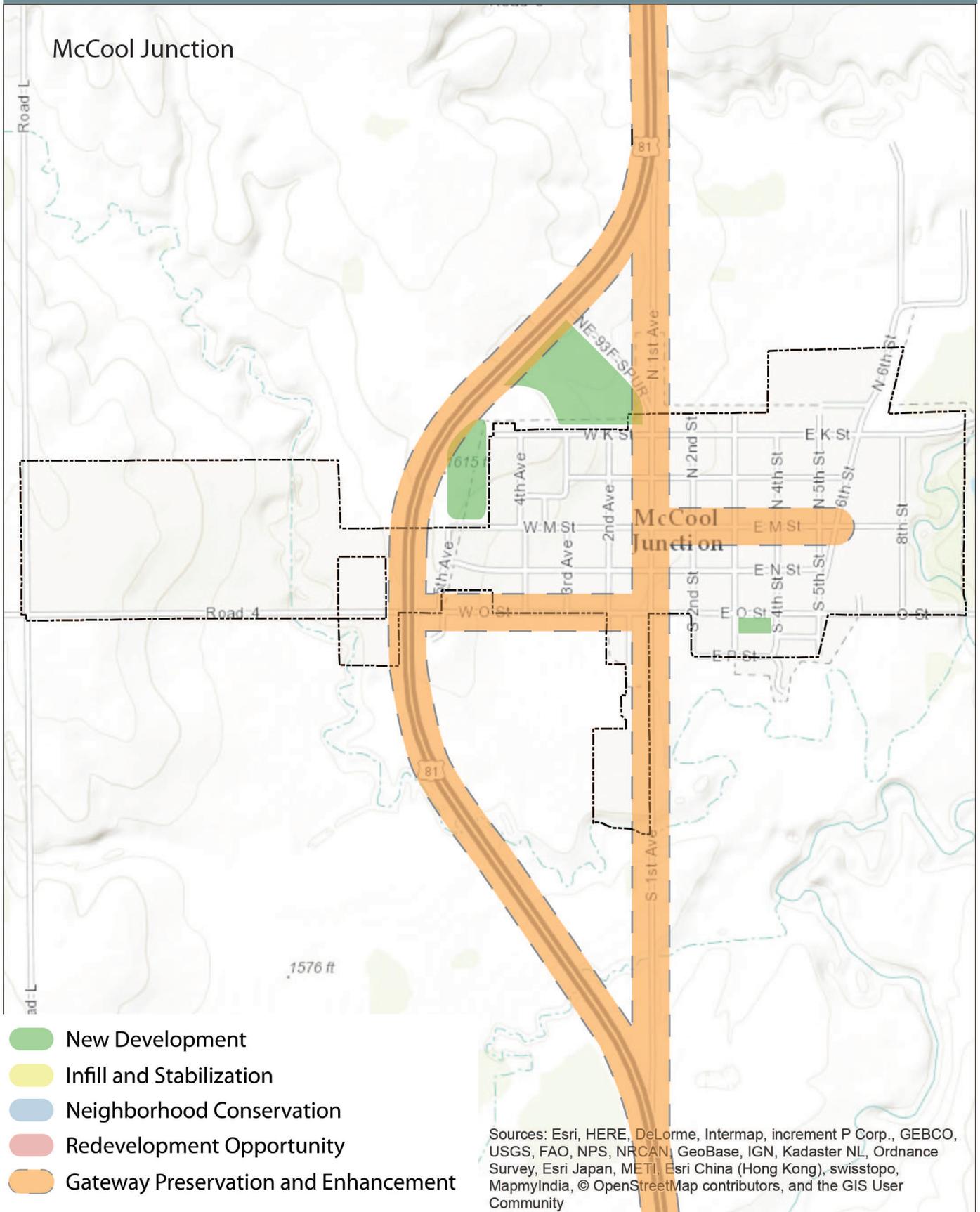
2000 Population: 385
 2010 Population: 409
 2015 Population Est: 394

Predicted vs. Actual Population Change (2000 to 2010):

15 more residents than projected suggesting a pattern of in-migration



FIGURE 1.49: Housing Policy Areas - McCool, Nebraska



Housing Production

The village should continue its proven approach to lot development, promoting the construction of residential neighborhoods at a price-point that is attractive to buyers and builders. The village should also continue to support the relocation of farmsteads from rural York County into the community.

Gateway Corridors and Appearance

The gateway corridors create the impression for both residents and visitors. These corridors communicate the level of pride that residents have in their community. Targeted attention and policies to enhance the appearance of McCool Junction’s gateway corridors is recommended. This can include the installation of wayfinding to encourage visitors to community features such as the downtown, Northside Park, Stone Creek, and the School.





THAYER

Thayer is a small community located approximately ten miles from the edge of York. Thayer’s housing stock ranges from homes in good condition to several in poor condition. Housing strategies should include the improvement of gateway corridors, programs to encourage reinvestment in existing housing stock, the construction of a limited number of new homes, and exploring options for the former school.

Gateway Corridors and Appearance

Residents and visitors perceive a place based on how it appears from their windows. The gateway corridors create this impression and communicates the level of pride that residents have in their community. Targeted attention and policies to improve the appearance of Thayer’s gateway corridors is recommended.

Encourage Reinvestment

Maintenance and reinvestment in Thayer’s housing stock is important to the overall health of the community. This reinvestment could be supported through a county-wide program or through a community organization, such as a church, that chooses to focus attention on helping fellow residents maintain their homes and properties.

Limited New Development

There are a number of sites within Thayer that could accommodate new home construction. A limited amount of new development should be encouraged - either traditional construction or the relocation of farmsteads.

At a Glance

Affordability Gauge

0.55



Median Home Value: \$36,300

Median Household Income: \$66,250

2000 Population: 71

2010 Population: 62

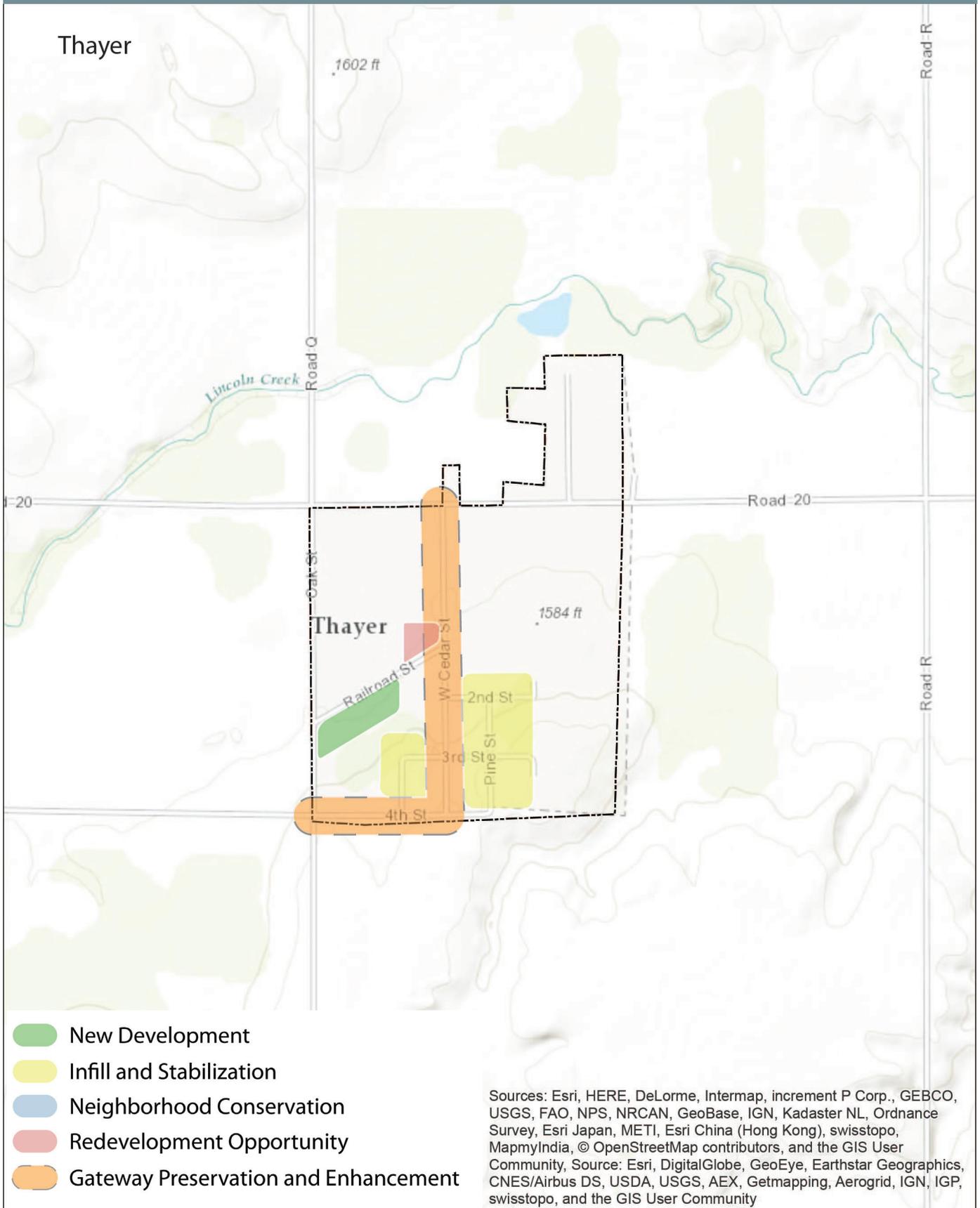
2015 Population Est: 56

Predicted vs. Actual Population Change (2000 to 2010):

11 fewer residents than projected suggesting a pattern of outmigration. Due to the size of Thayer, population counts and estimates are subject to a high margin of error.



FIGURE 1.51: Housing Policy Areas - Thayer, Nebraska



WACO

As one of the larger population centers in York County, additional analysis on Waco can be found earlier in this chapter. The purpose of this section is to provide a high-level overview of impressions, trends, and recommended programs. Housing strategies should focus on improving its gateway corridors, stabilizing its existing housing stock, and creating high quality neighborhoods that can compete with options in York and Seward.

Distinct Bedroom Community

Waco's proximity and direct access to both York and Seward presents an opportunity for it to become a thriving bedroom community for those employed in the population centers. This would require attention to make Waco a distinct and welcoming place that would make the community more attractive to new residents. Housing investment should focus on the creation of high quality neighborhoods that can compete with other housing options available.

Creating High Quality Neighborhoods

The village's most recent experience in lot and housing development was a marginal success; while it took many years to reach its current level of occupancy, the development did produce a number of high quality units. The village should continue to support residential lot development but with a focus on creating unique and positive neighborhoods that can compete with housing options available in York and Seward. Property maintenance and code enforcement has to be a part of this marketing package. There is little incentive to invest in a community if one is concerned about an adjoining properties value and stability.

At a Glance

Affordability Gauge



Median Home Value:	\$81,700
Median Household Income:	\$41,250
Median Contract Rent:	\$600

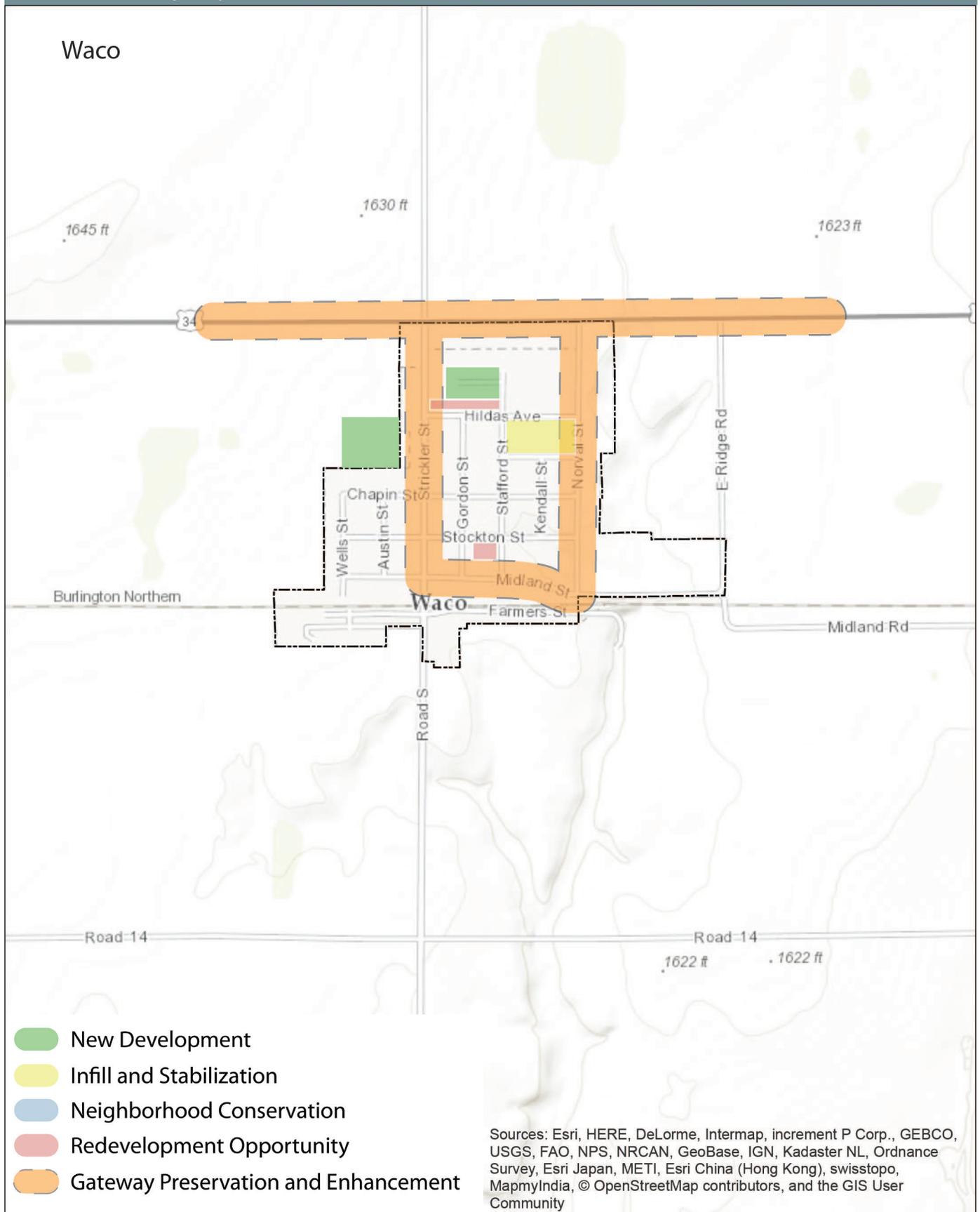
2000 Population:	256
2010 Population:	236
2015 Population Est:	236

Predicted vs. Actual Population Change (2000 to 2010):

16 fewer residents than projected suggesting a pattern of outmigration.



FIGURE 1.52: Housing Policy Areas - Waco, Nebraska



YORK

As the most populous community in York County, additional analysis on York can be found earlier in this chapter. The purpose of this section is to provide a high-level overview of impressions, trends, and recommended programs.

Housing strategies should focus on:

- Neighborhood Conservation
- New Neighborhood Development
- Affordable Lot Development
- Community Marketing

Neighborhood Conservation

Many of the existing neighborhoods exhibit a high quality of place with character architecture, a mature tree canopy, and sidewalks which make the core neighborhoods walkable. The older housing stock in these neighborhoods contribute to the character of York but efforts will be required to conserve the integrity of these neighborhoods. Conservation methods may include public investment in the street and sidewalk system, and/or more direct investment to rehabilitate homes.

At a Glance

Affordability Gauge



Median Home Value: \$81,700

Median Household Income: \$41,250

Median Contract Rent: \$600

2000 Population: 8,081

2010 Population: 7,766

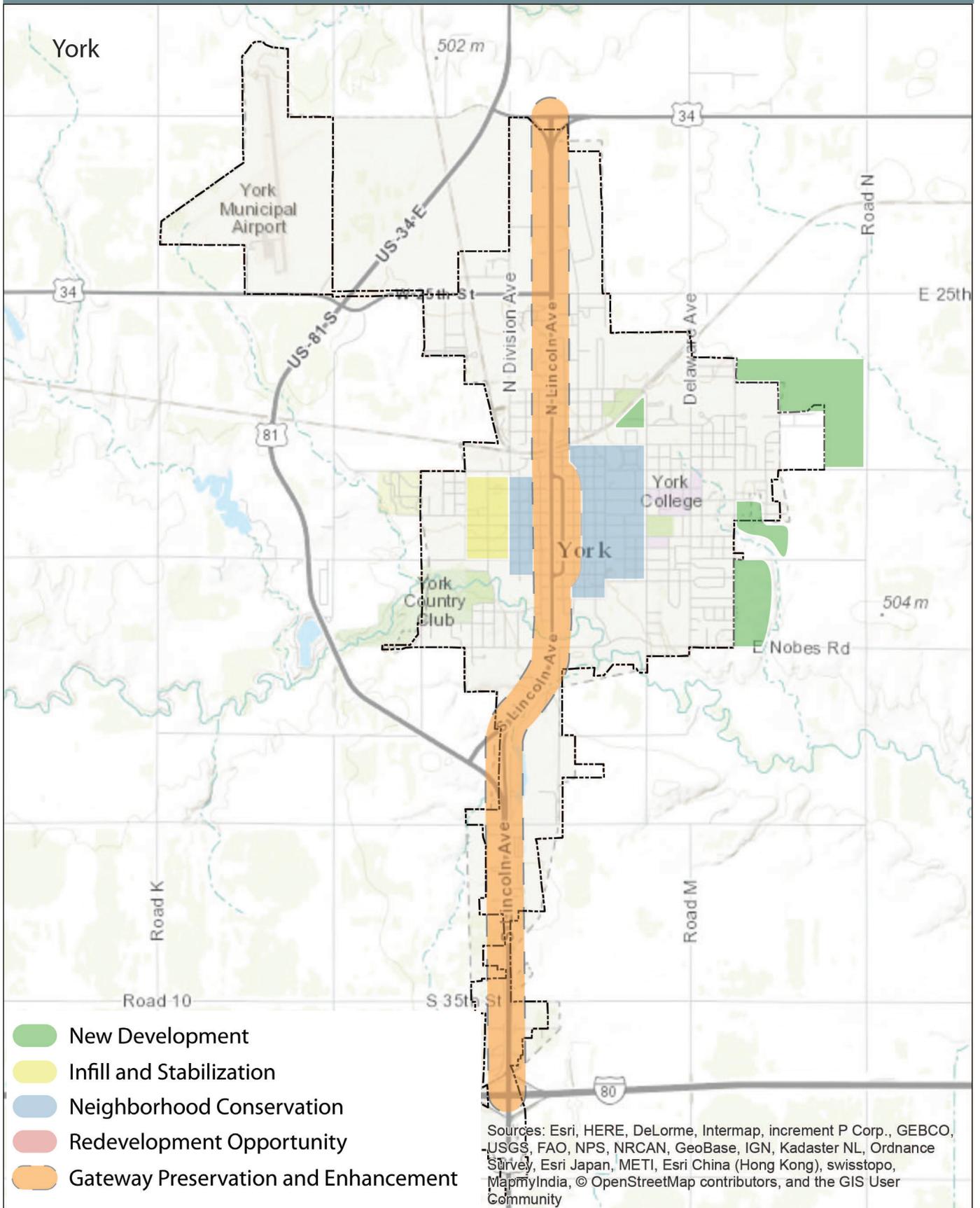
2015 Population Est: 7,878

Predicted vs. Actual Population Change (2000 to 2010):

322 fewer residents than projected suggesting a pattern of outmigration.



FIGURE 1.53: Housing Policy Areas - York, Nebraska



New Neighborhood Development

The strong economy and the relatively young population should position York to grow over the next decade. This opportunity depends on the ability of York to realize private market investment to create high quality neighborhood development. The addition of homes on the market will help improve housing opportunity, overall housing quality, and the city's tax base.

Affordable Lot Development

The lot supply within the City of York is not a serious issue but the lack of more affordable lots is a problem. Current practices mean that all of the cost of development goes into purchase price of the lot, with a small percentage for profit. This means that most lots in York are priced well-over \$30,000. At these prices more affordable housing cannot be built. For a healthy market a good variety of lot types and prices should be available. More affordable lots can be brought to the market through the redevelopment of existing lots or the use of a variety of financing tools. These approaches will be discussed further in Chapter 3.

Community Marketing

The gateway corridors create the impression for both residents and visitors. The avenue of the flags is a good illustration of the type of impression the residents want visitors to have of York. These corridors communicate the level of pride that residents have in their community. Targeted attention and policies to maintain and improve the appearance of York's gateway corridors is recommended.

This can include the installation of wayfinding to encourage visitors to explore community features such as downtown, York College, the various schools, and other landmarks. A priority should be to create an image which creates continuity from the interstate that draws a visitor into the core of the community.



CONCLUSION

York County communities have strong economies that are generating demand for housing across all price points and housing types.

- Over the next ten years the communities of York County should construct approximately 588 units.
- Demand for acreage development in the unincorporated areas of the county does exist. In 2015 York County issued approximately 13 building permits (source: U.S. Census Bureau). This market is driven by more than personal preference. Other factors include options, or lack of, within incorporated areas; land values; and the overall economy. Acreage development should be reviewed cautiously because of the higher cost to provide services to these types of developments. These services include road maintenance, police and fire protection, and water. When considering this housing option, factors that should be considered include:
 - › The County's land use plan and zoning regulations.
 - › The ability to access services and impact on the extension of city services. Developments should not inhibit the extension of city services.
 - › Access to paved roads.
 - › Impact of stormwater run-off on downstream agricultural operations and existing development.
 - › Impact on agricultural operations.
- Demand exists across all price points, especially for quality entry level housing. Much of this housing may be produced through a filtering affect created by new housing priced at or above \$180,000 but new production below this will also be needed.
 - › In total York, McCool Junction, Waco, and Henderson should produce approximately 108 units priced below \$175,000 and 170 rental units below \$700 per month.
- In the last six years the vacancy rate in all the communities has dropped significantly. This leaves new residents with limited options for entering the market and a highly competitive market for quality rental or owner occupied housing.
- Lower home values, especially in the counties smallest communities, has created undervalued markets that struggle to support new construction.
- Over the past twenty years the production of new rental housing has been very limited. At the same time lending practices and preferences among young adults has changed, creating greater demand for rental housing. Over the next ten years approximately half of all new housing units (294 of the 588 units) should be in rental configurations. This rate will address both the back-log in demand and demand created by population growth.
 - › A good portion of these units should not be in traditional multi-family structures but in duplex and townhome configurations and even downtown units that are appealing to both empty-nesters/retirees, and young professionals.

FIGURE 1.54: York County Housing Demand

	2020	2025	TOTAL
Henderson	21	16	37
McCool Junction	12	14	26
Waco	8	8	16
York	218	251	469
Villages of York County	20	20	40
Total	279	309	588

Source: RDG Planning & Design



CHAPTER TWO

DEFINING HOUSING ISSUES

A PUBLIC PROCESS

A study of housing conditions and needs requires the analysis of tangible market conditions such as housing construction activity and market supply and demand as discussed in the previous section. However, the study also requires an exploration of intangible elements such as perception, desires, and the unique values of each community.

The public engagement process was designed to evaluate the diverse and unique housing needs of the communities throughout York County. The process included two major components:

Stakeholder Discussions

The process was intended to engage residents of York County and each of its communities. The series of meetings were held in York, Henderson, Waco, Benedict, and McCool Junction. These stakeholder discussions were attended by residents, community leaders, lending representatives, students (future residents and participants in the housing market) and real estate professionals.

Stakeholder Surveys

Three surveys were conducted as part of the public engagement process to gain insight into county-wide housing trends. The following surveys were developed, distributed, and analyzed:

1. Community Survey

A survey distributed to residents of York County to better understand the diverse perspectives, perceptions, experiences in the housing market, and desires for future housing in York. The survey reached 351 unique respondents.

2. Workforce Survey

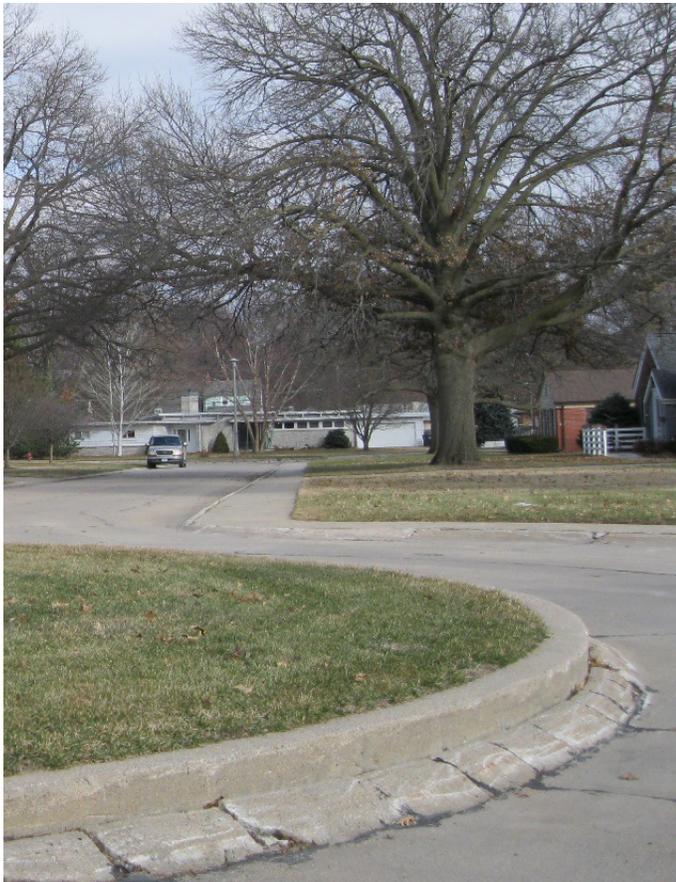
A survey distributed to employers to target those working in York County including those who may, or may not be, residing within the county. The survey is designed to better understand where employees are living, working, and the challenges that businesses are facing when trying to recruit new employees to work in York County. The survey reached 539 unique respondents.

3. Landlord Survey

A survey designed to target major landlords with properties in York County and its primary communities. The survey was completed mostly through phone interviews and designed to better understand rental housing supply, demand, and challenges for the creation of additional rental units.

It should be noted that the input received from these sources is a reflection of the individuals who chose to attend meetings or take the surveys. These surveys were not done in a manner that ensured a random sample of community residents but rather are targeted to represent a mix of constituent groups and perspectives.

The purpose of the surveys was to help identify trends and opportunities that are further explored in the community conversations and demographic analysis.



Stakeholder Discussions

Over several days a series of small group discussions were held across York County. These discussions, along with the surveys, helped define key housing issues. These groups represented both specific disciplines and communities. Disciplines included financial institutions, builders and developers, real estate agents, major employers, and public sector leaders. Major conclusions from these conversations included:

Scarcity by Price Point

The housing market has remained strong but many of the units on the market are priced below \$100,000. The need for housing priced between \$120,000 and \$180,000 is strong.

The limited supply of higher priced homes has a flattening effect on the market where established residents with higher incomes remain in lower priced homes making the demand for entry level homes even tighter. The introduction of more homes at higher price points in addition to new entry-level housing would create additional housing options which would lead to a more active market.

Households making just above the income limits to qualify for assistance often struggle to find quality housing options. Rental units in these ranges are scarce and ownership options often require significant rehabilitation or have high utility costs.

Rental units can be thought of as the 'front door' to the housing market. The impression formed at this stage has a direct impact on whether new residents will choose to create roots in York County

Lot Development

Lot development varies by community. Many of the smaller communities have taken the initiative to ensure that there is an adequate supply of lots for development. This action is driven by the understanding that construction activity is slow and that private developers often cannot afford to hold lots for a long period of time. For McCool Junction and Henderson, communities that have generated development-ready lots, the private market has responded and are steadily filling these developments.

Lot development in the city of York is typically done by private developers. To cover the cost of lot development and carrying-costs, the purchase price for residential lots is typically higher than elsewhere in the county.

Rental Housing Quality

Many participants shared that the quality of entry level units is often inadequate to attract and retain young professionals and young families. Rental units can be thought of as the 'front door' to the housing market and therefore, the impression formed at this stage has a direct impact on whether new residents will choose to create roots in York County.

Based on statements from the stakeholder groups in each of the five communities, prospective renters find few rental options available on the market and the quality of the units does not relate to the requested rent. As a result of this condition, these individuals and families choose to seek housing in another community, outside of York County.

Entry Level Housing Quality

A complementary role in the housing market to rental units, entry level housing represents the next step in the typical housing market experience. Once a new resident or young family is ready to establish themselves in a community beyond their rental unit, an entry level home allows the occupant to build financial equity.

Based on stakeholder comments, entry level options are often not very well maintained and require a significant amount of rehabilitation and renovation before it can be a comfortable dwelling. This type of investment, in both time and money, is often a deterrent for first-time homebuyers.

Community Survey

An engagement tool designed to reach the general population of York County including a cross-section of residents, leadership, and the business community, the community survey broadens community participation in the study. The survey was distributed in hard-copy and electronically from December, 2015 through May, 2016 and received a total of 351 responses.

Figure 2.1 illustrates the distribution and frequency of the home postal codes entered by respondents. The survey also included respondents from as far as Lincoln and Grand Island areas.

Geographic Distribution

The highest concentration of respondents listed 68467 (York and the central region of York County) as their home postal code. The majority of York County is represented by survey respondents with minor exceptions around the perimeter of the county. Figure 2.1 illustrates the geographic distribution of survey responses.

Household Incomes

The annual household incomes for survey responses tended to be higher than the actual income trends across the county as a whole. This trend is not uncommon.

Ownership and Rental Share

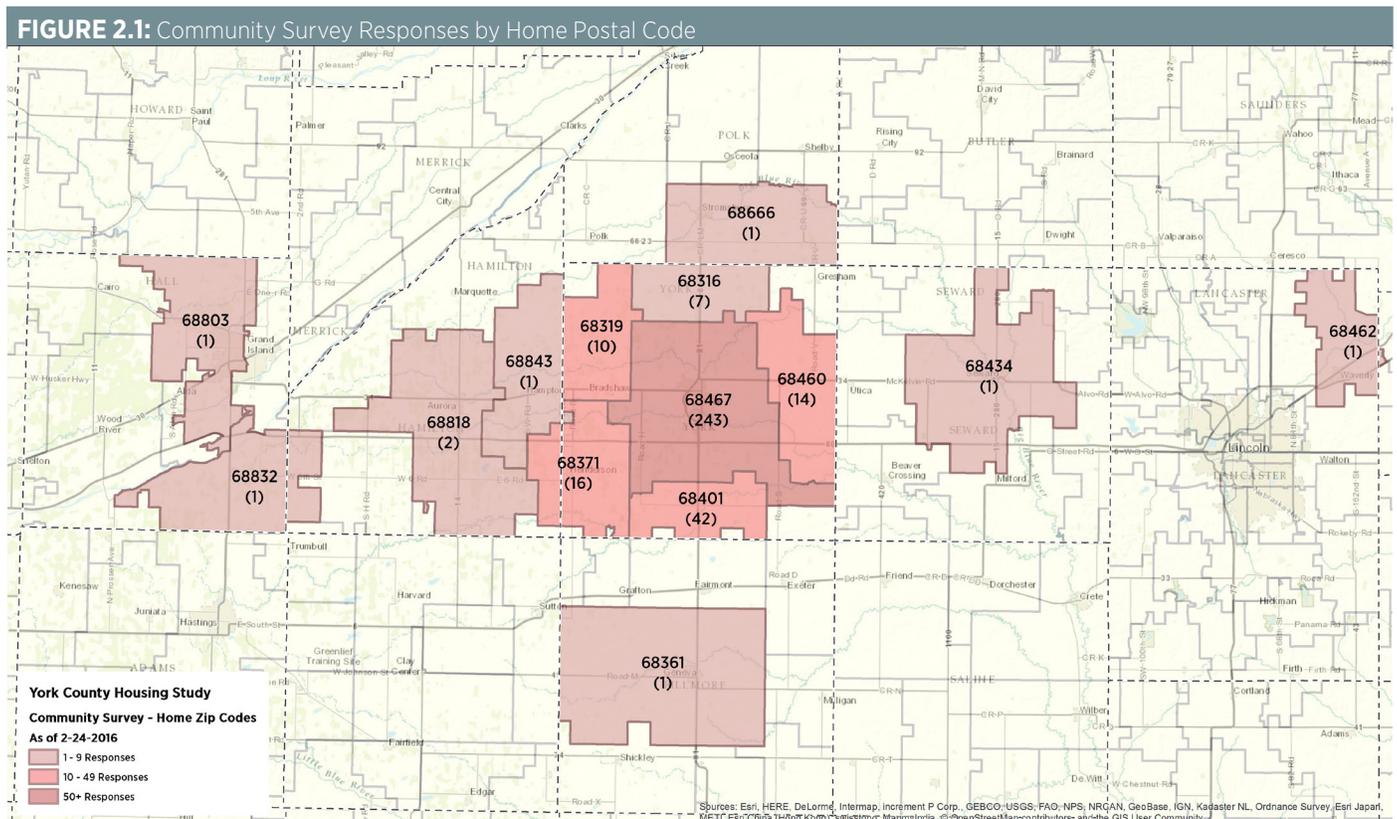
The majority of respondents indicated that they own their homes rather than rent; 88% owners and 12% renters. This is weighted slightly higher towards homeownership compared to that of the actual population which is 71% and 29% respectively in the 2010 Census.

Most Needed Housing Product

Most respondents expressed that York County most needs small and mid-size houses, townhouses, independent senior living options, and apartments. Inherent in each of these responses is the desire that each type be quality and appropriately priced.

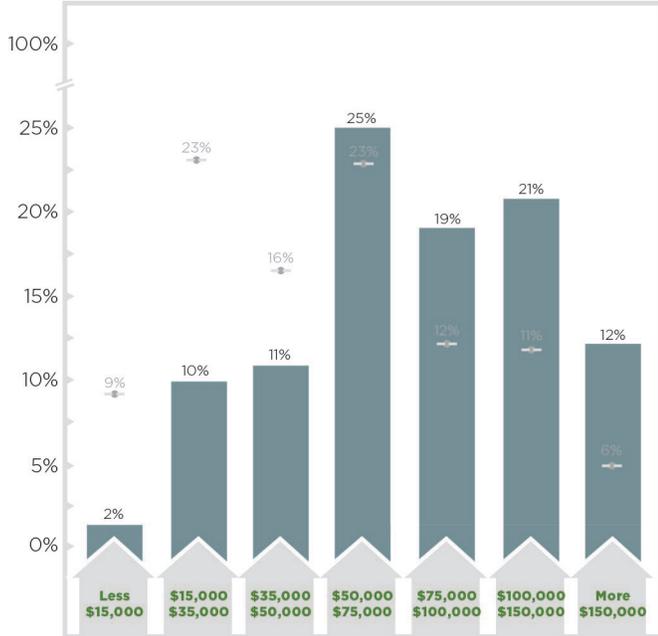
"Affordability of housing is changing, what is affordable for teachers, police officers, and those with salaries below the median is less and less along with rental housing options."

- Survey Respondent

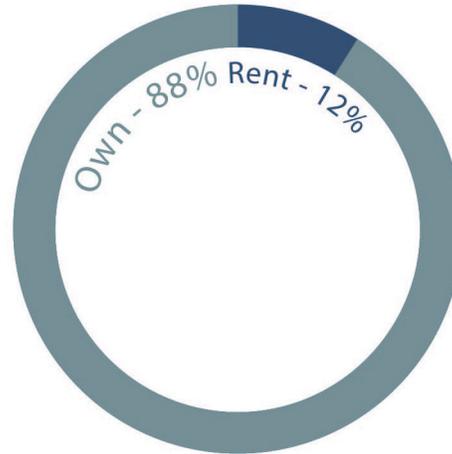


COMMUNITY SURVEY SUMMARY

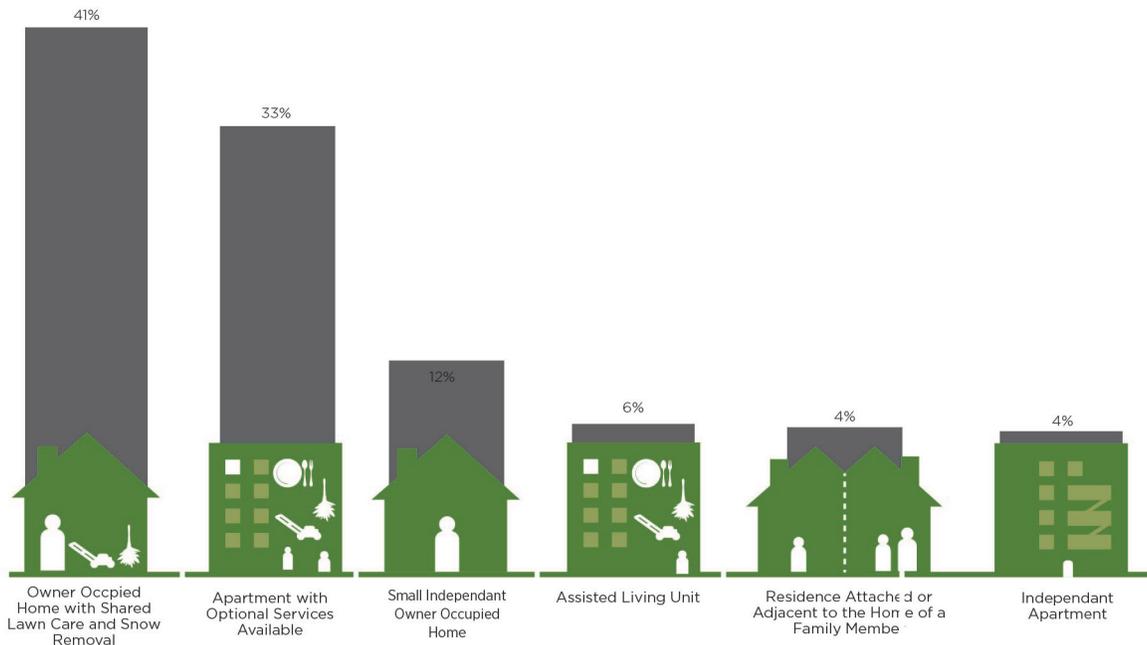
Annual Household Income



Own or Rent



What type of housing do you believe seniors and the elderly are most interested in?



Housing Gaps by Household Type

Most respondents stated that the housing market is failing to meet the needs of multi-generational households, families with children, and single professionals. While it is possible that these gaps may change slightly in each of the communities of York County, these trends are consistent with themes from the stakeholder group discussions.

Senior Housing Desires

Respondents felt that York County seniors would be most interested in an owner-occupied home with shared (provided) lawn care and snow removal or an apartment with optional services available. It should be noted that this question was asked to all respondents of all ages, later in the Workforce Housing this question was only asked to those over the age of 55.

The interest in lower-maintenance units is consistent with the national trend of seniors expecting to be able to 'age in place.' The housing market should seek to support and accommodate this demand because seniors should not be required to leave their friends, families, and social networks to find housing that supports their changing needs.

Affordability

Affordability relates to whether a given product is affordable to a household's income and whether the price requested is congruent to the quality of the product. A reoccurring theme in the stakeholder group discussions, this is validated and supported by comments in the community survey. Primary affordability concerns fall into the following categories:

- Lot Affordability
 - › Many expressed concern over the high cost of residential development lots in the city of York. It appears this may be a case of there being a limited supply of development lots in general and those lots that are available are designed for upper price-points.

"It is too expensive for the average income of the city, wages need to rise and there need to be more quality jobs."

- Survey Respondent

"As an outsider moving into the community, it is very difficult to find a house to purchase. We had to live in an apartment (with 4 children) for 9 months, and then settled for a house that we knew was too small"

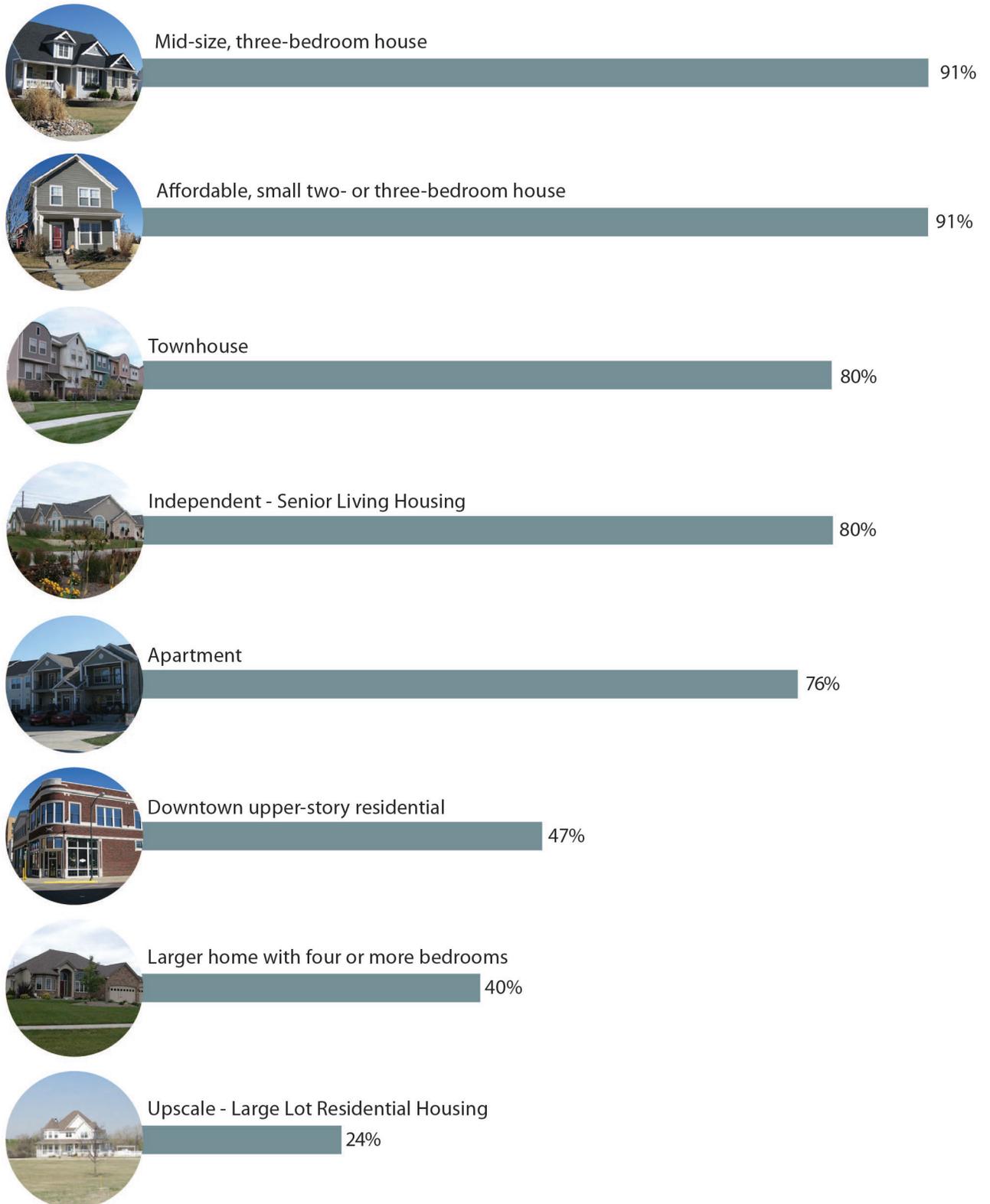
- Survey Respondent

"Although there are several buildable lots available for the upper middle class and affluent populations, our schools hover near 50% poverty, we really need to rethink the kinds of housing needed in York. Please provide additional middle and low income housing for our families that are cared for by honest landlords. Programs that help people buy their first home are popular in other communities."

- Survey Respondent



What new housing products do you think would be successful in York County? (% who said 'Yes')



- Rental Affordability
 - › Many also expressed that the housing market presents significant affordability issues primarily in regard to the quality of units on the market. A surplus of low quality units has the effect of artificially deflating rent prices and therefore the viability of new rental units. The addition of new rental units priced appropriately to the market would improve the overall quality of rental units and stabilize rents.
- Entry Level Home Affordability
 - › Parallel to the rental affordability described above, the primary affordability issue in entry level housing is one of quality. The survey and stakeholder meetings reinforce the theme that first time homebuyers experience a housing market where the cost of the home, or the cost of the home plus required improvements, is not appropriate for the quality of the unit.

Property Maintenance

Property maintenance issues can range from minor property issues to major structural issues that may require demolition. Throughout York County and its communities, property maintenance issues exist. This is important because a single condition issue on a single block can create a ripple effect of disinvestment leading to a more significant blight condition.

This problem of property maintenance is validated by the community survey responses. Respondents indicated that property maintenance issues impact property values, perception of neighborhood quality, and the overall pride they are willing to have in their community.

Respondents were asked whether they would support policy and financing decisions to support improving property maintenance issues. Figures 2.2 and 2.3 examine the responses based on each of the postal code zones of York County. Respondents voiced strong support for improving property maintenance issues across York County.

"Decent rentals are few and far between and have been for years. I would hope that some unsightly yards and homes could be cleaned up"

- Survey Respondent

"Many homes are in need of nothing more than a paint job to improve the appearance, but there are numerous homes which should immediately be torn down. I would prefer to see a vacant lot than to see a rundown dilapidated shack."

- Survey Respondent

"Quicker enforcement of building codes on all properties would help with swift demolishing done by the city."

- Survey Respondent



FIGURE 2.2: Would you support greater enforcement of property maintenance code? Responses by Postal Code

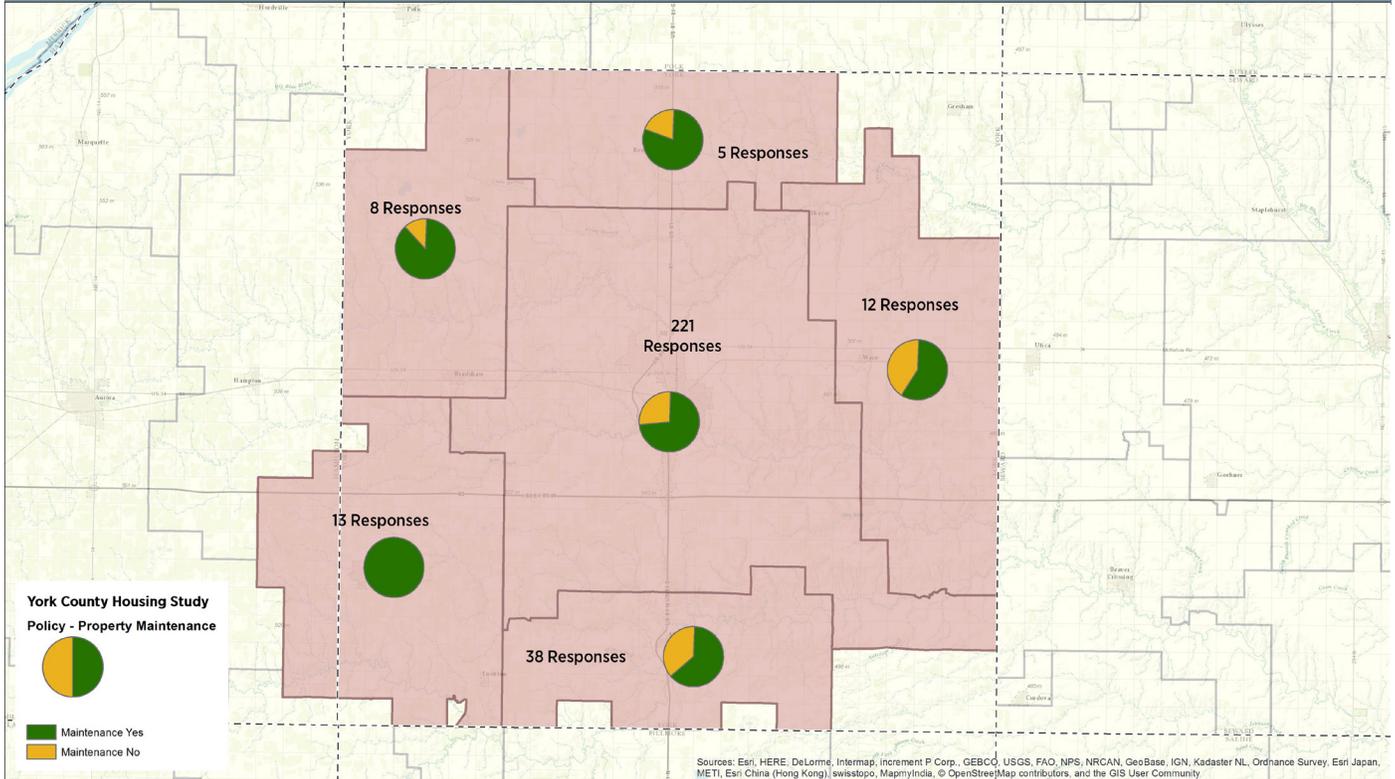
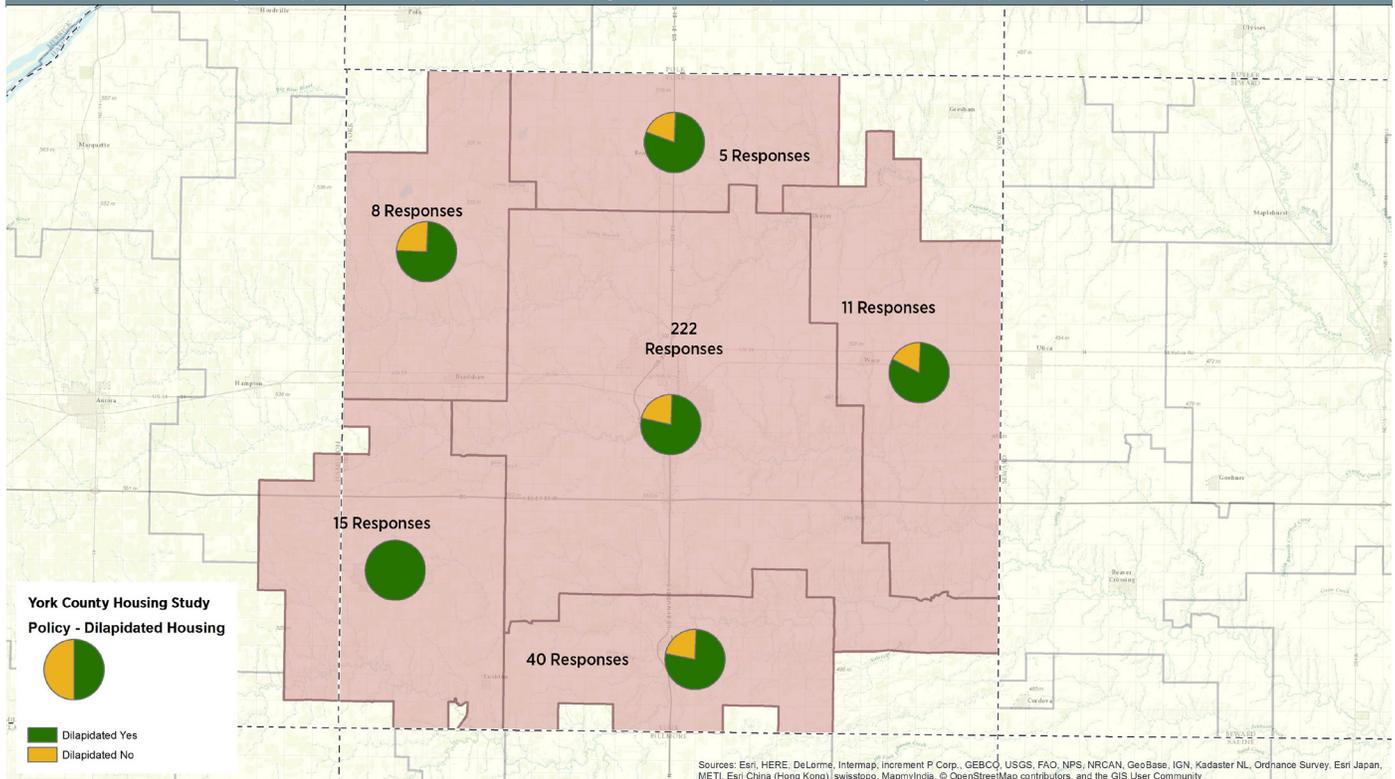


FIGURE 2.3: Would you support the use of public funding to remove dilapidated housing? Responses by Postal Code



Workforce Survey

The Workforce Housing Survey is an engagement tool targeted to those working in York County including those who may, or may not be, residing within the county. The survey is designed to better understand where employees are living, working, and the housing challenges they face. The survey was distributed in hard-copy and electronically from December, 2015 to May, 2016 and received a total of 539 unique respondents.

Figure 2.4 illustrates the distribution and frequency of the home postal codes entered by respondents. Figure 2.6 illustrates the distribution and frequency of work postal codes entered by respondents. Together, these distributions combine to illustrate the strength of the York County economy, its ability to recruit and retain employees within the county, and the places where people choose to live.

Home Geographic Distribution

The greatest concentration of respondents indicated that they reside within York County in which most reside in or around the city of York. Extending from the central part of York County, especially along major transportation routes, are the next highest frequencies of home postal codes.

Work Geographic Distribution

The greatest concentration of respondents indicated they work in central York County, including the city of York (445), eastern York County (11), and southwestern York County (8). This illustrates the location of major employers and the places where people usually choose to reside. The primary trend is that many choose to reside in, or within very close proximity to employment. A secondary trend is the desire for small town living while commuting into the city of York or more rural employment centers such as the Monsanto plant located east of Waco.

"The market is very difficult. Many outdated homes are asking very high prices"

- Survey Respondent

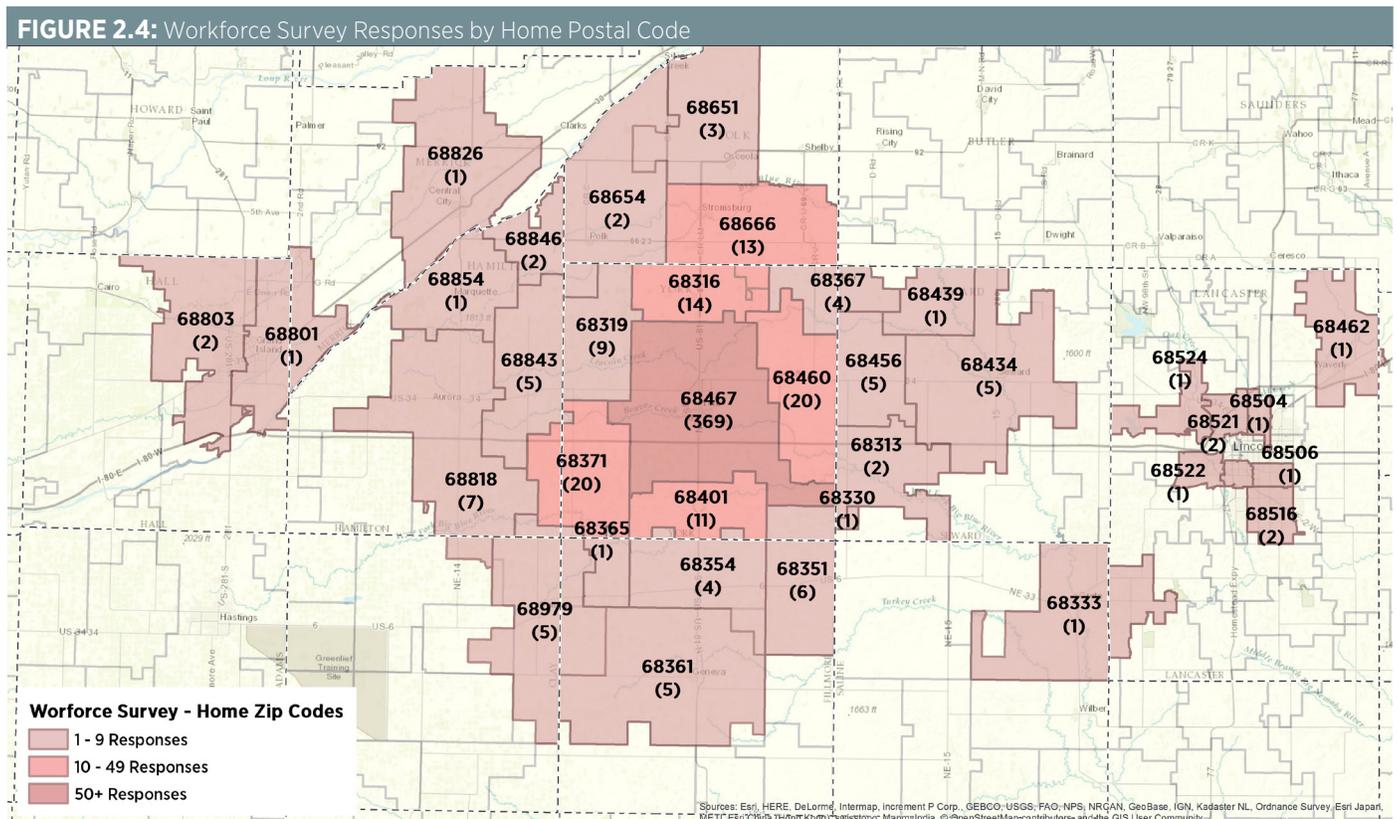


FIGURE 2.5: Home and Work Comparison

POSTAL CODE	REGION	% HOME	% WORK
68818	Southwest	1.59%	0.20%
68319	Northwest	2.05%	0.61%
68467	Central	83.86%	96.52%
68316	North Central	3.18%	0.00%
68401	South Central	2.50%	0.00%
68351	Southeast	1.36%	0.00%
68460	East Central	4.55%	2.25%
68367	North East	0.91%	0.41%
Total Responses		440	488

Do you live in York County?

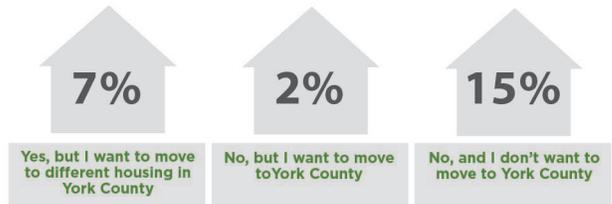
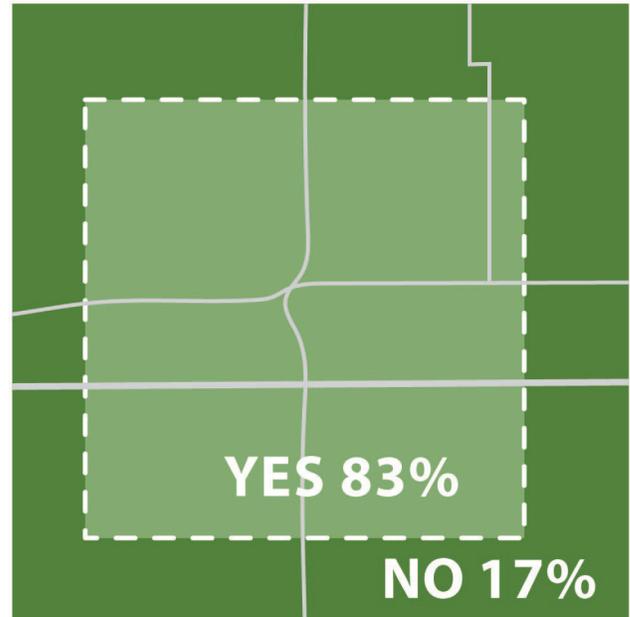
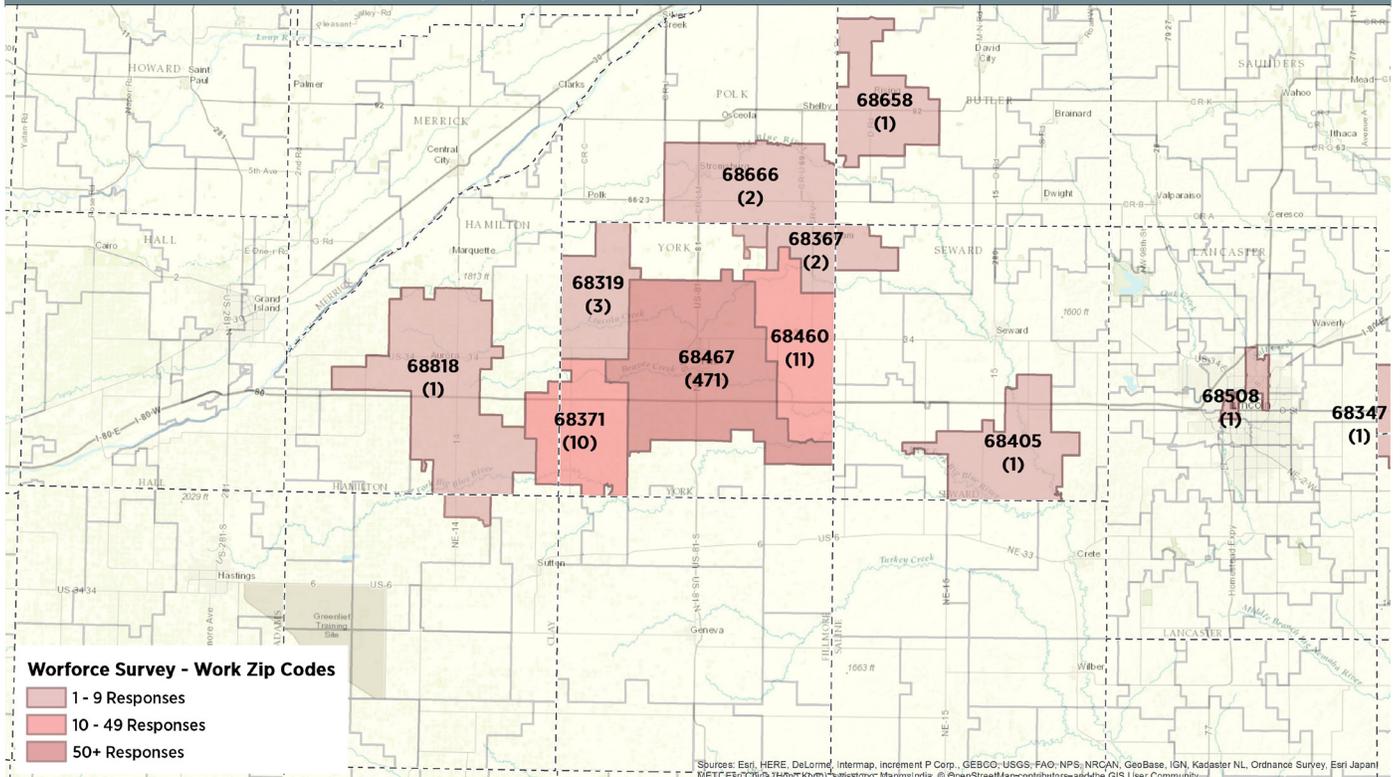


FIGURE 2.6: Workforce Survey Responses by Work Postal Code



Ownership and Rental Share

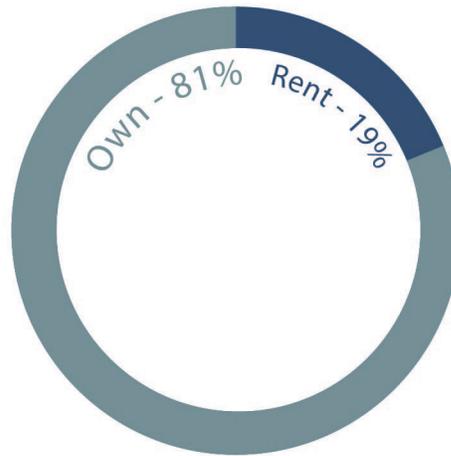
The majority of respondents indicated that they own their homes rather than rent; 81% and 19% respectively. The percentage of renters responding to this survey (19%) was higher than that of the community survey (12%) but both are lower than the actual percent of 29% as collected by the 2010 Census. This share suggests that respondents to the workforce survey are generally younger and less affluent than the community survey but more so than the overall population.

Commuter Times

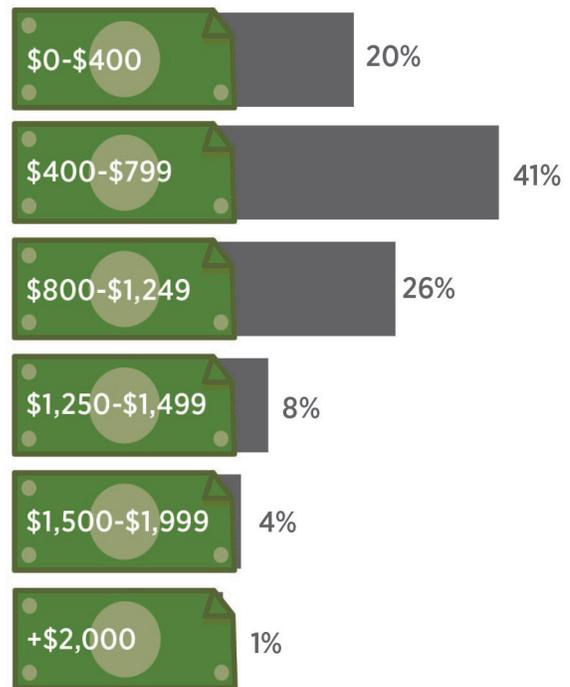
The majority of respondents, more than 72%, live within 14 minutes of their work location. Approximately 18% live within 15 to 29 minutes from their workplace. Together, this indicates the strong correlation between housing opportunity and economic development.

While this demonstrates that many residents of York County value a location that is within close proximity to their workplace, it also demonstrates that many are willing to travel for the right housing opportunity if needed. Compounded by the shortage of available, quality units within York County, many employees seek housing outside of the County.

Own or Rent?



How much is your monthly rent or mortgage payment?



"We had a hard time finding a house for our family. There wasn't a lot in our range. There were great \$300,000 houses and \$70,000 houses but very few options for \$180,000. We were lucky to be in the right place at the right time!!"

- Survey Respondent



How long is your commute to work?

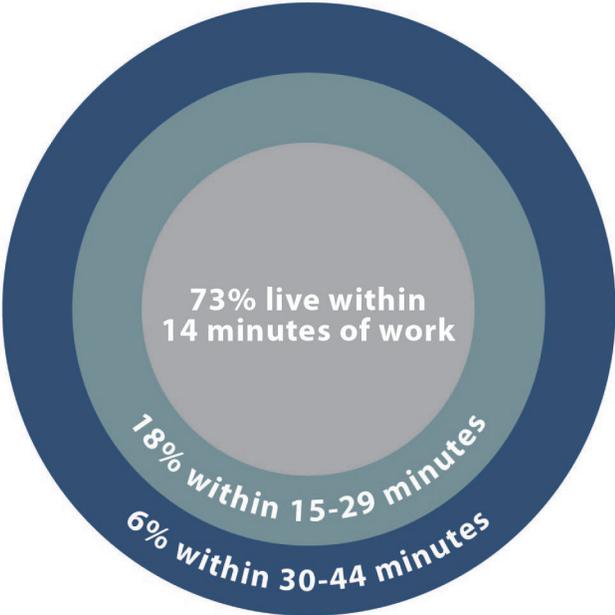
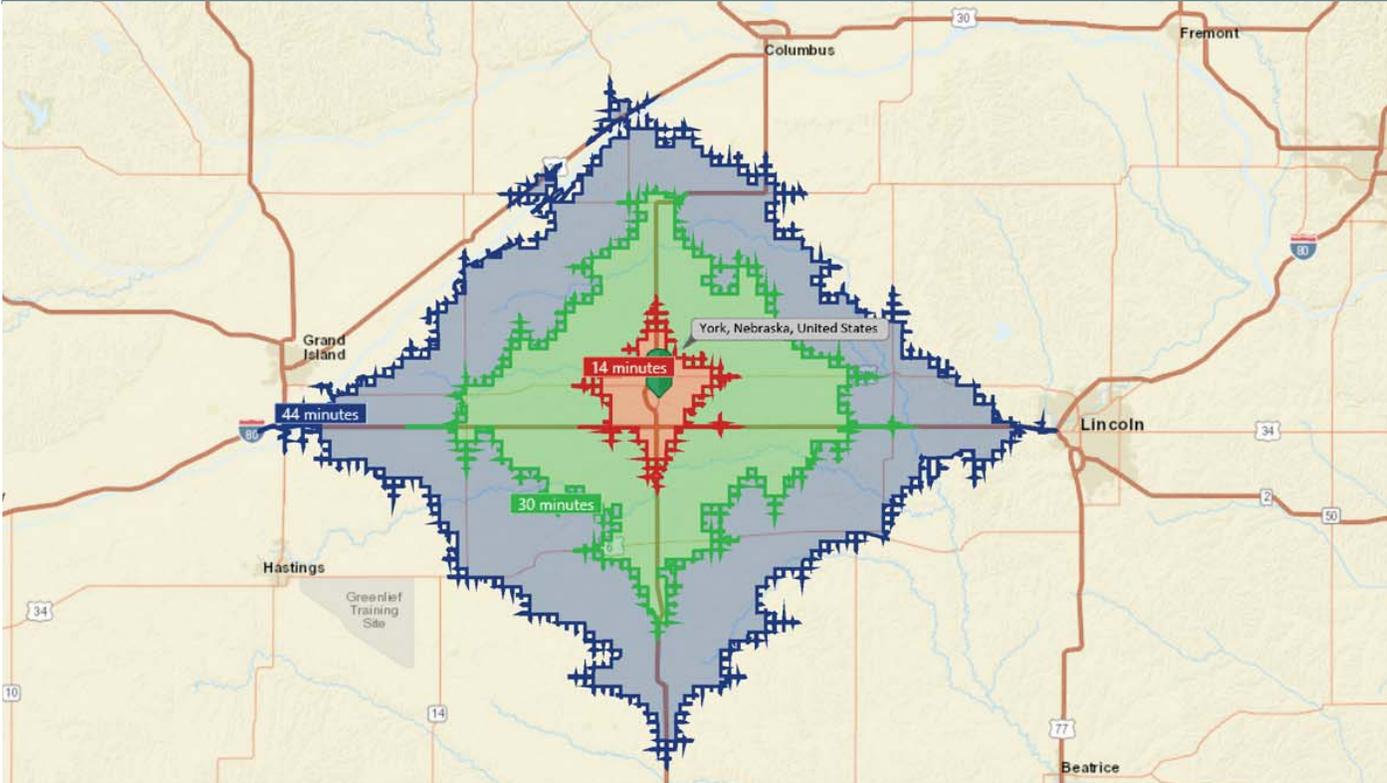


FIGURE 2.7: Drive Time Analysis from York, Nebraska



Quality and Affordability

Many respondents noted that housing in York County is often affordable with respondents further noting that the quality often does not merit the asking price. This issue of quality and price seems to extend across both rental and ownership options.

Based on the survey responses, 41% of respondents pay between \$400 and \$799 per month of their mortgage or rent and 26% of respondents pay between \$800 and \$1,249. Another 20% of respondents report paying between \$0 and \$400 per month; while this may include a share of respondents who own their home 'free-and-clear,' it also includes those living in units that are undervalued or possibly substandard.

Market Gaps

Housing availability was a major theme that emerged from the workforce survey both in terms of existing homes but also development lots. Respondents expressed that it is difficult to find housing options at certain price points.

Quality Entry Level. In both the ownership and rental market, respondents indicated that quality entry level units are difficult to find. The primary issues within this category are: affordability relative to quality; required rehabilitations; and the overall shortage of quality entry level units on the market.

Affordable New Construction for Ownership. Respondents indicated that there is a shortage of new construction for homes in the range of \$120,000 and \$200,000. Others noted that much of the construction is occurring at price-points well above \$200,000.

Lot Development and High Construction Costs. Respondents noted that construction and development costs in York County make it difficult to construct affordable homes due to high land cost, taxes, and high contractor cost.

"Reasonable prices for homes in York are rare because demand is so much higher than supply"

- Survey Respondent

"There are so many nice older houses in York. Innovative options should be sought that utilize/improve available housing-incentives to those willing to work to make an older property nicer."

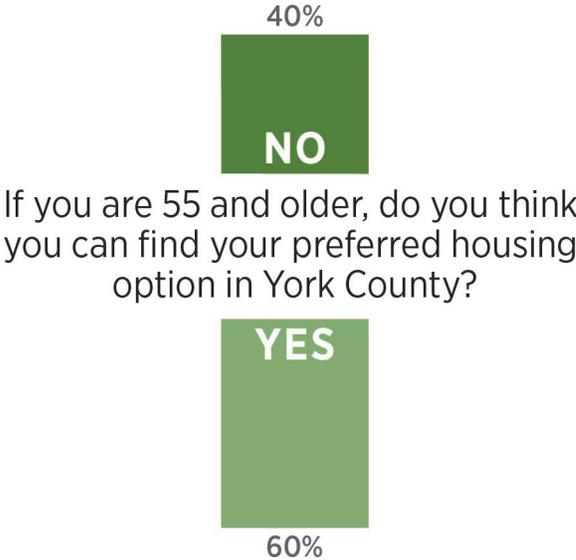
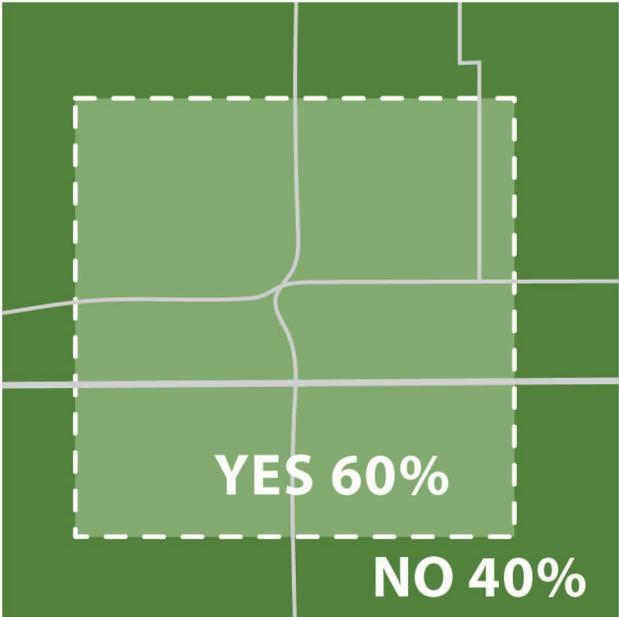
- Survey Respondent

"There is a huge gap in the housing market. You can only find homes that are \$80K or less and \$200K and more. Stop making subdivisions with \$200K homes, aim for the \$110K to \$150K"

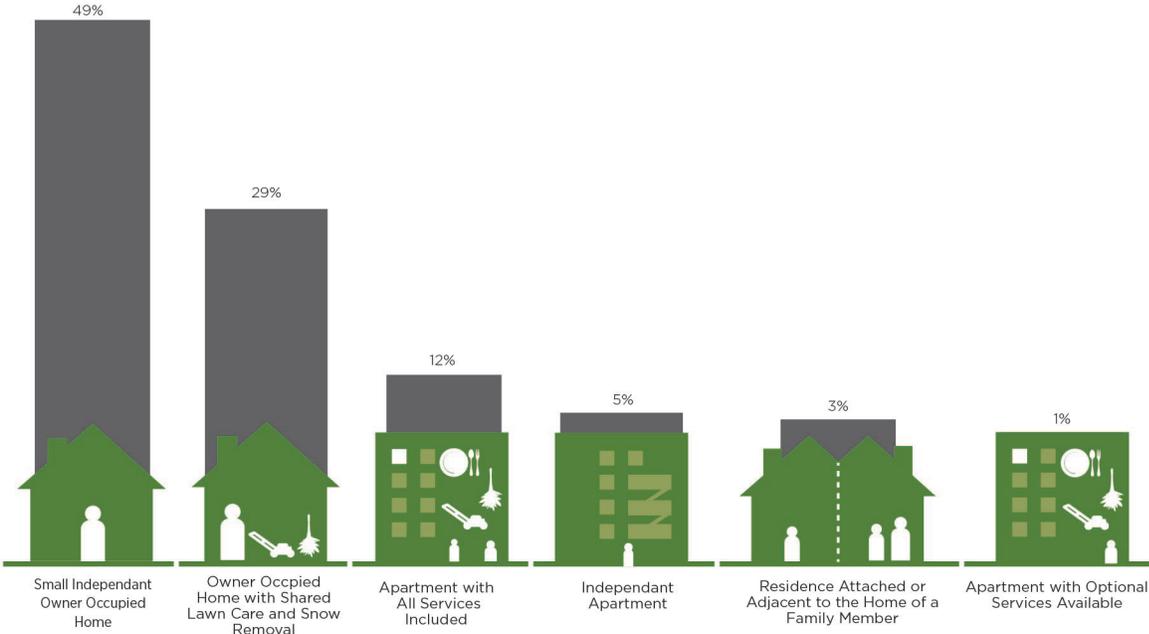
- Survey Respondent



If you are 55 or older, do you plan to retire in York County?



If you are 55 or older and plan to retire in York County, which housing option most appeals to you?



Senior Housing

The workforce housing survey contained a section to understand the needs, perspectives, and desires of residents over 55 years of age. The majority of respondents nearing retirement age expressed that they plan to retire in York County (60%) and believe they can find their preferred housing option (60%).

Many retirees often express interest in a home, townhome, or apartment with optional services such as snow removal, maintenance, and meal preparation to allow for a smooth and comfortable housing option as they age through their latter years. In York County, many did express interest in these types of units but the greatest share of respondents (49%), most desired small and independent single family homes.

It is interesting to note that 60% of respondents felt they could find their preferred housing option, which they indicated would be smaller single family homes or homes with some services. These units are actually very sparse in York County and respondents may be surprised to find that these units are not as easy to find as they would expect.

"I was home shopping 2 years ago the market was very thin for smaller homes in the \$125k-165k range."

- Survey Respondent

"York needs more senior housing available with ground level access. What we have now does not meet the elderly need"

- Survey Respondent



Landlord Survey

The Landlord Survey targeted major landlords with properties in York County and its primary communities. Most of these were done as individual interviews and represent 160 units. Their responses provide insights into vacancy, housing turn-over, rent cost, subsidies, and the number of senior units on the market. The questions tended to be open ended to allow landlords to share their experiences and perceptions of the market. This section reviews the findings of this survey and interviews.

Strength of the Rental Market

The rental housing market appears to be very strong with a large market for rental housing and a limited supply of open units. One landlord noted having a wait list, the majority indicated that turn-overs were very fast, and units were quickly filled when they became available.

Limited Diversity of the Housing Market

Respondents noted that there was limited diversity of housing units on the market. This lack of diversity is driven by two factors: (1) the high demand for rental units and low supply creates a very tight market with few choices for those seeking rental housing; and (2) the trend of converting the large supply of smaller single family detached units into rental homes has led to a rental market dominated by these types of units.

Quality of Rental Units

Respondents indicated that there is a mix of high quality units and low quality units on the market. The high quality units are limited in number but a number of landlords noted that these units are always in demand. The lower quality units on the market suffer from a lack of maintenance.

Time to Fill a Vacancy

The majority of respondents indicated that it typically takes less than one month to fill a vacant unit. The second highest response is that it takes between one and two months to fill a vacancy, with one indicating that it takes more than 2 months to fill a unit. Turn-over time can also depend on the amount of work a landlord must complete in a unit before taking on a new tenant. Overall, these responses validate the anecdotal notes on the strong demand for rental housing in York County.

Rental Price Points

The survey asked respondents to identify the rental prices for the various units they have in their inventory.

- Studio: \$350-\$450
- One-Bedroom: \$400 -\$475
- Two-Bedroom: \$450-\$725
- Three-Bedroom: \$950



DEFINING HOUSING ISSUES

The information, analysis, and community engagement indicated a number of key issues and opportunities that face York County as it considers its capacity to meet housing needs during the next ten years. The purpose of this section is to articulate the specific issues and opportunities to drive the county's housing goals and priorities. The following will provide the policy framework and program directions for addressing these priorities.

Housing Resources and Assets

Like many places, the cities of York County can become overwhelmed by the difficulty of the housing challenges they face. However, York County's communities have taken many positive steps and have key resources and assets with which to build a successful housing program. These include:

Strategic Location

At the crossroads of Interstate 80 and Highway 81, York County is situated at a prime location for economic development and job creation. Interstate 80 provides a high level of mobility for York businesses and residents. By virtue of this location, York County is positioned to experience continued growth.

Strong Job Market

York County has one of the lowest unemployment rates in the region. At an estimated 2.4%, the county is nearly at full employment and employment demand appears to exceed recruitment capacity. Employers suggested that there is demand to expand their operations and hire additional workers but that those workers are not available in York County. All are aware of the need to attract and retain new, talented workers to the region. New residents look for many features when considering a move – good paying jobs, quality schools, recreation and quality of life amenities, and affordable living with quality housing. These attributes are what also keeps new employees in a community. York County is a highly attractive environment to live and raise a family but the first impressions and experiences have to be positive, and this also includes a good experience within the housing market.



Pro-Active Communities

The communities of York County are very pro-active in responding to the opportunities and challenges facing their future. A special example of this mentality is McCool Junction which, through the process of developing its comprehensive plan, came to the realization that due to its aging population it would continue to experience population decline without in-migration. From this realization, the village mobilized to capitalize on its assets (good school, proximity to York, and small town feel) to attract new families into McCool Junction. Due to the limited housing stock, the village began producing residential development sites, encouraging the relocation of farmhouses into the community, and the rehabilitation of existing homes. McCool Junction was able to reverse a trend of population decline through a pro-active approach to investment.

Henderson and Waco have all invested in the creation of residential sites to support the private market in the construction of new housing units. This attitude is an asset and opportunity for the communities of York County.

Strong Financial Community

The banking community is an essential partner in any housing development program. Local dollars are essential to the process and can provide much greater flexibility. Having a strong and diverse banking community also means that more partners can be brought to the table to share the risk on more non-traditional projects that diversify the housing market. More and more the business community, outside of financial institutions, is becoming involved in the housing market.

They have come to realize that quality housing options are essential to attracting new employees. Positions cannot be filled and operations cannot be expanded without housing for those workers. York County's businesses understand this dilemma and are open to being part of the housing solution.

Senior Market Potential

The population of seniors in York County is expected to continue growing as the baby boomer generation continues to age. Between 2010 and 2015, the population aged 55 and over is projected to grow by nearly 11% representing a demand for 23 units by 2020.

Quality Communities with Strong Reputations

For those communities that have some of the best housing stock the same level of investment is put into community services, business, and public spaces. These environments are highly valued and attractive to young residents wanting to raise families in positive and healthy environments. Quality schools are also an essential component to a healthy and vibrant community. A strong school district is essential to attracting new young families. For those communities that have lost their schools over the years attracting and retaining residents becomes even more challenging.

Core Building Stock

The housing stock of York County and its communities is generally strong. The majority of the housing would be considered to be in fair to good condition with only a limited number of units requiring significant investment. The strength of the housing stock suggests that the application of targeted rehabilitation programs to remove blight conditions would stabilize neighborhoods.

Strong Home Values in the Largest Communities

The largest communities in York County have strong home values. For some markets, like the city of York, the cost of housing to size might even be above comparable markets. The strong valuations in McCool Junction and Henderson, while still affordable for the population, indicates a fairly healthy housing market.

Housing Opportunities and Challenges

Slow Construction Market

Many factors have come together to slow construction activity. Following the housing crisis in 2008, financing for both the builders and home buyers has become much more stringent.

Many builders changed careers or retired during this time and have not returned to the profession. For the builders remaining, the margins are much higher on the custom home side and demand is high enough that there is little incentive to construct speculative homes. Additionally the risk in the speculative home market is much higher in smaller communities, where absorption rates may be slightly longer, or at least perceived to be longer. Finally, labor shortages mean that builders have a back log of work and are unable to build more units.

Builder Capacity

York County has a number of quality builders but the demand for new and different housing out-paces their capacity. York County is not developing enough housing to meet demand. The slow construction activity and little to no new rentals creates a backlog demand that is often very difficult to calculate. Not only is there a demand for new housing to support growth, but also demand for housing by long time residents that have not moved because options have not been available.

Additionally, there is a growing demand for different housing types, such as townhomes, downtown living, or units oriented to seniors. These are not the type of units that local builders are often familiar with and they continue to have great success with traditional single-family homes, leaving little incentive to try new market types. These builders are also struggling with labor shortages which limits their capacity.

Lack of Rental Construction

While the city of York has developed some multi-family housing, little to no new rental construction has occurred in the other communities of York County. Easy mortgages during the early 2000s and lower demand in the 1990s made some form of homeownership, affordable or not, seem attainable to most entrants into the housing market. Yet, there has been a significant change since 2008. Tighter underwriting standards and downpayment requirements have increased rental demands, especially for younger households. It should be noted that the last major push for new rental construction in many cities occurred during the 1970s, just as many Baby Boomers were establishing themselves in the housing market. Communities are now beginning to see this same demand from the children of Baby Boomers. This large generation is interested in staying in rentals longer, whether that is due to lending requirements, greater college loan debt, or just a more cautious nature following the recession. Despite this demand they are finding few quality options that meet their needs and communities have few builders/owners familiar with the multi-family market.



Products for Seniors and Young Professionals

York County is an appealing destination for seniors, given its access to health care, quality of life, and community activities. However, there is a need for maintenance-free independent housing and congregate living. This housing type not only attracts new seniors to the market but also helps address local housing demand. This housing type not only attracts new seniors to the market but also helps address local housing demand. When a retiree chooses to downsize to something smaller or with less maintenance, they are often leaving a home that is directly within those scarce price points. This often can be the best way to add units indirectly to the market that are otherwise difficult to build.

On the other end of the spectrum, lower-maintenance units are also often very appealing to young professionals. Many in this age-range are looking for lower maintenance options or rental units that provide quality housing while they build up equity to enter the buyer's market.

Capacity in Smallest Communities

The smallest communities of York County do not have sufficient financial or staff capacity to address housing condition issues or to implement housing rehabilitation programs. A regional approach may be appropriate to undertake small projects to improve housing conditions in the smallest communities of York County.

Neighborhood Revitalization

Many of the communities of York County have strong neighborhood fabrics. These neighborhoods are most often situated in a traditional grid system with sidewalks and a mature tree canopy located within close proximity to community amenities. While the configuration and amenities support the neighborhood as a vibrant place to live within each community, the homes are often older and may range in condition from good to poor. Restoring vitality to these mature neighborhoods through investment programs is an opportunity to address structural, property, and affordability issues.

Market Economics

Many of the smallest communities of York County struggle with an undervalued housing stock. In a healthy housing market, a new home can be constructed and appraised at or above construction cost. In some of the county's smallest communities this can be difficult to achieve, making it challenging to meet lending requirements and disincentivizing any type of speculative construction.

Lot Inventory

For the smallest communities in York County there are little to no new lots available. At the same time communities like Henderson, McCool Junction, and Waco have acted proactively to front-end the development of lots, and will likely need to continue this practice into the future. While the city of York does not have a dramatic shortage of lots the supply and variety is limited. Specifically the price points tends to be higher, limiting the ability to construct homes at entry level price points. York will need to find ways to bring more affordable lots on the market.



STRATEGIC HOUSING GOALS

As York County looks ahead to the next decade, it appears poised to continue growing at an increasing pace. Its future depends on its communities being able to achieve and maintain a sustainable level of growth. The analysis of both assets and issues suggest the need for a housing and community development strategy for York County that achieves the following:

Address the underlying causes of housing shortages

York County and its communities are at nearly full occupancy with vacancy rates below 4%. Further, the unemployment rate for York County is around 2% indicating that the county is at nearly full employment. Together, this creates a stagnant economy with limited opportunity for economic development; employers are unable to recruit and retain employees due to the shortage of housing.

Workforce housing must be created to position York County future growth. This can occur through the production of new workforce housing units (owner and rental options), the production of new 'move up' options that would allow current residents to upgrade thus opening up workforce units, and the rehabilitation of substandard units to serve the market.

Encourage investment in existing housing stock

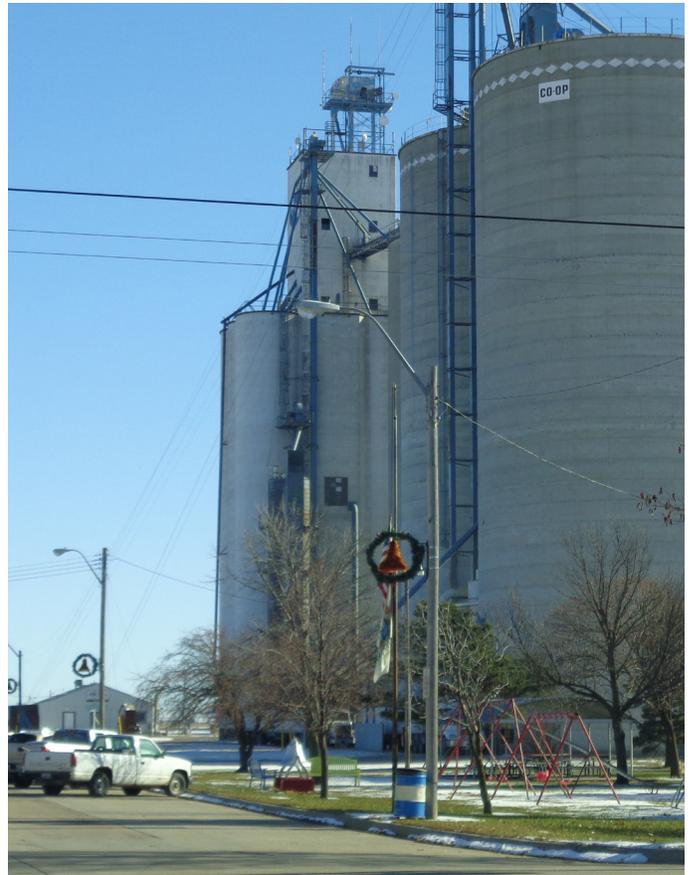
A community's housing stock represents its largest capital investment. A high quality housing stock enables residents to experience a high quality of life while also supporting a strong and economically stable community. York County's housing stock is generally in very good condition but faces some challenges. Young buyers seeking a 'move-in ready' home and a shortage of contractors doing rehabilitation work results in housing that sells slowly or deteriorates further. Many structures need maintenance or rehabilitation while others are obsolete and sometimes too small to meet contemporary needs. In older neighborhoods, one or two houses in poor condition on a block can affect the marketability of the entire area. The rehabilitation of these homes is essential to providing quality entry level housing in any community and continual maintenance and rehabilitation is a high priority.

Expand workforce development to include the building-trades

The building-trade workforce is insufficient to meet the demand and expectation of the York County housing market. While several local builders operate from the city of York, it is difficult for these contractors to meet the base demand from the city, much less the county as a whole. Just as other markets seek ways to recruit and retain employees, the building-trades need the same assistance. Workforce development programs should expand to train individuals in the building-trades to improve builder capacity in York County.

Increase the number of rental units

The shortage of new rental construction over the past 20 years has left the market with few quality rental options. Many rural communities, outside of York County, have seen a number of tax credit project constructed over the past several years. Some of this activity has occurred in York but on a limited basis. This leaves both higher and lower income households competing for the same units. Many residents noted the lack of good quality market rate rentals for families and young professionals. Providing better options for this market will free up housing for lower income households and drive the lowest quality units either off the market or force them to improve their product.



Increase the supply of affordable residential lots

Many of the smaller communities have made great strides to ensure available lots exist within their corporate limits; these efforts must continue. Private developers cannot afford to pay for the upfront costs of infrastructure and, when lots are delivered by the private market, the carrying costs are passed along in the form of a high cost lot. Every reasonable effort should be made to ensure that lots are available in all of the communities of York County.

Invest for success and create strong neighborhoods

A complement to the prior goal statement, investment in lot development should focus on creating high quality housing options in high quality neighborhoods where people would choose to reside. Strong neighborhoods provide amenities such as sidewalks, landscaping, buffers from adjacent land uses, and proximity to community features.

While the initial cost may be higher than a bare-bones development lot, the investment to create a high quality neighborhood is worthwhile. Additionally, investments in code enforcement and nuisance abatement can add value to a community and make it much more appealing to potential residents. It also supports the investments made by private homeowners.

Share risks to meet the needs of the private market

This strategic direction ties closely with many of the above strategies. Gateway housing, new multi-family, and non-traditional housing options will not occur without some risk-sharing by all players in the local housing market. This includes the cities, financial institutions, economic development agencies, and even employers to find new ways to address gaps in the private market. All of these players may have different roles but all need to be at the table.



CHAPTER THREE

DIRECTIONS FORWARD

DIRECTIONS FORWARD

Components of a Housing Study

Without quality housing, York County will not be able to accommodate the people and growth that it needs to move forward. As indicated in previous sections, economic development and the housing market are inextricably linked beyond even the fact that housing development is, in fact economic development. This section identifies the strategic policies and programs that will support these efforts and the goals outlined in Chapter 2.

York County Housing Strategy

1. Housing Partnerships

2. Financing Mechanisms

3. Program Focuses

Affordable Equity Housing

*Housing Conservation and
Neighborhood Revitalization*

Builder Capacity

Senior Housing

Lot Development

Some of these strategies can be applied county-wide while others may be adjusted to a community's specific needs. Most importantly, no one program or approach will address the issues and goals identified in Chapter 2. A combination of projects, programs, and policies will need to be combined to create a strong and balanced housing market. These combinations may vary from community to community but, whenever possible, resources should be shared to increase capacity and funding.

Housing Partnerships

York County should develop a partnership with the flexibility to address the specific and diverse housing needs across the county. An effective community housing partnership should provide project development, financing, and marketing expertise and capabilities. The components of a housing partnership for York County should include:

- York Housing Development Corporation
- York County Development Corporation
- Cities and Villages
- The Business Community
- Blue Valley Community Action
- Southeast Nebraska Development District
- The Lending Community
- Realtors & Builders
- York Housing Authority

York Housing Development Corporation

In 2015 the York Housing Development Corporation (YHDC) was disbanded due mostly to a lack of interest and direction. A housing development corporation, like YHDC, is a non-profit developer governed by a board of directors and operating in the same entrepreneurial way as a conventional developer. The difference between a development corporation and a traditional developer is the market they serve and the risks they are willing to take. As a non-profit, their mission should be focused on providing housing to those markets that private developers cannot effectively serve. In the past, YHDC likely struggled having a clear definition of what that market was. It is the hope of this study that this market is clearly defined and provides a mission for YHDC to be re-established. Their work should include entry level price points for owner-occupancy and housing rehabilitation that does not provide the profit margins necessary for a successful private business.

Housing development corporations often grow out of established organizations that have identified housing as vital to their work and mission. In places like Dodge City, Kansas and Wayne, Nebraska, these organizations have been local economic development groups who increasingly witnessed the connection between housing development and community vitality. The strong foundation that YCDC can provide a re-invigorated YHDC should provide the space and support necessary to support housing initiatives. This may include a dedicated staff person who can be focused on housing issues and programs.





York County Development Corporation

The York County Development Corporation (YCDC) plays the umbrella role of promoting economic development across all of York County including housing development. YCDC should assist with re-establishing the York Housing Development Corporation with an eye toward leveraging programs on a county-wide basis. At a minimum YCDC should be a conduit between the private development community and the municipalities. The organization may also play an important role in marketing and promoting housing and community resources.

Cities and Villages

Municipal governments generally have the responsibility of providing and maintaining urban infrastructure and municipal services. Under Nebraska Redevelopment Law, cities can initiate community redevelopment projects. Consistent with these responsibilities, York County's cities should: finance capital improvements using techniques that reduce and/or defer the upfront costs of residential lot development; assemble or acquire property for development or redevelopment as appropriate; act to promote other projects; and remove obstacles to development projects that provide entry level housing and units that accommodate the county's lowest income population. The role of each community in the housing partnership may vary by the individual needs of each community but could include:

- Acquisition and site preparation of infill redevelopment sites
- Financial assistance through CDBG, TIF, and other programs
- Subdivision development with infrastructure
- Funding and management of energy saving programs through their local utilities
- Funding and management of any residential incentive loans and tax abatement programs

A number of York County's communities are already using one or more of these tools but the opportunity here is to combine these initiatives in an organization that this specifically focused on filling gaps in the market.

The Business Community

Major employers play a role in driving the housing market and can play a number of roles in a partnership to address housing issues. This may include:

- Working with the York Housing Development Corporation or YCDC to ensure adequate housing for current and prospective employees
- Providing financial support to one or more of the potential funding mechanisms as discussed below
- Expanding employee benefits to include some type of housing benefit which may include:
 - › Moving and relocation support
 - › Employer assisted housing programs that provide matching funds for a downpayment
 - › "Corporate " units that can be used by interns or top management that are relocating to the area. This type of unit could even be shared among different employers.

Blue Valley Community Action

The Blue Valley Community Action Partnership is an organization with the mission to overcome poverty by helping people, improving lives, and strengthening communities. The role of Blue Valley in the housing partnership may include:

- Connecting residents with new housing options through marketing, rehabilitation programs, and down payment assistance
- Encouraging reinvestment in existing homes to help stabilize neighborhoods

Southeast Nebraska Development District

The Southeast Nebraska Development District (SEND) is involved in implementing and operating housing programs. In the past SENDD has assisted with rehabilitation and down-payment assistance programs. These programs will continue to be in high demand and SENDD will continue to be a vital resource both for a funding conduit but also because of their ability to navigate different funding sources.

The Lending Community

The lending community is intimately involved in all aspects of the housing market. The role of the lending community in a housing partnership may include:

- The formation of a lending consortium to share investment risk across multiple lenders. This concept is discussed further in the Financing Mechanism section of this chapter
- The application of Community Reinvestment Act (CRA) funding to support housing initiatives led by the housing partnership

Realtors and Builders

The role for realtors, builders, and developers in the partnership will be as the contractors, marketers, and when appropriate as financial partners.

York Housing Authority

Traditionally, housing authorities have focused their mission and programs on housing for a city's lowest income households. They have managed properties and voucher programs and have traditionally not gone beyond these two focus areas. This has not always been the case for York Housing Authority. They have played a greater role in the past and will be an important partner in the future, especially as it relates to their knowledge of programs and management. Federal regulations and capacity may limit their role at times but their expertise and perspective on the housing market should not be overlooked.



Financing Mechanisms

The York County housing strategy must continually explore creative approaches to financing projects and initiatives. The following core financing mechanisms follow:

Lending Consortium

Many of the county's housing strategies must have a source of financing including the housing development corporation. Such a financing program should be designed for maximum leverage (in the language of community development, "leverage" is the ability of program dollars to generate private investment in response to the initial investment); shared risk; and quick turnover rather than long-term financing. The development of a housing partnership should include a "lenders consortium," a cooperative venture among lending institutions active in the York County market to spread individual risk. In addition, these cooperative ventures can attract the support of other agencies such as the Nebraska Investment Finance Authority (NIFA), the Federal Home Loan Bank, and the Nebraska Department of Economic Development.

A lending consortium is an ideal instrument to provide short-term financing or "patient financing" for builders and contractors in the community, and to provide interim financing for projects developed by the housing partnership, cities or even the county.

Housing Trust Fund

A housing trust fund provides a source of seed capital, unconstrained by program regulations, for a city or development corporation to use for the purpose of developing needed housing types. The popularity of trust funds can be attributed to their inherent flexibility. For York County, these dollars could be used to support construction of new entry level housing, rehabilitation of existing housing, or development of new rental housing. Support many include gap financing or even direct incentives to developers for the development of target market projects. Trust funds can be funded in several ways, including dedication of a specific share of local option sales tax, fees, local revenue bond issues, or grants and charitable contributions. Through charitable contributions to a trust fund, the county's employers could play a vital role in housing quality and choice in the county.





Tax Increment Financing

In redevelopment areas, TIF can be a significant tool for land acquisition and development financing. TIF uses the added tax revenue created by the redevelopment to finance project-related costs like land acquisition and public improvements. Use of TIF requires designation of an area as “blighted” according to the criteria established by state law and preparation of a redevelopment plan for the area. Because incremental taxes can only be used for fifteen years after approval of a redevelopment plan, subdivisions using the technique should be phased, with development phases tightly following market demand

Community Development Block Grants

The Community Development Block Grant (CDBG) program is a flexible program that provides communities with resources to address a wide range of unique community development needs including housing improvements. These funds are awarded through a competitive grant process. In terms of housing CDBG funds are most often used for owner occupied housing rehabilitation activities.

Due to the federal source of these funds, CDBG projects are typically subject to affordability requirements targeting specific income ranges; most often projects must benefit 30%, 50%, 80%, or 120% of the area median income depending on the type of program.

Municipal Funds

Municipal funds can be used to supplement projects or be used as a primary funding mechanism for housing projects. The source can be from the community’s general fund, from the sale of bonds, or sales tax revenue to name a few. Often municipal funds, or another matching contribution, are required to apply for grants. While the use of grants can expand the amount of funding available for a project, some communities prefer to use exclusively municipal funding in order to maintain a more flexible program without additional government requirements.

Program Focuses

Affordable Equity Housing

Rent-to-Own (CROWN). Rent-to-own projects provide a middle-ground approach between ownership and rental occupancy, giving new residents who cannot afford homeownership at present an avenue to build equity in a community. Currently two of these projects have been completed in York, Prairie Woods and York Place. In the rent-to-own program, a portion of the family’s rent is placed in an escrow account for a future downpayment. At the end of a specific period, the residents can then use the accumulated downpayment escrow to purchase either a new house or an existing unit. Rent-to-own programs have the advantage of providing rental housing to residents, while incorporating aspects of owner-occupancy.

Communities and counties in Nebraska have worked together with developers that specialize in or are familiar with this type of product to share project financing. The programs can also be implemented across several small communities where financing and resources are split between the communities with a set number of homes being built in each community.

Blue Valley Community Action. Blue Valley Community Action plays a significant role by providing targeted housing assistance to those in need. Current housing programs include the following:

- Homeless Assistance and Temporary Shelters
- Emergency Assistance
- Homebuyer Education
- Home Ownership Opportunity Program. A six year deferred loan on downpayment and closing cost assistance for the purchase or new construction of a home for households at or below 100% of the area median income.
- Housing Rehabilitation. A low interest or forgivable loan program for owner occupied housing rehabilitation for households at or below 80% of the area median income.
- Weatherization. A program to weatherize homes for low-income households at no cost to the owner.

Lot Development. The creation of affordable residential development lots is essential to providing workforce housing in York County. As discussed in previous sections, the impact of affordable lot creation is two-fold: first, affordable lots allow owners and developers to create units that are more affordable than otherwise possible; and second, the construction of new homes allows current homeowners to 'move-up' within the housing market thus opening-up additional workforce housing.

The development of affordable residential lots often requires financial assistance from the communities to reduce the cost of lot development that would need to be passed along to the developer or home buyer. Options for affordable lot development may include the use of tax increment financing or general funds to front-end the cost of lot development, the use of city labor for lot development, or builder incentives to encourage private developers to develop affordable lots.



Purchase/Rehab/Resale. In this program, houses are acquired and sold in a rehabilitated or “turnkey” state to owner-occupants. It recognizes the limited number of prospective buyers who want to carry out a major home rehabilitation project. This program works best when candidate houses can be purchased at relatively low cost – a common condition in some parts of York County. Under the program, a development corporation purchases existing houses, rehabilitates them, and resells them to new homebuyers. The lending community may participate cooperatively in this effort by providing interim financing. Mortgage financing for low- and moderate-income buyers may be assisted by CDBG or HOME “soft-second” loans. Realtors may also participate by reducing commissions on selected projects.

By using local dollars, the development corporation may be able to target those dollars to households at or above the area median income. These households are much more likely to be

bankable and based on realtor input have the hardest time finding quality housing. There may also be the opportunity to expand the number of houses eligible for the program.

Rental Housing

Rental construction across Nebraska over the past two decades has been slow but changes in financing and a large young adult population are increasing the demand for quality rental options. In York County, demand for rental housing crosses all income ranges. New rental housing and owner-occupied attached units should include market-rate rentals for professionals, workforce housing, housing for people with urgent needs in the lowest incomes, and seniors interested in downsizing. All of these options should expand the mix of housing choices in York County.

Funding sources such as a lending consortium and housing trust fund can be used to develop new inventory, and tax credits may be employed to address the needs of lower income households. Tax Increment Financing, CDBG/HOME funds, and tax credits can also help create affordable multi-family housing. The housing partnership and lending consortium should be active participants in the financing of multi-family and mixed-income housing developments by distributing the risk of projects across several lenders. Mixed-income should be an important component of these projects, avoiding the creation of lower-income enclaves where stereotypes and mis-perceptions often develop. Additionally, the need for rental housing covers a broad range of incomes and projects should reflect this demand.

Marketing and recruitment of rental housing developers may be necessary to expand the market. While York County has a number of quality builders and developers, most of them are not familiar with or interested in rental or multi-family development. Through a strategic effort, communities can identify appropriate sites and recruit developers to ensure the needs of York County’s lowest wage earners are met.

The need for quality rental housing cannot be overstated. New arrivals to a community often use rental housing as a way to become familiar with a community, eventually becoming homeowners. If a new worker cannot find quality rental housing that is appropriately priced, they will often move on to the next closest town or county, settling in as future home-buyers.





Employer Assisted Housing

Employer housing assistance can include several of the most common types of assistance. Employers may need to push beyond these more common approaches to attract and retain talent and consider housing assistance as part of an overall benefits package. In addition to those noted above, employers may consider:

- Investment in the equity for affordable housing developments financed under the Section 42 Low-Income Housing Tax Credit Program. These investments receive substantial tax advantages making them an attractive and financially rewarding investment option for some individuals and corporations.
- Downpayment assistance programs that may be patterned after 401(k) programs. This program would permit employees to withhold a set amount of their salaries for deposit in an interest-bearing account. These employee contributions would be matched by a contribution from the employer. The downpayment matching program would continue for a specified period (up to three years) and/or a specified maximum amount. Under another scenario, the employer could advance downpayment loans, repaid on the same basis.
- Targeted employer assistance programs are very similar to the downpayment programs but provide incentives to employees considering home purchases in areas of special interest to the employers. For York County this may be for the purchase or construction within a specific community or any community in York County or within a targeted redevelopment area.

Housing Conservation and Neighborhood Reinvestment

York County has an excellent housing stock and high quality older neighborhoods. Often the smallest communities, with populations below 1,000 struggle with housing quality due to some level of disinvestment.

To protect and sustain the county's stock of older housing (an important affordable housing resource) and use existing infrastructure in the most efficient manner, York County communities should implement conservation and reinvestment programs.

Land Assembly. One of the biggest hurdles to transformative infill development is the assembly of real estate. Most developers do not have the capital, time, resources, or inclination to assemble lots from multiple property owners. Using the strategy areas identified in Chapter 2, communities and/or the development corporation should assemble lots in the most strategic way possible. Infill sites should be located in areas that are substantially sound and attractive, albeit older, neighborhoods that will sustain and benefit from the higher cost of new construction. Ideal infill sites are clustered together, giving a new development project the critical mass necessary to provide security for buyers and increase values in the surrounding neighborhood. An infill program may include the following components:

- A geographic inventory of vacant lots and deteriorated houses completed by each of the communities. This will assist the development company and city in defining target sites for new construction
- An aggressive program to acquire and demolish houses that are so deteriorated that rehabilitation is not feasible
- Negotiation with property owners to acquire targeted vacant lots



- In areas with a concentration of infill sites, preparation of a redevelopment plan that can guide developers and builders. For larger redevelopment projects, the community can also solicit proposals for a master developer to undertake the project.
- Where a concentration of infill sites cannot be done in one community the resources of multiple close communities may be combined to make the lots more appealing to a developer looking for using their resources to build more than just one house at a time.

Free or Reduced Infill Development Lots. Communities regularly have the opportunity to acquire property through estate gifts, tax delinquency, or property liens. While these surplus land assets must be maintained, these resources can be used as an incentive to encourage new housing development. By offering free or discounted lots for new development, the total development cost is significantly less than in greenfield development and the city reaps the benefit of using its existing infrastructure while also directing investment to help stabilize existing neighborhoods. For strategic locations of the city, the community may choose to acquire multiple parcels to allow for a larger development project with greater impact.

Small Scale TIF. Several communities within York County have used tax increment financing to assist with the creation of affordable residential development lots. This is an effective method to encourage investment and should be continued. In addition to using TIF to support neighborhood development, TIF can also be used on relatively small infill locations to support investment projects. Grand Island has implemented a number of micro-blight redevelopment projects to construct new units in existing neighborhoods to eliminate blight conditions while supporting new investment.

Downtown Housing. Communities of all sizes have proven the popularity of downtown living and its ability to play an important role in business district reinvestment. Downtown housing can also take advantage of specific incentives such as historic tax credits that provide additional equity in projects. Downtown York has the potential for both new construction of vacant or under-utilized spaces and upper story conversion including a number of large historic buildings. Downtown Henderson also has the potential for upper story housing, potentially ideal housing for young teachers and nurses moving to the area.

The use of upper stories for residential is one of the most effective ways to enliven and energize a downtown district. Residents in the district bring people to the streets after traditional office hours. For a district like York, the retail and dining options remain strong and attractive to potential residents. However, there are some challenges that must be addressed, including:

- **Parking.** All of York County’s communities have adequate downtown parking. However, parking needs for residential units are different than parking for businesses. Parking for housing does have to be adjacent to the building or even enclosed to be attractive to most prospective residents.
- **Access.** Meeting fire codes can be a challenge in some upper story conversions but life-safety must be a priority. These code requirements may impact the number and layout of apartments. Modifications to buildings, such as additional exits, must also be balanced against the design integrity of the building and the downtown district.
- **Façade Improvements.** Façade improvements should be done in a manner that is sensitive to the historic features of the building, elevating the quality and feel of the entire district and making units more appealing from both the interior and the exterior. Exterior building improvements will also support the appeal and leasing rates necessary to support downtown conversions.





Builder Capacity

Workforce development. Workforce development is a significant issue across many industries and the building trades are no different. As part of the work already being done around workforce development a program should be designed and implemented to train the next generation of professionals and craftspeople for the building trades.

“Leadership transition” should also be a component of this program. Many of the county’s current builders and specialty trades people are nearing their retirement years with well-established businesses and no one to sell or hand-off their business to. Through small business loans, young crafts-people can purchase an established business and the retiree can capture the equity that they have built into their business over the years. The workforce development program should market the career satisfaction and economic rewards that the construction industry offers young people. Partners in the program may include:

- Area School Districts. Many school districts over the years have moved away from traditional building trade classes and focused more on college preparation. With the demand for skilled trades people this trend is changing but will need support from the broader community. Working with the school districts, programs should be put in place that include architecture and drawing, focused on English/communication and math learning, construction skills, and business education.
- The Building Community. Through internship programs students can learn first-hand experience. An introduction session may need to be developed that prepares students for their internships to create an asset to the builders rather than a burden.
- Villages, Cities, County and Private Sector. Through resources, funding and internships, all of these groups should play a role in expanding the areas workforce.

Recruitment of Developers. As demonstrated in the market analysis, it appears that there is significant pent-up demand for housing in addition to a strong base demand for new housing construction. This demand includes a variety of housing types ranging from single family detached units to multi-family developments. A component of workforce development is the recruitment of builders to operate in York County. Builders and developers can be recruited through the adoption of builder incentives for those contractors who build units in York County communities.

Senior Housing

During discussions with almost every community, the lack of housing that seniors and empty-nesters would find appealing was frequently noted. It was also observed that many of these units would be appealing to young-childless professionals.

York County offers an excellent environment for seniors and empty-nesters, including regional medical services and a vibrant social community. In 2010, 55% of York County's population was over the age 55. This population will only continue to grow as the youngest Baby Boomers turn 55 in the coming years. Figure 3.1 illustrates the number of empty-nesters and seniors. Specifically:

- To determine how older adults moved into and out of the county, the population over the age of 55 predicted by natural population change (based on survival rates determined by the Bureau of the Census) is compared with the county's actual 2010 population
- The difference between the actual and the projected shows a stable senior population with little in or out-migration.

If the migration rates of the 2000s are applied to a 2020 projected population:

- The county would have almost 4,777 residents over the age of 55.
- If the average household size among this population ranges between two and 1.25, they would account for 2,886 households.
- If just 1% to 0.5% of these households demand alternative independent housing settings, a demand for 24 units would be created

For many of the communities, a smaller townhome or single-family attached project might make a significant difference in the overall housing market. By providing independent living options for seniors, retirees, or empty-nesters a quality entry level or family-sized home is often also brought to the market. York County is a very appealing market and may attract residents from a larger region with the right product. These units would be low maintenance and designed with accessibility in mind, often referred to as universal design, allowing seniors to remain in their home communities for longer.

FIGURE 3.1: Population Ages 55 and Over, Predicted Versus Actual

	2010 PREDICTION	2010 ACTUAL	DIFFERENCE	% DIFFERENCE
Population 55-64	1,877	1,823	-54	-2.9%
Population 65-74	1,148	1,190	42	3.7%
Population 75 and Over	1,320	1,299	-21	-1.6%
Total 55 and Over	4,345	4,312	-33	-0.8%

FIGURE 3.2: Projected Senior Population by Cohorts, York County

	2020 PROJECTION (NATURAL CHANGE)	2000-2010 MIGRATION FACTOR	2020 POPULATION WITH MIGRATION	PEOPLE PER HOUSEHOLD	HOUSEHOLD DEMAND	CAPTURE RATE	UNIT DEMAND
55-64	1,951	-2.89%	1,894	2.00	947	1.0%	9.47
65-74	1,550	3.70%	1,608	1.75	919	1.0%	9.19
75 and Over	1,296	-1.6%	1,275	1.25	1,020	0.5%	5.10
Total 55 and Over	4,797		4,777		2,886		23.76



Different approaches can be taken to address this market need.

- Using many of the techniques outlined, lots or redevelopment sites can be designated for housing types that would be more appealing to seniors. These should include units with common maintenance, smaller square footage, and universal design standards. Ideally these units should be clustered together and not scattered around town. Part of the appeal of these types of units is to create a community atmosphere, that offers senior residents easy connections to their peers. The cities or county may have to recruit and work with outside developers to promote these types of projects.
- Additional assisted living may be needed in York. Efforts should be made to reach out to developers that specialize in these types of units. These need to be balanced against the overall supply across the county including some of the newer units in Henderson and York.
- Affordability problems are often most severe among fixed-income elderly. The cities should continue to work closely with residents to identify programs and needs among the elderly population, and to investigate innovative approaches to developing affordable senior housing. Under one concept, the housing development corporation could purchase the resident's existing house for rehabilitation and resale to a young household, and apply all or part of the purchase proceeds to rent or equity in the new senior setting. This combines the purchase/rehab/resale program with a senior oriented development.
- Downtown living can also be a great option for empty-nesters and newly retired professionals. The demand for this type of unit by the nation's aging Baby Boomers is only growing. These more "urban" settings allow for low maintenance, high access to community amenities, and a strong social environment. These units are not necessarily marketed only to this demographic but provide one more option within the overall market.
- Adaptive reuse of historic structures. Often historic buildings such as schools, warehouses, and other large structures can be converted to apartments and condominiums to create an attractive housing option. Much like downtown housing, the adaptive reuse of older buildings is a significant opportunity for the housing market. Many of York County's communities have vacant or underused facilities, often schools, and these should be viewed as investment and development opportunities that should be targeted for reinvestment and reuse.
 - › Eligible for additional funding mechanisms that may include community development block grants, HOME grants, state and federal historic tax credits, EPA



brownfield remediation grants and tax incentives, low income historic tax credits, USDA rural development loans, NIFA grant and assistance programs, and other mechanisms.

- › Unique housing units with the natural urban character of a historic, and often formerly institutional facility. These units are often attractive to empty-nesters, active retirees, and even young professionals.
- › Preservation of existing neighborhood fabric and community heritage.
- › Efficient use of existing city infrastructure (water, sewer, taxable land, etc) while also converting an often vacant or underused site and facility.

Lot Development

The policies and strategies for lot development is directly impacted by a community's lot absorption rate. For a city like York, where more units are constructed annually; and therefore lots can be absorbed more quickly, lot development can be less of a financial risk. However, when lot development is driven by the development community, as it is in York, the stock of affordable lots can be an issue. This is not the fault of the developer as they are for-profit businesses needing to recover their costs for infrastructure design and development. For smaller communities, with much slower absorption rates, the private market is often much more reluctant to become involved in lot or subdivision development. This creates two different issues with regards to lot development in the county and therefore requires different policies.

York. The supply of affordable lots in York is a challenge to the overall housing market. The shortage of affordable options limits the opportunity for buyers to move-up within the market, this shortage results in households remaining in their homes longer than typical which stagnates the economy and makes it difficult for new buyers to enter the market.

The challenge is primarily one of supply and affordability in which the small number of lots being developed often begin at roughly \$40,000. In the final sale price of the home, the cost of lot development (including streets, sewers, and storm-water infrastructure) must be factored into the final price. The higher the cost of creating the lot, the greater the subsidy on the actual construction of the house would need to be. One of the most effective ways to reduce the final price of homes in new development is to bring down the cost of the lots.

As described previously in this study, the rate of construction in York must increase in order to support the economy and enable growth in the county. The redevelopment of infill lots can be an effective way of reducing the cost of development while also having the effect of helping to improve existing neighborhoods. The initial development costs of these lots have long been recuperated through property taxes.

However variety is also needed in any healthy market. In addition to assembling infill lots and facilitating development, as discussed, the city may partner with a private developer or development corporation to develop more affordable lots. Potential programs or approaches include:

- Infrastructure investments for a share of costs. The public share might be from 30% to 50% of construction cost. For York, the city should require that units on these lots fall within targeted price points that provide moderate priced entry level housing. Repayment is derived from the added property taxes created by new development.
- Special Assessments. In many communities, special assessments are used to finance 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 of the house.

- Subordinate payments. Here, the city front-ends a portion of public improvements, repaid over a longer period through a second mortgage on the property. This reduces payments over special assessments by extending the loan term and reducing the principal.
- Deferred payment. Here the city finances the infrastructure as a deferred loan. The infrastructure loan is paid back upon sale of the house. The repayment represents the same percentage of the sale proceeds that the initial infrastructure loan made up of the original price.
- Grants. Grants from the Federal Home Loan Bank, USDA, or state-administered Federal programs such as CDBG or HOME can also help with infrastructure financing. It should be noted that the funds are often highly competitive.
- Tax Increment Financing (TIF). In York County's smaller communities, TIF has been a significant tool for land acquisition and development financing. TIF uses the added tax revenue created by the development to finance project-related costs such as land acquisition and public improvements.



McCool Junction, Henderson, and Waco.

For many of York County's communities the scarcity of lots is the greater issue. For some communities including McCool Junction, Waco, and Henderson, the city or economic development groups have taken the lead to develop lots. Many of these techniques have been successful. Approaches in these communities have included the use of TIF, community development organizations, and direct lot development by the city. Most of these communities have rightly not been concerned about recovering the cost of the lot but rather to see the long term tax and community benefit to adding housing.

Based on the market analysis conducted in Chapter 2, many of the county's communities have a shortage of moderate to higher market rate housing. For many small communities, the biggest hurdle to getting this housing built is the need for lots. It should be noted that it is unlikely that new lots will create much of a filtering effect in the smaller communities but will attract new residents; senior housing would create a greater filtering effect by opening up additional housing units. Rather than pushing housing priced below \$200,000, York County's smaller communities may want to consider:

- Focusing on generating lots in a configuration which supports high quality neighborhoods and community reinvestment. Residential lots in small communities must compete in the region for buyers and should therefore be designed as a place where people will want to live rather than as a commodity offered for sale. A successful neighborhood offers close proximity to community features, pedestrian pathways, and landscaping including buffers from adjacent land uses which may detract from the quality of life that a future resident would enjoy. These factors should be incorporated into the design early to create a more marketable neighborhood.
- Strong marketing plans that may combine efforts of several communities, letting residents in the region know that lots are available.
- Seeking out developers interested in creating attached-units or small multi-family rental projects on city lots or infill lots.
- Leveraging a county-wide lending consortium or housing trust fund to assist developers with development costs.

