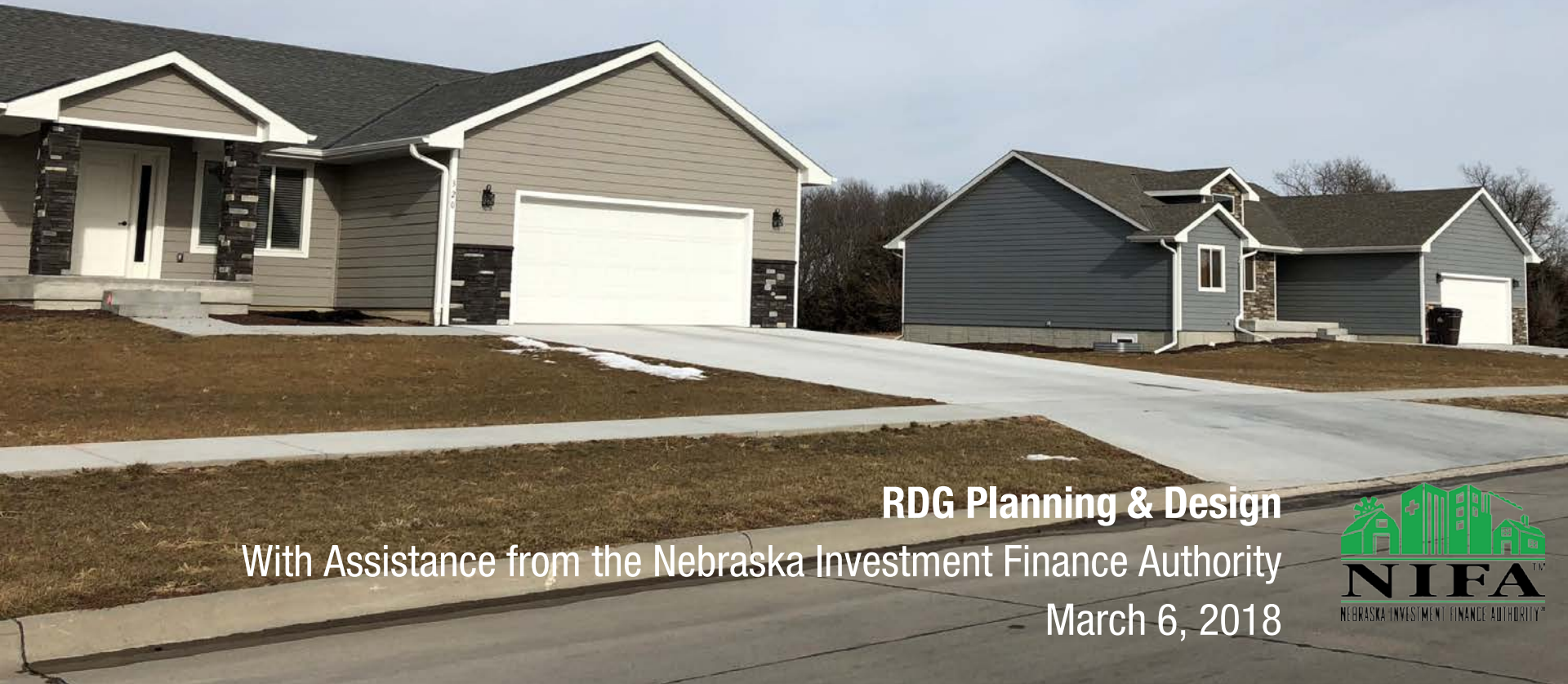


Schuyler Housing Study

Schuyler, NE



RDG Planning & Design

With Assistance from the Nebraska Investment Finance Authority

March 6, 2018

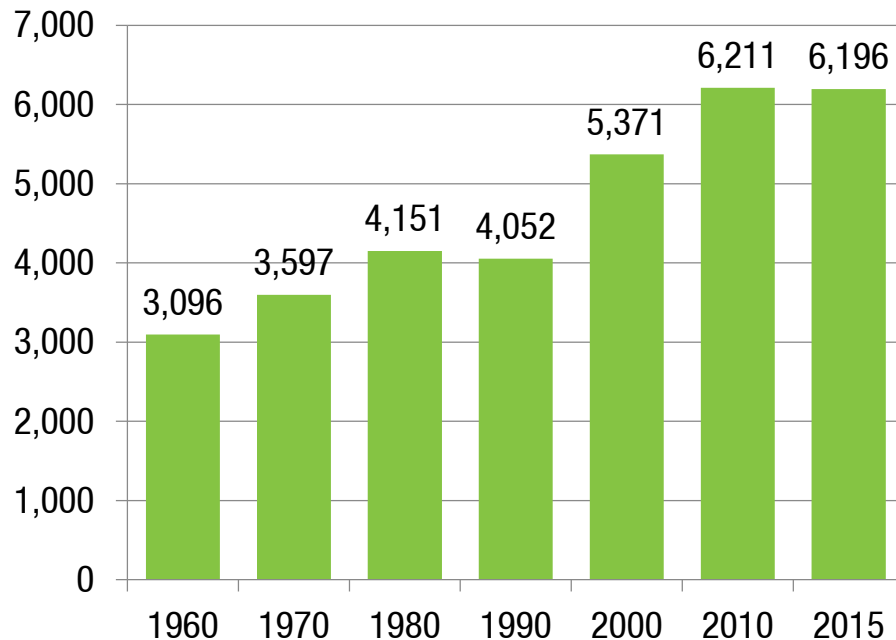


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A special thank you to the residents of Schuyler, City of Schuyler, Schuyler Community Development, and Nebraska Investment Finance Authority for making this study possible.

Population Change in Schuyler 1960–2015

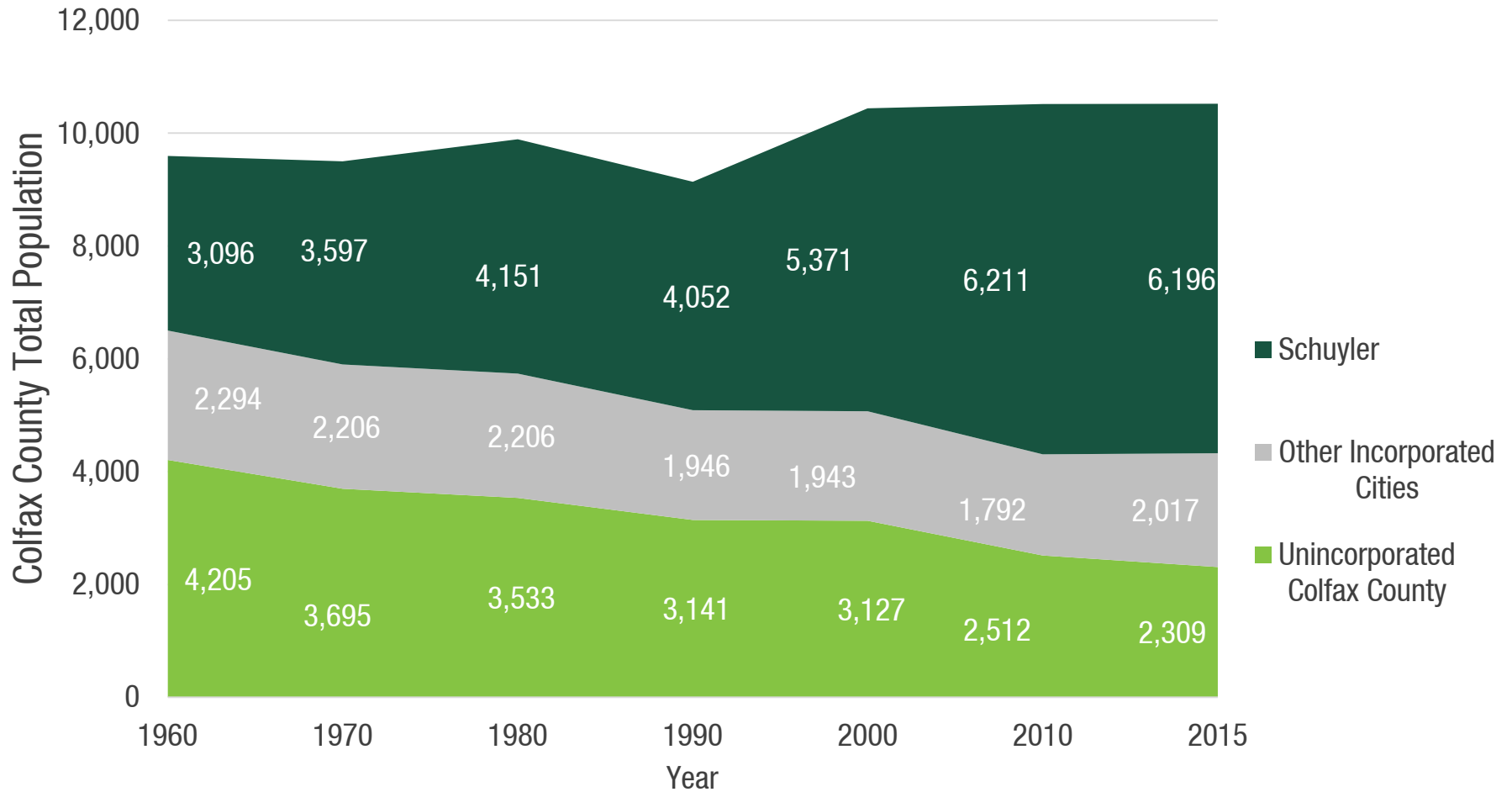


After no growth in the 1980s, Schuyler had experienced strong growth since 1990 and the expansion of the now Cargill Plant. The 2015 Census estimated a population of 6,196, suggesting that growth has slowed more recently. However, new households continue to form as the population becomes more established.

2015 ACS* Population: 6,196
 2012 Study Estimate: 6,609 (1.25% Growth)
 2006 Study Estimate: 6,236 (1.00% Growth)

	1960	1970	1980	1990	2000	2010	2015	Change
Schuyler, Nebraska	3,096	3,597	4,151	4,052	5,371	6,211	6,196	3,100
Colfax County	9,595	9,498	9,890	9,139	10,441	10,515	10,522	927
Schuyler as a % of Colfax County	32.3%	37.9%	42.0%	44.3%	51.4%	59.1%	58.9%	

Population Change in Colfax County 1960–2015



Population Change by Age Cohort

Schuyler: 2000–2010

Age Group	2000		2010		2000–2010 Difference
	Number	Percent	Number	Percent	
0–14	1,313	24.4%	1,814	29.2%	501
15–19	454	8.5%	479	7.7%	25
20–24	402	7.5%	456	7.3%	54
25–34	819	15.2%	942	15.2%	123
35–44	721	13.4%	777	12.5%	56
45–54	570	10.6%	632	10.2%	62
55–64	317	5.9%	507	8.2%	190
65–74	335	6.2%	243	3.9%	–92
75–84	299	5.6%	213	3.4%	–86
85+	141	2.6%	148	2.4%	7
Total	5,371	100.0%	6,211	100.0%	840





Increase
Decline

Increases and decreases naturally occur as different generations move through the cohorts. Some generations, like the Baby Boomers (born 1945–1960) and Millennials (1980–2000), are just larger than the ones before and after them.

Predicted Population Change by Age Cohort

Schuyler: 2000–2010

Age Group	Predicted 2010	Actual 2010	Difference	% Variance
0–14	1,043	1,814	771	73.9%
15–19	482	479	–3	–0.6%
20–24	363	456	93	25.6%
25–34	848	942	94	11.1%
35–44	809	777	–32	–4.0%
45–54	705	632	–73	–10.4%
55–64	535	507	–28	–5.2%
65–74	270	243	–27	–10.0%
75–84	232	213	–19	–8.2%
85+	167	148	–19	–11.4%
Total	5,454	6,211	757	13.9%



 In-migration/
High birthrate
 Out-migration/
Low birthrate

Predicted vs. Actual is the difference between what would have been predicted to happen to the population based on standard birth and death rates versus what the population made up actually was in 2010.

Predicted Pop. Change by Age Cohort

Schuyler: 2010–2015

Age Group	2015 Predicted	2015 Actual	Difference	% Variance
0–14	1,714	1,912	198	11.5%
15–19	469	491	22	4.7%
20–24	477	322	–155	–32.5%
25–34	947	977	30	3.1%
35–44	849	752	–97	–11.4%
45–54	685	677	–8	–1.1%
55–64	560	461	–99	–17.7%
65–74	334	355	21	6.3%
75–84	174	164	–10	–5.8%
85+	136	85	–51	–37.5%
Total	6,345	6,196	–149	–2.4%

 In-migration
 Out-migration/
 Low birthrate

The 2015 population estimates are based on a small sample size therefore the margin of errors can be high. This creates concerns with the “actual” population estimate, especially for 20–24 year old age group. This group has been strong over the last 25 years in Schuyler and assuming that this population has experienced a significant out-migration should be viewed with some skepticism.

Place of Birth and Hispanic Origin

Schuyler: 2000–2015

	1990	2000	2010	2015	% Change 1990–2015
Schuyler					
Population	4,052	5,371	6,211	6,196	52.9%
Foreign Born	175	1,698	2,058	2,511	1,334.9%
Hispanic Origin	164	2,423	4,060	4,390	2,576.8%
Non–Hispanic	3,888	2,948	2,151	1,806	–53.5%
Nebraska					
Population	1,578,385	1,711,263	1,799,125	1,869,365	18.4%
Foreign Born	28,198	74,638	106,298	123,351	337.4%
Hispanic Origin	36,969	94,425	151,971	186,268	403.8%
Non–Hispanic	1,541,416	1,616,838	1,647,154	1,683,097	9.2%

Source: U.S. Census

The census estimates that Schuyler’s Hispanic population continues to grow as a percentage of the population. It should be noted that based on school enrollment the city’s population is diversifying well beyond its traditional Hispanic population with more non–English languages being spoken by students.

Household Change

Schuyler: 2000–2015

Household Size and Growth	1990	2000	2010	2015	% Change 1990–2015
Population in Households*	3,946	5,292	6,152	6,146	55.8%
Number of Households	1,630	1,748	1,828	1,844	13.1%
Persons Per Household	2.42	3.03	3.37	3.33	37.6%

Average Household Size	Schuyler	Nebraska	National
All Households	3.33	2.47	2.64
Owner–Occupied Households	3.33	2.59	2.70
Renter–Occupied Households	3.34	2.23	2.53

Source: U.S. Census

Households determine housing demand. Despite a stable population from 2010–2015, the number of households still increased. This led to a decrease in the average number of persons per household over that time, though Schuyler still has a larger average household size compared to the state or nation due to its higher frequency of extended family living together.

* Household population is composed of those living in households and not in institutional settings (skilled nursing, dorms, incarcerated). This population does not demand traditional housing units.

Housing Occupancy Change

Schuyler: 2000–2015

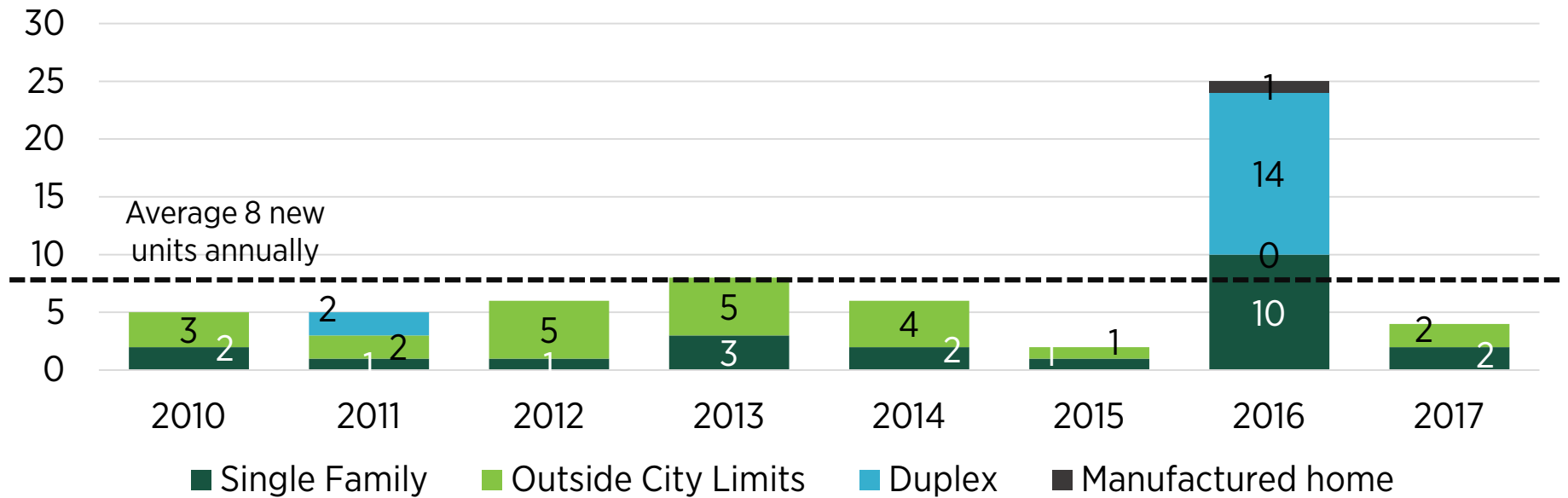
	2000		2015		Change 2000– 2015
	Number	% of Occupied Units	Number	% of Occupied Units	
Owner–Occupied	1,239	70.9%	1,251	67.8%	+12
Renter–Occupied	509	29.1%	593	32.2%	+84
Total Vacant	108		106		–2
Vacancy Rate	5.8%		5.4%		
Total Units	1,856		1,950		+94

Source: U.S. Census

The Census estimates that Schuyler has a healthy number of vacant units, but upon further analysis all of these units were identified as either “sold, not occupied” or “other vacant” and there were no vacant units categorized as “for rent” or “for sale.” Because the vacant units Schuyler has are unlikely to return to the market soon, if ever, **the city has a vacancy rate well below 5% and closer to full occupancy.** This leaves new residents looking in other communities and existing residents staying in place.

Building Permits Schuyler: 2010–2017

Construction Activity



Until 2016 over 50% of the city's residential building permits were occurring outside city limits, but within the city's two-mile zoning jurisdiction. For the most part, these were all custom built homes. The speculative construction in 2016 has quickly filled and demonstrates the demand in the market for new quality units.

Comparative Income, Value, and Rent

Schuyler: 2015 Estimates

	Median Household Income	Median House Value	Value/Income Ratio	Median Contract Rent
Schuyler	\$47,500	\$86,300	1.82	\$511
Columbus	\$52,579	\$122,500	2.33	\$543
Fremont	\$47,629	\$115,300	2.42	\$571
Norfolk	\$46,250	\$119,500	2.58	\$506
David City	\$46,336	\$102,600	2.21	\$465
Colfax County	\$51,367	\$88,300	1.72	\$443

Source: U.S. Census

- An affordable, self-sustaining housing market with adequate value or revenues to support market rate new construction typically has a V/I value between 2.5 and 3.
- Ratios below 2.0 are significantly undervalued relative to income
- Ratios above 3.0 exhibit significant affordability issues

While new construction not yet captured by the Census has likely elevated the city's home values, the city still struggles with undervalued housing, a key issue identified in the 2006 plan. Continued construction and reinvestment in existing housing will be essential to improving this ratio. For all communities in the region, stagnant wages since the 2008 recession make it difficult to support new construction costs.

Housing Affordability Ranges

Schuyler: 2015

Income Range	# Households in Each Range	Affordable Range for Owner Units	# of Owner Units	Affordable Range for Renter Units	# of Renter Units	Total Affordable Units	Balance
\$0–24,999	457	\$0–50,000	245	\$0–399	204	449	–8
\$25–49,999	518	\$50–99,999	547	\$400–799	358	905	387
\$50–74,999	439	\$100–149,999	385	\$800–1,249	31	416	–23
\$75–99,999	244	\$150–199,999	49	\$1,250–1,499	0	49	–195
\$100–149,999	136	\$200–299,999	18	\$1,500–1,999	0	18	–118
\$150,000+	50	\$300,000+	7	\$2,000+	0	7	–43

This table should be read left to right across rows

- Every income group other than the \$25–49,999 range shows a deficit, especially those households making over \$75,000
- As a result, many residents earning higher wages compete for more affordable units, creating a shortage of housing priced below \$100,000 or renting below \$800.

Comparative Population Models

Schuyler 2015–2030

	2010	2015	2020	2025	2030
Natural Growth*	6,211	6,196	6,321	6,457	6,614
1.7% Annual Growth (1990–2010 Growth Rate)	6,211	6,196	6,745	7,343	7,994
1.5% Annual Growth (2000–2010 Growth Rate)	6,211	6,196	6,663	7,165	7,705
1.00% Annual Growth Rate	6,211	6,196	6,512	6,844	7,193

* Based on 2015 cohort survival and birth rates

- Schuyler is expected to have a robust natural growth with more births than deaths, assuming no migration
- The 2015 population estimate has the city losing population. Employment demand has not leveled off during this period and the new units opened in 2017 attracted a number of new residents.
- Housing is becoming necessary to support new population growth with no vacancies and most occupied units at full capacity.
- New housing development should support a healthy 1% annual growth rate.

Projecting Housing Needs Schuyler

- Use population scenarios, recent construction activity, and assumptions about people per household to generate housing demand over the next ten years.
- Consider the distribution of household income in a community.
- Match income ranges with affordability price points, based on housing costs equal to 30% of adjusted gross income.
- Define price breakouts for new housing demand, based on the assumption that new construction should ideally be affordable to the existing household income distribution.

Note: These estimates are not meant to indicate an exact demand for housing, but rather provide guidance as to what kinds of housing is needed to reach certain targets.



Development Targets

Schuyler: 2017–2030

	2015-2024	2025-2030	Total
Population at End of Period	6,778	7,193	
Household Population at End of Period	6,713	7,125	
Average People Per Household	3.3	3.2	
HH Demand at End of Period	2,065	2,227	
Projected Vacancy Rate	5.4%	5.4%	
Unit Needs at End of Period	2,184	2,355	
Replacement Need	14	12	26
Cumulative Need During Period	248	183	431
Average Annual Need	35	31	33

Housing demand calculation is based on:

- A slightly decreasing number of people per household
- Average annual replacement of just over 2 units per year because of demolitions, conversions, etc.
- A stable vacancy rate based on the current census estimate but in reality an increase in actual vacancy

Source: RDG Planning & Design

- New construction should address three major issues for the city:
 1. Support new population growth
 2. Address the nearly zero vacant units and ensure that a new resident to the city has safe housing options
 3. Allow residents who have been doubling up in a single unit to move into their own units
- To do this, the city will need to build approximately 33 units on an annual basis.

Development Targets

Schuyler: 2017–2030

	2017–2024	2025–2030	Total
Total Need Additional Units	248	183	431
Total Owner Occupied	124	91	215
Affordable Low: \$60–100,000	22	16	38
Affordable Moderate: \$100–130,000	25	18	43
Moderate Market: \$130–200,000	39	29	68
High Market: Over \$200,000	38	28	66
Total Renter Occupied	124	92	216
Low: Less than \$450	32	24	56
Affordable: \$450–700	49	36	85
Market: Over \$700	43	32	74

- This analysis assumes a split of 50% owner–occupied and 50% rental units, meeting the demand for quality rental units.
- New construction will cost more than \$130,000, causing demand for lower–cost units to be met by existing housing.

A Looking Back





Since 2012...

Schuyler has made more progress in housing development since 2012 than it had in the previous 15 years. This included a number of new single-family homes constructed through strategic partnerships. Progress also included a new health and safety inspection program with the transition of utility hook-ups. New age-based housing quickly filled; but the demand for new market rate rentals has not been met. The untested market for new rentals that will require higher rental rates has left many developers on the side-lines. However, the rents being absorbed by the single-family workforce housing units constructed in 2016/17 are proving that higher rates can be supported.



Since 2012...

Work completed since 2012:

- Schuyler Community Development, Inc. constructed **eight market rate single-family homes in 2017 with one sold and seven leased**. Guarantees were provided by major employers if the units could not be rented. All have been rented at this time. Five of the seven are occupied by people new to the Schuyler area, and two were move-ups.
- Krael Meadows, LLC, a subsidiary of Schuyler Community Development, built **14 attached units for individuals over age 55**. Low Income Housing Tax Credit were used to assist in development of these units. All units are occupied with a mixture of people who came from home ownership, rental situations, and moving to Schuyler from other communities.
- Schuyler Department of Utilities and the Board of Public Works has assisted in the development of approximately **60 residential lots**.
- Schuyler Department of Utilities has implement a program that requires a **healthy and safety inspection** when the responsible party for a unit's utilities change.



Since 2012...

Work completed since 2012 con't:

- Schuyler Community Schools, in partnership with Shelby Lumber of Shelby, Nebraska, is currently building their **fourth, market–rate single family home**, to be completed later this spring. Of the three sold thus far, two are move–ups, and one was bought by someone who moved in to Schuyler. Previously, Schuyler Community Schools partnered with NeighborWorks Northeast Nebraska and built **seven income–based single–family dwellings since 2007**.
- In 2007 NeighborWorks Northeast Nebraska constructed and sold **one income–based housing unit** with plans for one more in 2018.
- Schuyler Home Builders Group, LLC built **two speculative, market rate, single family dwellings** in 2016. Both were sold prior to completion, one was a move–up and the second was sold to a new Schuyler resident.
- Schuyler School District has instituted an **incentive program** for professional staff for both renting and buying housing in Schuyler.



Public Input

For any community, the demographic and market analysis provides one view of a community's housing needs. Additional input from a community's stakeholders provides an important additional view of the market. During the development of this Study, six small group discussions were held January 17th and 18th, 2017. These groups involved over 36 individuals with a wide variety of expertise and perspectives.

Using the market and demographic analysis, along with the public input, the following sections identify the resources, challenges, and housing strategies for Schuyler.

Overall Assessment





Housing Resources

- **Strategic Location**
- **Employment Base**
- **Record of Success**
- **Partnerships**
- **Proven Market**



Housing Resources

Strategic Amenities

Schuyler is well located to absorb new growth, both from the strong job base in the city, but also from its proximity to Fremont and Columbus. Investments in community amenities are essential to attract new residents, but also to encourage reinvestment in existing housing by current residents. Investments in the school district and the new public library demonstrate residents' commitment to the community. Resources like the hospital with labor and delivery services offer an amenity not found in many communities the size of Schuyler.

- **Strategic Amenities**
- Employment Base
- Record of Success
- Partnerships
- Proven Market



Housing Resources

Employment Base

While the agriculture economy has slowed compared to five years ago, the demand for employees remains high. The need to fill positions has resulted in even broader recruiting efforts and has further diversified Schuyler's population. The poultry facility under construction in Fremont will create even greater competition through demand for workers and housing for those workers. Filling positions, especially in the skilled and professional ranks, continues to be a challenge. Meeting these individuals' housing expectations and having rental housing available, what some are referring to as transitional housing, will be important in recruitment.

- Strategic Amenities
- **Employment Base**
- Record of Success
- Partnerships
- Proven Market



Housing Resources

Record of Success

Schuyler is applauded by many in Nebraska for its recent successes. Successes include the focus placed on housing both through a full-time position and housing inspections. One of the greatest challenges is constructing the first project that shows the market can absorb units. These successes will help build momentum and support for continued new construction.



- Strategic Amenities
- Employment Base
- **Record of Success**
- Partnerships
- Proven Market



Housing Resources

Partnerships

Any successful housing program is built on partnerships. Schuyler has done an excellent job of building these partnerships and bringing a wide variety of stakeholders to the table. The need to continue helping the city's major employers understand the need for housing to recruit and retain employees will remain an issue, especially as leadership transitions occur. But the city's proven record of partnerships can help continue the momentum for housing and community investment.

- Strategic Amenities
- Employment Base
- Record of Success
- **Partnerships**
- Proven Market



Housing Resources

Proven Market

A large hurdle in housing development in rural communities can be proving the market for new construction. For many rural communities, it has been over 20 years since housing, other than custom built single—family homes, have been constructed. This, along with lower rental rates and depressed home values can make it difficult to prove that new construction costs can be supported, especially in the rental market.



- Strategic Amenities
- Employment Base
- Record of Success
- Partnerships
- **Proven Market**



Housing Resources

Proven Market

However, the ability to fill 22 new housing units in 2017 while having little effect on the rental vacancy rate, proves units can be absorbed. The recent market rate rentals also prove that higher rental rates can be supported.

However, proof is needed that the level of rental rates to support multi-family construction can be supported.

Rental guarantees or gap financing (funding needed to fill the “gap” between what rents can support and construction costs) may still be needed for the first multi-family project.



- Strategic Amenities
- Employment Base
- Record of Success
- Partnerships
- **Proven Market**



Housing Issues & Challenges

- **Continued Undervalued Market**
- **Comparables Effect on Appraisals**
- **Low Rental Rates**
- **Lack of Market Rate Multi–Family Construction**
- **Shortage of “For Sale” Units**
- **Experience Level of Buyers**
- **Floodplain Limitations**



Housing Issues & Challenges

Continued Undervalued Market

In the 2006 and 2012 Housing Studies, low housing values were identified as a key housing challenge. According to 2015 American Community Survey estimates, the median value is \$86,300, meaning that 50% of all homes were below this modest level. This value is only slightly above that in 2006 and not on pace with the increasing costs associated with new construction. Low housing values can dampen production of housing, especially on infill lots where infrastructure already exists. At current construction costs, even a relatively small new house will cost much more than an existing house with more space. A lack of comparable homes and concerns about resale value in the overall market can make both buyers and lenders leery. The sale of the 2017 units should elevate valuations and provide stronger comparables.



- **Continued Undervalued Market**
- Comparables Effect on Appraisals
- Low Rental Rates
- Lack of Market Rate Multi-Family Construction
- Shortage of “For Sale” Units
- Experience Level of Buyers
- Floodplain Limitations



Housing Issues & Challenges

Comparables Effect on Appraisals

As noted in the last section, the undervaluation of property has a direct effect on the appraisal of properties. Low valued property and a lack of new construction leave appraisers with few comparables when trying to establish an appraisal. Additionally, some of the new construction that has occurred over the last ten years has been sold at or near cost, further adding to the challenge. For the private market to be successful, appraisals have to cover cost and provide some profit. When appraisals cannot cover these objects the financing is harder to obtain and the private market will walk away from projects.



- Continued Undervalued Market
- **Comparables Effect on Appraisals**
- Low Rental Rates
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Housing Issues & Challenges

Low Rental Rates

The median monthly rental rate, at \$511 in Schuyler, is not the lowest in the region but lower than what can often be supported by new market rate construction. Low rents are a reflection of rental age and quality. Landlords can retain renters with little incentive to improve units for those households that must rent.



- Continued Undervalued Market
- Comparables Effect on Appraisals
- **Low Rental Rates**
- Lack of Market Rate Multi-Family Construction
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Housing Issues & Challenges

Low Rental Rates

Additionally, the lower rental rates, common in rural areas, creates a disincentive for reinvestment or construction. The recent rental guarantees and rental rehabs have proven that the market can support higher rents. However, a traditional multi-family housing structure has not been proven and similar programs to the rental guarantee may be needed to support an initial project. The interest by several individuals who made too much to qualify for the new 14 unit senior oriented rental housing project show potential support for more senior or retiree housing.



- Continued Undervalued Market
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- **Low Rental Rates**
- Lack of Market Rate Multi-Family Construction
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Housing Issues & Challenges

Lack of Market Rate Multi-Family Construction

No multi-family construction has occurred in Schuyler in nearly 20 years. Leaving a significant shortage in what some in the community refer to as “transitional housing.” This is the housing that allows an individual to “transition” into a community. A situation not unique to Schuyler but also found in the nearby Columbus market. Low rents have made it difficult to support new construction and easy mortgages in the early 2000s made single-family owner occupancy a more appealing market for many developers. Thus, many developers did not enter the business.

- Continued Undervalued Market
- Comparables Effect on Appraisals
- Low Rental Rates
- **Lack of Market Rate Multi-Family Construction**
- Shortage of “For Sale” Units
- Experience Level of Buyers
- Floodplain Limitations



Housing Issues & Challenges

Lack of Market Rate Multi-Family Construction

Schuyler's young population has meant that demand for rental housing has always been high. Despite this demand, residents are finding few quality options that meet their needs including larger units that can support extended families. These units will require rents over \$800 a month, a market that has only begun to be tested.

- Continued Undervalued Market
- Comparables Effect on Appraisals
- Low Rental Rates
- **Lack of Market Rate Multi-Family Construction**
- Shortage of "For Sale" Units
- Experience Level of Buyers
- Floodplain Limitations



Housing Issues & Challenges

Shortage of “For Sale Units”

All communities are experiencing an inventory shortage. Available units are at an all-time low and quality homes may only be on the market for a few days. An inventory shortage causes a stagnant housing market where households looking to move up in the market are choosing to stay in their home for longer periods of time.



- Continued Undervalued Market
- Comparables Effect on Appraisals
- Low Rental Rates
- Lack of Market Rate Multi-Family Construction
- **Shortage of “For Sale” Units**
- Experience Level of Buyers
- Floodplain Limitations



Housing Issues & Challenges

Shortage of “For Sale Units”

Secondly, a shortage makes moving to Schuyler difficult for new employees and families. Potential residents will instead look for housing in nearby communities or, for the professional sector, will seek employment in regions that can support their housing needs. There are many strategies to increase housing inventory including new construction, rental construction, and housing options for seniors, but greater housing variety will be needed.



- Continued Undervalued Market
- Comparables Effect on Appraisals
- Low Rental Rates
- Lack of Market Rate Multi-Family Construction
- **Shortage of “For Sale” Units**
- Experience Level of Buyers
- Floodplain Limitations



Housing Issues & Challenges

Experience Level of Buyers

Schuyler's market is unique in many ways, including the large international population who are often first-time homebuyers, not raised in owner-occupied housing. Often these individuals desire to own something outweighs understanding of health and safety codes, impacts of floodplain on housing cost, and general lending practices. The lack of experience and exposure to home ownership means many need a greater level of guidance than might be seen in other similar sized communities in Nebraska.



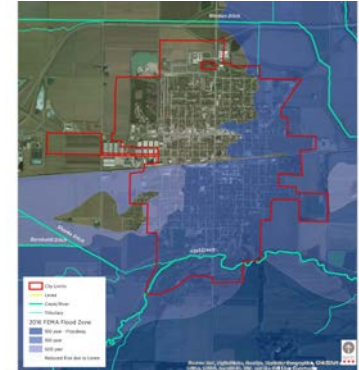
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Housing Issues & Challenges

Floodplain Limitations

The Platte River floodplain map changes made in 2016 has created a significant issue for southern Schuyler. Many properties in this area are now required to carry flood insurance, a significant cost and reduction in housing affordability. The greatest fear is that it could lead to stagnant or declining property values. Declining property values can create a spiral of disinvestment. However, the city has significant public investments in this area and should continue to work with regional and state leaders to address this issue. It should be noted that a large section of northern Schuyler is also located in the Shell Creek floodplain but the construction of a new levee will lower the flood risk in this area following certification of the levee.



- Continued Undervalued Market
- Comparables Effect on Appraisals
- Low Rental Rates
- Lack of Market Rate Multi-Family Construction
- Shortage of “For Sale” Units
- Experience Level of Buyers
- **Floodplain Limitations**

Housing Strategy





Strategic Objectives

Schuyler's employment base, recent success in housing production, and community investments position it for continued growth. The city is both benefited and challenged by regional job availability. Most of Nebraska has a **labor shortage**, and often employers are competing for the same workers. Additionally, Nebraska has a large number of individuals entering their retirement years who are not vacating their homes for new employees.

Having housing and community amenities will be essential to attract and retain employees.

Schuyler's efforts to add housing and amenities should make the city more competitive. A number of forces limit the city's ability to provide affordable housing for people who are attracted to the community. If Schuyler cannot provide available and affordable housing, Schuyler will be unable to attract the new residents and grow the population of individuals who want to live in and contribute to the city and region as a whole.



Strategic Objectives

A housing program for Schuyler should:

- Continue the **aggressive development programs and incentives** that have supported new housing construction.
- Increase the **variety of housing** to include **multi-family, attached single-family, and market-rate retiree housing**.
- **Remove deteriorating or hazardous/unsafe housing** from the city's inventory.
- Use strategic **rehabilitation and housing conservation** to meet the need for housing priced below \$180,000 and strengthen home values in the city's oldest neighborhoods.
- **Continue to share risk** to meet the needs the private market cannot satisfy alone.



1. Filling the Gap

Schuyler has done an excellent job of building partnerships and awareness of the housing issues. The projects that have been completed over the past 10 years could not have been done without these partnerships. However, there are still gaps in rental housing and not enough production to create movement in the “for sale” market.

Many of the following strategies will require additional support beyond what has been used in the last 10 years. These may include:

- Lending Consortium
- Local Housing Trust Fund
- Rural Workforce Housing Fund (RWHF)



1. Filling the Gap

The 2006/2012 housing study recommended a **Lending Consortium**, pooling resources to provide interim financing for important regional housing projects. **A Housing Trust Fund** can function in similar ways. Both provide the key advantage of greater flexibility by using local funds. Having these funds on hand can also be essential to **meet the match** requirements for programs like the RWHF.

Employers can be a major partner in these types of efforts. The partnerships already built with employers puts Schuyler ahead of many communities. The role of employers can vary from providing funding into the Lending Consortium/Trust Fund to constructing housing for workers. Housing in the recruitment and retention of employees is a major issue for employers and their involvement is becoming necessary in most rural cities.



1. Filling the Gap

Rural Workforce Housing Fund (RWHF) is a new program in the state that will provide matching grants to non–profit development organizations for the production of workforce housing in rural communities. Eligible projects include:

- New owner–occupied housing costing no more than \$275,000
- New rental housing units costing no more than \$200,000
- Owner–occupied or rental units for which the cost to substantially rehabilitate exceeds 50% of a unit’s assessed value

Housing that is already receiving federal or state tax credits, CDBG, HOME funds, or national or state Affordable Housing Trust Fund dollars will not be eligible.

No more than \$1million will be granted to one organization and all dollars must be matched locally one–for–one.

Nebraska Investment Finance Authority (NIFA) is providing additional matching funds to communities to assist with the one–for–one match.



1. Filling the Gap

What types of housing should Schuyler be using the RWHF program for?

This is an excellent opportunity for Schuyler to expand its housing diversity and fill the need for what some in the community refer to as **“transitional housing.”** With little to no new rental construction until the 14 unit senior oriented project, the city, and generally the region, is in desperate need for new rental housing targeted toward the regional workforce trying to “transition” into communities.

Schuyler’s large international population means more young families and extended families living together. For this reason, the demand for slightly larger units is higher in Schuyler than may be seen in other markets.

New housing diversity may lessen the demand on older, obsolete single–family and manufactured homes as rental options.



2. Housing Quality

Redevelopment and Infill:

Over the past five years, the number of individuals investing in the city's older homes has improved. However, there are still many homes in poor condition and many manufactured homes that are beyond their design life.

Lower home values in some of the most distressed neighborhoods discourage private market projects that may not see a project appraise at cost. Added to this can be the additional costs created by the floodplain in the southern portion of the city. This includes costs related to flood insurance but also elevating out of the floodplain for new construction.

A targeted approach should continue to identify strategies that will elevate the overall values of a neighborhood or a few blocks. Programs should include:

- Purchase—Rehab—Resale
- Lot Assembly
- Expanded Demolition Program
- Continued support of expanded code effectiveness



2. Housing Quality

- **Purchase—Rehab—Resale**

- NeighborWorks Northeast Nebraska has a proven track record of success with this program in the region but has struggled to implement this program in Schuyler for two main reasons:
 1. Their funding sources can not be used on housing within a flood zone. Much of Schuyler's most deteriorated housing is located in of the city's flood zones.
 2. They have struggled to find housing appropriate to the program because of the sense of competition. This program should be viewed as the partnership that it is and its ability to elevate the city's overall market, benefiting all in the community.

- **Lot Assembly**

- For some redevelopment projects to occur multiple lots may need to be assembled from different owners. This can discourage developers from reinvesting in an area.
- Lot assembly may need to occur with assistance from the city



2. Housing Quality

- **Expanded demolition program**
 - Dedicated funding source should be identified by the city for the removal of one to two housing units annually
 - Demolitions may include a program targeted specifically at the city's lowest quality manufactured homes
- **Continued support of code effectiveness**
 - The city has implemented a health and safety inspection that aims to ensure life safety standards are met. Programs like these can be targets of attack and underfunding, but are essential to ensuring that all residents have safe and secure housing.

All of these initiatives should be aimed at increasing values necessary to support private market investment.



2. Housing Quality – Example

Mobile Home Buyout Program: Faribault, Minnesota:

The Housing and Redevelopment Authority (HRA) in Faribault has used its Mobile Home Buyout Program to acquire and remove substandard housing from its existing mobile parks.

Through this voluntary program, owners of uninhabited, dilapidated or substandard mobile homes may apply to participate in the buyout program. If the unit is determined to be substandard, uninhabited, or dilapidated, the HRA will buy the mobile for a flat rate of \$2,000, not including property tax or lot rent. Upon acquisition, the home is then properly demolished, removed, and the lot repurposed.

<https://www.ci.faribault.mn.us/427/Mobile-Home-Buyout-Program>

This program may not be exactly what Schuyler needs but programs like these should be pathways to addressing mobile housing or manufactured home quality.



2. Housing Quality

Floodplain Impacts

The biggest challenge to improving housing values in Schuyler may be the expansion of Platte River floodplain boundaries. The increased cost of purchasing flood insurance can impact housing reinvestment and home—ownership rates. This is not an unusual challenge for a community. In communities with high demand and high values the cost of elevating an existing home can be recouped. That is not the case in an undervalued market like Schuyler. The city has limited options but could consider:

- Working with other regional communities and counties to push for a re—evaluation of the most recent studies.
- Work to find ways to assist property owners with improvements or costs related to flood insurance. The Community Rating System is a potential way to reduce insurance premiums. But there are no state or federal programs that directly provide assistance. A local initiative would be required.



3. Housing Diversity

Increasing Mobility Through Housing Diversity

The low supply of “for sale” units is a significant challenge for new employees to the area and for current residents looking to move within the community. Low mobility rates among existing households is the key issue for available units. Traditionally, as households earn more they would look to purchase larger homes. This trend is changing in Nebraska, with more homeowners staying in housing longer and instead looking for products that fit their lifestyles. This includes retirees who are leaving jobs but not their housing units. **A variety of housing products are needed to increase mobility and provide options for individuals “transitioning” into the community.** For empty–nesters, this may be lower maintenance units that will allow them to easily transition into their retirement years. For many Schuyler residents this may include accommodating extended family.



3. Housing Diversity

Examples of Housing Diversity:

- **Townhomes and duplexes**
- **Multi-family**
- **Empty-nester oriented housing**
- **Downtown housing**
- **Small lot single-family**

Using the city's existing stock of lots may be needed, but additional assistance may be needed to provide gap financing. Programs like the RWHF may be essential to creating catalyst projects.



4. Market Rate Rentals

Rental housing in Schuyler has several story lines.

- Little to no new multi-family housing has been constructed because of the **perception that rental rates over \$800 a month**, which would be necessary to support new construction, **cannot be supported**.
- The perception that multi-family or rental housing in rural or smaller markets **should be less**.
- A small number of rental units priced over \$800 leaving higher income households competing with lower wage earners for the best quality units. Resulting in a **shortage of housing at price points that would appear to have an ample supply**.
- The new single-family units renting at \$1,100 a month **prove that higher rents can be absorbed** for detached single-family units but there is still a lack of units in the \$800 to \$1,200 range in traditional multi-family configurations.



4. Market Rate Rentals

To overcome these story lines:

- A **demonstration project** will need to be completed that shows higher rental rates can be supported outside of single–family home rentals.
- **Gap financing** will need to be provided to support lower price point rental housing.

Gap financing for these types of market rate rentals will have to come from local support.

This will include:

- Lending Consortium/Local Housing Trust Fund
- Rural Workforce Housing Fund
- Nebraska Investment Finance Authority
- Tax Increment Financing (TIF) if done on a redevelopment site



5. Downtown

Since the completion of the 2012 Housing Study and the 2009 Downtown Study, the district has experienced some setbacks. However, the Downtown has significant potential and resources to encourage reinvestment, including housing. Programs such as TIF and Historic Tax Credits can be used to support downtown housing, but it will take developer recruitment.

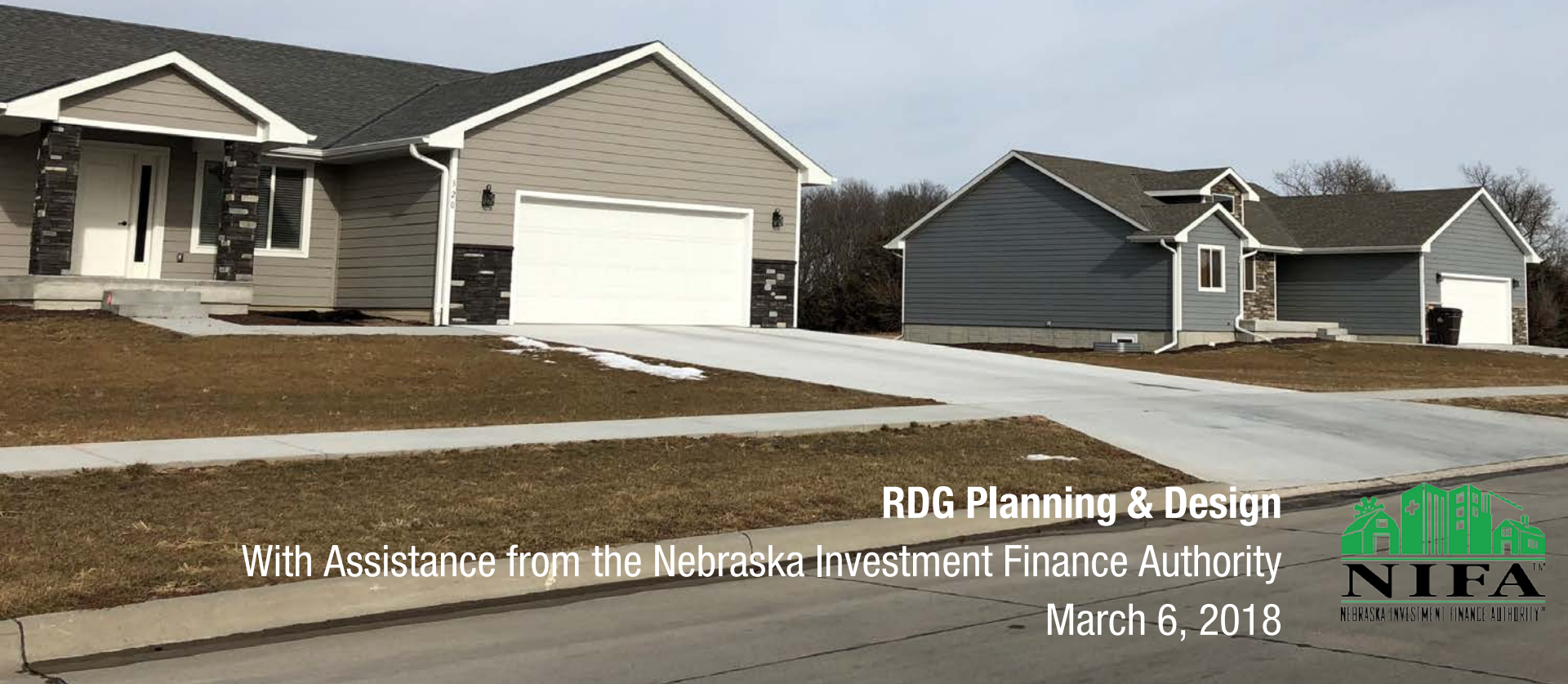
These can be complicated projects and the concern over higher rents leaves many shying away. The city should work to find a developer with experience in these types of developments that can demonstrate the demand.

Potential projects include upper story housing in the soon to be vacated library or redevelopment of the northeast corner of 12th and B Street. The redevelopment of this site will have to be elevated out of the floodplain. Elevation is much easier to accommodate in a new build.

Gap financing may be necessary to support an initial project.

Schuyler Housing Study

Schuyler, NE



RDG Planning & Design

With Assistance from the Nebraska Investment Finance Authority

March 6, 2018

