



2023 Report to the Legislature
Housing Affordability and Missing Middle
Report



June 29, 2023

Elsa Knight, Legal Counsel
Nebraska Legislature Urban Affairs Committee

Dear Ms. Knight,

Please find attached the City of Hastings 2023 Affordable Housing Report to satisfy the requirements of the Municipal Density and Missing Middle Housing Act. The City of Hastings and our regional partners are working diligently to improve the affordability of housing for our current and future residents.

The City completed a Housing Needs Assessment in 2021 that established the groundwork to address affordable housing on the community. As part of the City's Comprehensive Plan Update, an action plan is being created to provide the Development Services Department, other City Departments, and our regional partners with implementation steps to address this important housing need.

Please find below descriptions and items for the nine elements of the required Affordable Housing Report. If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Chad Bunger".

Chad Bunger, AICP, CFM
Director of Development Services
City of Hastings, Nebraska
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(a) An overview of the city's current residential zoning requirements;

The City's zoning code ([Chapter 34 of the Code of Ordinance](#)) allows for a wide variety of housing types by right. Single-family homes are a permitted use in 10 of the 14 available zoning classifications, that also includes single family homes constructed as Type A or B Manufactured Housing. Middle housing, such as duplexes and townhouses, are allowed in 5 different zoning classifications. Multifamily dwellings are allowed within 5 zoning classifications. The minimum lot sizes range in size from 5-acres in the agriculture zone to no minimum in the commercial zones. All but two zones have a minimum lot size of 20,000 square feet or less.

(b) The percentage of areas within the corporate limits of the city zoned for residential use which permit the construction of multifamily housing and middle housing, including whether such areas are zoned specifically for residential use or generally allow residential use, and whether such construction is permitted with or without any additional permit requirements;

The [Table 200-1: Uses and Districts Table can be found in Section 34-200](#) of the City's Code of Ordinance. The middle housing and multiple-family housing is permitted in the various districts listed below.

District	Permitted/ Conditional Use	Area (Acres)	Percentage
Total City		9669.1	
R-2 Mixed-density Neighborhood District	Permitted	1358.3	14.05%
R-3 Multiple-Family Residential District	Permitted	647.8	6.70%
R-4 Urban Neighborhood District	Permitted	0.4	0.001%
C-O Commercial Office Non-Retail District	Permitted	43.4	0.45%
C-1 Local Business District	Permitted	123.8	1.28%
C-2 Central Business District	Permitted	91.3	0.94%
C-3 Commercial District	Permitted	540.8	5.59%
CMP – Institutional Campus District	Permitted	23.2	0.24%
Total		2829.0	29.26%

(c) A breakdown of new residential construction within the corporate limits of the city over the previous five years, including the percentage of such construction that was single-family housing, multifamily housing, and middle housing;

Unfortunately, for a variety of reasons, the City of Hastings development records have not historically been well maintained. Without being unduly burdensome to department staff, most of this information is not readily available currently. The City incorporated a new building permit record system in 2022. Moving forward, this type of data will be more easily retrievable and presentable.

The 78-unit multi-family building and the two, two-family (townhome) projects would meet Hastings’ categorization of Middle Housing, as the valuation of construction was at or below the City’s price range of \$150,000 - \$225,000. All single-family homes were built for “at-market” rate and were above the City’s Middle Housing price range.

Year	Single-Family	% Single-Family	Two- & Three-Family	% Two- & Three-Family	Multiple-Family	% Multiple-Family	Middle Housing	% Middle Housing
2022	36	30.5%	4	3.4%	78	66.1%	80	67.8
2021	25	100%	0	-	0	-	0	-
2020	40	80%	10	20%	0	-	0	-
2019	40	23.5%	46	27.1%	84	49.4%	0	-
2018	31	100%	0	-	0	-	0	-

(d) A breakdown of residential units annexed by the city over the previous five years, including the percentage of such units that were single-family housing, multifamily housing, and middle housing;

The City did not annex land into the corporate boundaries that has existing residents on it. Any land annexed into the City was either “green grass” development or existing non-residential land.

(e) An estimate of the per-unit cost of housing within the corporate limits of the city;

The estimated per-unit cost for all housing in the City of Hastings is \$156,495. This estimation was calculated by taking the valuation of each residential property and dividing it by the number of dwellings for the property, then averaging that result.

For new construction over the last two years, the average per-unit cost is estimated to be \$313,581. The table below further breaks down the 2-year average for new construction by housing type.

Housing Type	2022 per-unit estimate	2023 per-unit estimate
Single-family	\$315,398	\$394,791
Two- & Three-family	\$177,036	\$166,947
Multi-family	\$111,155	-
Single-family remodel	\$39,706	\$43,747

(f) Whether such zoning codes, ordinances, and regulations provide for density bonuses or other concessions or incentives which encourage residential density, and the frequency with which such bonuses, concessions, or incentives are utilized;

The City does not currently incentivize residential developments, based on density.

(g) Whether such zoning codes, ordinances, and regulations allow the construction of accessory dwelling units;

Accessory dwelling units are allowed with a conditional use permit within one zoning classification. Conditional use permits must go before the Planning Commission and be approved by City Council.

(h) What incentives the city applies to encourage the development of affordable housing, including both direct incentives and regulatory relief;

The City of Hastings has not directly provided financial assistance or incentives to encourage the development of affordable housing, yet. The Hastings Economic Development Corporation did utilize the tax increment financing tool in a designated redevelopment area to incentivize development of apartments, two-family dwellings, and single-family detached homes. The initial plan was for this development to address work force and affordable housing needs. However, the local market forces did not allow this to occur, as originally planned. These dwellings are renting and selling at market rate.

(i) The percentage of areas within the corporate limits of the city zoned for residential use which have been declared substandard and blighted areas under the Community Development Law;

The Hastings Community Redevelopment Authority is the local organization that manages the community for conserving and rehabilitating substandard or blighted areas within the City. The Hastings CRA has declared approximately 21.3% of all residentially zoned land within the City to be substandard or blighted. This equates to roughly 27.3% of the total land the CRA has declared as substandard or blighted (2709.6-acres) to be residentially zoned.

(j) The percentage of areas within the corporate limits of the city zoned for residential use which have been declared extremely blighted areas under the Community Development Law;

The Hastings Community Redevelopment Agency has not declared any areas in the City as extremely blighted. The percentage of areas within the Hastings corporate limits zoned for residential uses that is designated as extremely blighted is 0%.

(k) A demographic analysis of the city with trends and estimates of the housing need classified by housing type and price range;

The City of Hastings has had a relatively stable population. The current population, according to the 2020 U.S. Census' American Community Survey (ACS) 5-year Estimates (*Table DP05*), 25,247. Over the course of the last ten years, based on U.S. Data, the average percentage of growth has been 0.20%. Apply this rather modest growth rate for the future, Hastings is anticipated to grow to roughly 25,700 people by 2030.

The 2021 estimated total number of households is 10,288 (*U.S. Census, Table DP02*). As expected, the number of households in the City has remained relatively stable, with a modest growth rate of 0.24% over the last ten years. The occupancy rate of all households in Hastings is a relatively high 91.6% (*U.S. Census, Table B25002*).

The 2021 U.S. Census ACS estimated the median household income to be \$54,606 (*U.S. Census, Table S2503*). Utilizing the same U.S. Census table to estimate the percentage of owner- vs. renter-occupied house, approximately 63.9% of Hastings' households are owner-occupied compared to 36.1% for renter-occupied housings.

On the topic of affordable housing, 25.3% of all Hastings households spend 30% or more of their monthly incomes on housing costs (both owner-occupied and renter-occupied) (*U.S. Census, Table S2503*). Across the board, the "less than \$20,000" income bracket has the highest number of households who pays 30% or more on housing costs. Separating this analysis by owner-occupied or renter occupied; 14.9% of owner-occupied households spend 30% or more on housing costs. The income bracket that has the highest percentage of households spending 30+% on housing costs is the "\$20,000-\$34,999" grouping.

For renter-occupied housing, 44.8% of households spend 30% or more on housing costs. The income bracket with the largest percentage is "less than \$20,000", with 32.4%. The next highest is "\$20,000 - \$34,999" with 11.2%.

Item (I) Efforts to adopt an affordable housing action plan as required under section 19-5505.

The City is currently working on an affordable housing action plan in conjunction with our comprehensive plan update. This action plan will establish implementation tasks to address the topics found in this report and the City's Housing Needs Assessment. Since the population is under 50,000 the plan is not due until January 1, 2024. The comprehensive plan update and affordable housing action plan is on schedule be completed before the Act deadline.