

December 2023

AFFORDABLE
HOUSING
ACTION
PLAN

TABLE OF CONTENTS

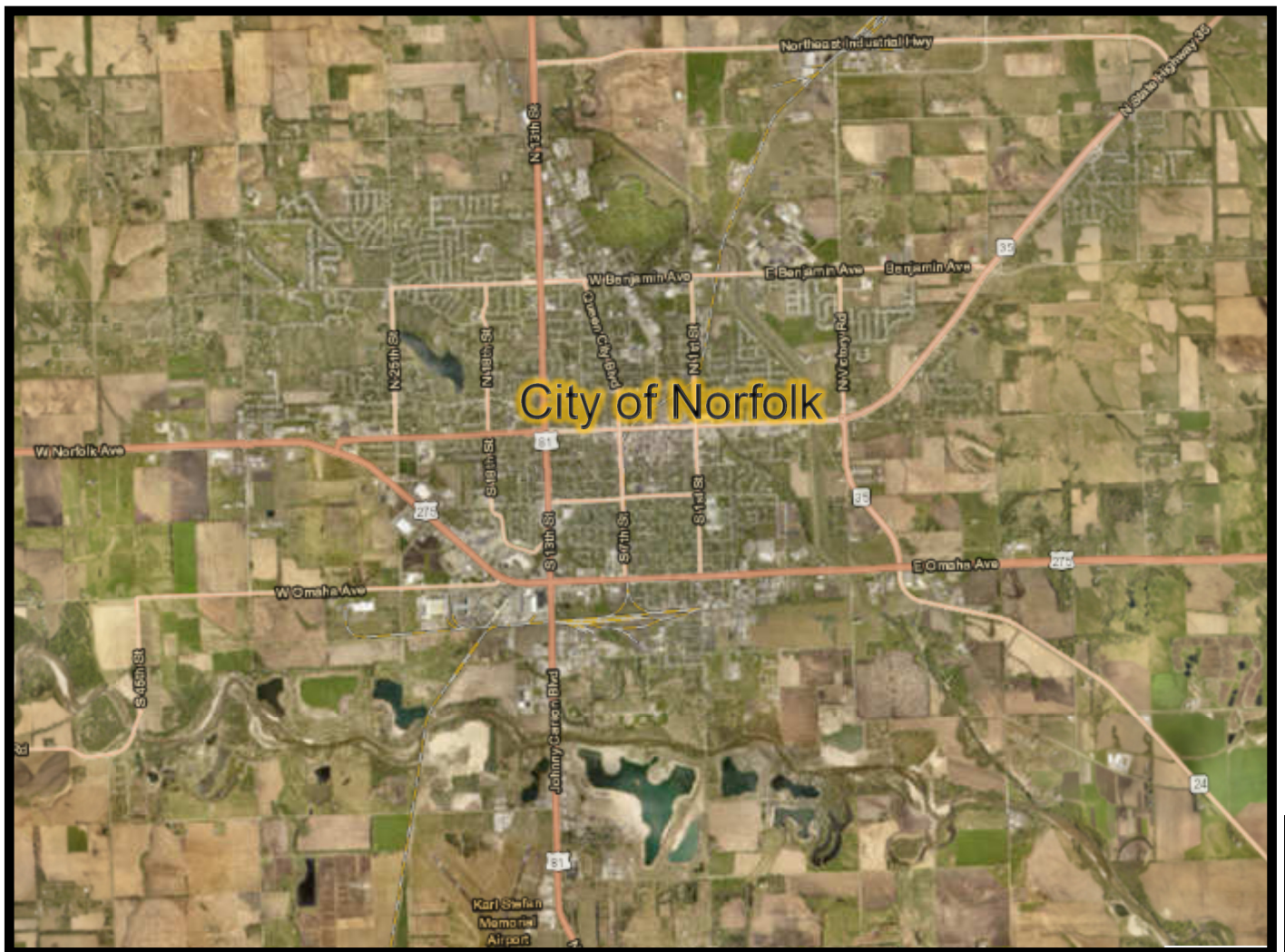
City of Norfolk General Information	1
State Legislation Requirements	3
Community Open House/Survey	4
Goals for Construction of Affordable Housing Units.....	5
Goals for Percentage of Areas in City Zoned Permitting Construction of Multi-family and Missing Middle Housing	7
Plans for the Use of Federal, State & Local Incentives	8
Updates to City's Codes, Regulations & Ordinances	10



CITY OF NORFOLK GENERAL INFO

The City of Norfolk is a hub of Northeast Nebraska. The city encompasses 18.6 square miles and has a zoning extraterritorial jurisdiction containing another 54.9 square miles outside city limits for a total of 73.5 sq. miles in the jurisdiction.

The population of Norfolk, according to the Census Bureau, was 24,955 with the 2020 census. Following the 2020 census, the City undertook a large annexation of areas (residential, commercial, industrial) that were essentially a part of the city already and many had been for years. With this comprehensive annexation in the fall of 2021, the population increased from the 2020 census to 25,865, per the Nebraska Department of Revenue.



The community has continued to grow throughout the years and, like many other communities across the United States, have found housing stock and affordability of housing challenging for many citizens. According to the latest census bureau information, 12.9% of Norfolk citizens are in poverty.

Norfolk, along with many other communities in the U.S., have seen costs for housing and other basic living expenses continue to rise. The information below assists with understanding the median income vs. housing costs, so the community may acknowledge and encourage more housing options and affordability, not just for those in poverty, but across Norfolk’s citizenry.

Median value of owner-occupied housing units, 2017-2021	\$163,500
Median selected monthly owner costs—with a mortgage, 2017-2021	\$1,219
Median selected monthly owner costs—without a mortgage, 2017-2021	\$572
Median gross rent, 2017-2021	\$762
Median household income (in 2020 dollars), 2017-2021	\$52,021
Per capita income in the past 12 months (in 2021 dollars), 2017-2021	\$32,164

Source: [census.gov/quick facts](https://www.census.gov/quick-facts)

To demonstrate the rising cost of new construction, in the chart below is the average cost per dwelling unit for new residential construction that has taken place in Norfolk during FY 2020-2021 and 2021-2022 (Fiscal Year 10/1 to 9/30). This information is sourced from the building permits for each type of residential dwelling tracked by permit (single family detached-SFD, single family attached-SFA, Duplex, multi family-MF).

Residential Type & Fiscal Yr. (new construction only)	Dwelling Units	Valuation	Cost/Dwelling Unit
SFD, FY 2021-2022	42	\$14,506,363	\$345,390
SFD, FY 2022-2023	37	\$11,838,253	\$319,953
SFA (2 attached units), FY 2021-2022	4	\$1,040,000	\$260,000
SFA (2 attached units), FY 2022-2023	12	\$1,936,200	\$161,350
Duplex, FY 2021-2022	4	\$211,000	\$52,750
Duplex, FY 2022-2023	42	\$6,094,450	\$145,106
MF (3 units & above), FY 2021-2022	94	\$7,822,587	\$83,219
MF (3 units & above), FY 2022-2023	44	\$2,269,974	\$51,590

STATE LEGISLATION REQUIREMENTS

The Nebraska State Legislature passed LB866 in 2020 to become N.R.S. 19-5505 that requires each city with a population of less than 50,000 inhabitants to adopt an Affordable Housing Action Plan on or before January 1, 2024. The section of statute was also amended by LB531 in 2023.

If the city fails to adopt their Affordable Housing Action Plan prior to January 1, 2024, then the statute requires the city to allow development of:

1. Middle housing in all areas in the city zoned for residential use that allow for the development of detached single family dwellings.
2. A duplex on each lot or parcel zoned for residential use that allows for the development of detached single family dwellings.

For the Affordable Housing Action Plan, the required items to be included and adopted as part of the plan are as below:

1. Goals for the construction of new affordable housing units, including multifamily housing and middle housing, with specific types and numbers of units, geographic location, and specific actions to encourage the development of affordable housing, middle housing and workforce housing.
2. Goals for a percentage of areas in the city zoned for residential use which permit the construction of multifamily housing and middle housing.
3. Plans for the use of federal, state, and local incentives to encourage affordable housing, middle housing, and workforce housing, including the Affordable Housing Trust Fund, the Local Option Municipal Economic Development Act, tax-increment financing, federal community development block grants, density bonuses, and other nonmonetary regulatory relief.
4. Updates to the city's zoning codes, ordinances, and regulations to incentivize affordable housing.



COMMUNITY OPEN HOUSE/SURVEY

On August 31, 2023, the city hosted an open house to discuss the requirements of the affordable housing action plan. At this open house there were multiple boards with questions so we, as the city, could hear from the public on what they felt were obstacles to affordable housing, ideas they may have to assist with the goals, what they would prefer to see in the form of housing for middle and affordable options.

Following the in-person open house, those boards and questions were made into a digital survey for those who were not able to attend the in-person open house to still have an opportunity to voice their opinions. We had a total of 129 participants with the in-person and online survey.

Some of the results from the questions are as follows:

What are the obstacles to finding somewhere to live?

The top three (3) results given were:

1. High and increasing costs to rent or own (88.37%)
2. Too few affordable options available (76.74%)
3. Finding family-sized affordable housing (51.94%)

What should be some first steps to making housing affordable?

The top results given were:

1. Affordable housing should be spread throughout the city and in mixed-income developments (54.26%)
2. Expand access to housing assistance programs (47.29%)
Require affordable housing in developments (47.29%)
3. Incentives for local home ownership or landlords (41.86%)

What types of housing would you want to live in and would consider to be affordable?

The top results given were:

1. Small single-family (72.87%)
2. Duplex (44.19%)
Small multi-family apartment building (44.19%)
3. Townhouse (40.31%)



GOALS FOR CONSTRUCTION OF AFFORDABLE HOUSING UNITS

The first affordable housing item listed in N.R.S. 19-5505 requires :

1. Goals for the construction of new affordable housing units, including multifamily housing and middle housing, with specific types and numbers of units, geographic location, and specific actions to encourage the development of affordable housing, middle housing and workforce housing.

To undertake the setting and comprehension of goals set forth as prescribed above, general understanding of the proposed terms used in this Affordable Housing Action Plan need to be defined. Some terms have current definitions in the Norfolk city code while others are based on state statute with both being revised from time to time.

Definitions:

Accessory dwelling unit, detached shall mean a smaller, independent residential dwelling unit located on the same lot as a detached single-family home where the property owner occupies either the principal structure or the detached accessory dwelling unit. (per city)

Affordable housing shall mean residential dwelling units affordable to a household earning not more than eighty percent (80%) of the income limit as set forth by the United States Department of Housing and Urban Development under its Income Limits Documentation System, as such limits existed on January 1, 2022 for the county in which the units are located and for a particular household size. (per state)

Cottage cluster shall mean a grouping of no fewer than four (4) detached housing units per acre with a footprint of less than nine hundred (900) square feet each and that includes a common courtyard. (per state)

Density bonus shall mean a density increase over the otherwise maximum allowable residential density under the Norfolk city code. (per state)

Middle housing shall mean duplexes, triplexes, quadplexes, cottage clusters, single-family attached or townhouses. (per state)

Multi-family residential shall mean the use of a site for three or more dwelling units within one building not otherwise defined as townhouse units. (per city)

Single-family attached shall mean a single-family residential use in which one dwelling unit is located on a single lot and is attached by a common vertical wall to only one other adjacent dwelling unit on another single lot. (per city)

Townhouses shall mean the use of a site for three or more attached dwelling units, each occupied by one family and separated by vertical side walls extending from foundation through roof without opening. Each townhouse unit must have at least two exposed exterior walls and may or may not have individual unit lot line. (per city)

Workforce housing shall mean housing that meets the needs of working families; owner-occupied housing units that have an after-construction appraised value of at least one hundred twenty-five thousand dollars (\$125,000) but not more than two hundred seventy-five thousand dollars (\$275,000); upper-story housing for occupation by a homeowner; and housing that does not receive federal or state low-income housing tax credits, community development block grants, HOME funds as defined in N.R.S. Section 81-1228, or funds from the Affordable Housing Trust Fund. (per state)

The goals set in this plan are for approximately 10-20 years, which is the estimate in which the general Comprehensive Plan will most likely be ready for an update. This would allow the city, if they so chose, to incorporate an updated version of the Affordable Housing Action Plan into the updated Comprehensive Plan.

Goals for construction of new affordable housing units:

Specific housing types and number:

- Multi-family: 240 total new units, with 24 being affordable
- Duplex or triplex: 180 total new units, with 18 being affordable
- Single-family attached: 120 total new units, with 12 being affordable
- Townhome: 120 total new units, with 12 being affordable
- Tiny house or accessory dwelling unit (ADU): 50 total new units, with 40 being affordable

Geographic locations:

- Northwestern & western residential areas
- Central residential areas
- Eastern residential areas
- Focus on areas that have infill locations, need redeveloping, have city infrastructure in place and/or have walkability to work, shopping, amenities

Encouraging actions:

- Amended zoning codes in many sections to encourage efficient use of land, particularly land having city infrastructure available, and encourage gentle density for potentially more equitable affordability for all citizens in all residential areas of the city.

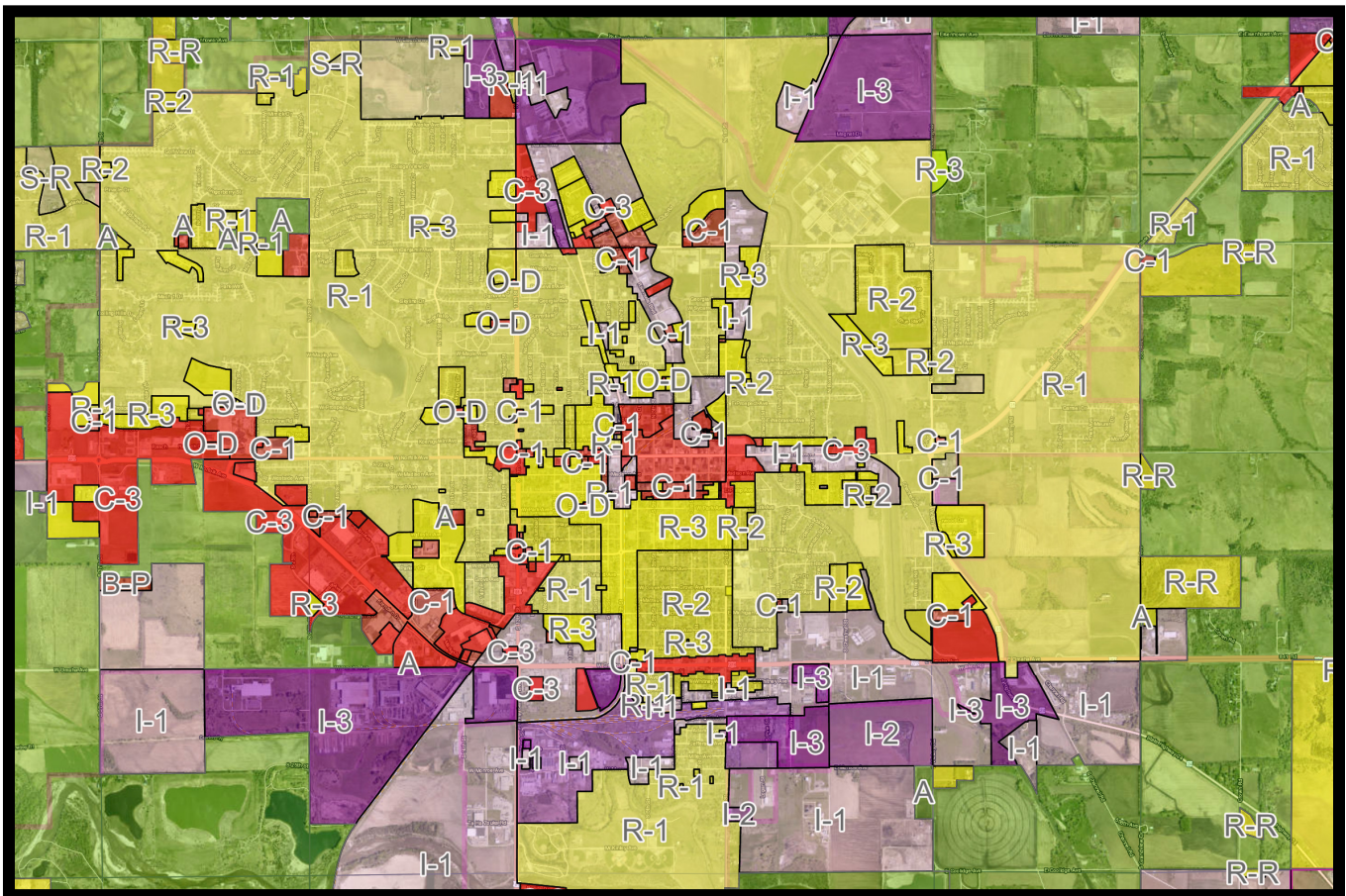
GOALS FOR PERCENTAGE OF AREAS IN THE CITY

The second affordable housing item listed in N.R.S. 19-5505 requires :

2. Goals for a percentage of areas in the city zoned for residential use which permit the construction of multi-family housing and middle housing.

As with many communities across the United States, much of the residential zoning within city limits has only allowed single-family detached residential. Communities across the country have been adjusting their zoning code to permit gentle densities in the form of other residential options within the single-family zoning. The City of Norfolk has also undertaken zoning code amendments to permit other residential options.

With the zoning code amendments, it is the goal to have 50% of the city residentially zoned to permit the options of middle housing and/or multi-family housing. The remaining percentage of land within the city limits is comprised of mostly commercial or industrial zoning.



PLANS FOR THE USE OF INCENTIVES

The third affordable housing item listed in N.R.S. 19-5505 requires :

3. Plans for the use of federal, state, and local incentives to encourage affordable housing, middle housing, and workforce housing, including the Affordable Housing Trust Fund, the Local Option Municipal Economic Development Act, tax-increment financing, federal community development block grants, density bonuses, and other nonmonetary regulatory relief.

The city has assisted projects over the years when applicants have requested help with various grants. Tax-increment financing (TIF) has been made available with many developers using TIF to assist with financing residential projects. However, the city has not included a requirement to provide a certain amount of affordable housing units as part of the redevelopment plan and agreement. The city is discussing a possible policy amendment to require residential TIF to have an affordability and/or workforce housing units component. It will ultimately be the decision of the city council/community development agency, if a policy amendment like this is adopted in the future.

Further, the city's intent is to assist in encouraging the building of affordable housing by providing, at no cost, a selection of plans for some smaller houses in the 800-1200 SF range, which is the preference per the community survey. For those building and/or selling affordable houses, this will save time and money to build such a structure. The owner will not need to hire their own designer which lowers cost, provides the person with an estimated cost estimate for each plan, and will expedite the permitting process through the city, as the city will already know the building plans are acceptable.



The city has provided the remaining local option municipal economic development act funds to a local non-profit housing corporation. In doing so, the city has partnered with this non-profit who will use these funds as part of the rural workforce housing fund to provide housing for middle and workforce housing in the Norfolk jurisdiction. The non-profit has committed to making these funds into a revolving loan and working with the city to assist those citizens and builders wanting and needing assistance for middle and workforce housing.

Nonmonetary encouragement for affordable housing is formed through the multiple amendments to the city code passed and approved by the Norfolk City Council, as described in the following goal.

The City of Norfolk in conjunction with the Village of Hadar have formed the Northeast Nebraska Regional Land Bank to assist in providing affordable housing options. This can be in the form of affordable vacant land to build an affordable house or rehabilitation of a structure that would otherwise continue to deteriorate further to the point of required demolition.



UPDATES TO CODES, ORDINANCES AND REGULATIONS

The fourth affordable housing item listed in N.R.S. 19-5505 requires :

4. Updates to the city's zoning codes, ordinances, and regulations to incentivize affordable housing.

The city has discussed and made multiple amendments to city code and policies to incentivize affordable and middle housing. Some examples are below:

- Reduced the minimum lot square footage and minimum lot width in the city residential zoning districts of R-1, R-2 and R-3
- Included, as permitted uses, middle housing of duplexes and single-family attached in what was single-family detached only R-1 zoning
- Reduced the front yard setback for the house portion of the building, so that it requires less land to place a similarly sized house with previous setbacks
- Adopted a new zoning district specifically for tiny houses
- Amended code to allow accessory dwelling units (ADU's) in all residential districts including agriculture and rural residential
- Adopted the International Code Council's (ICC) Appendix Q for the building of tiny houses, which provides relief from standard building codes
- Other items to be considered could potentially be:
 - further zoning changes to reduce parking for smaller units
 - owners using micro-TIF for individual structures for rehabilitation
 - partnering with modular home builders to discuss potential for affordable modular home neighborhood
 - TIF to have an affordability and/or workforce housing component
 - following some time with the above code amendments in place, evaluate the effectiveness and modify, as needed, along with new and further amendments to code

