



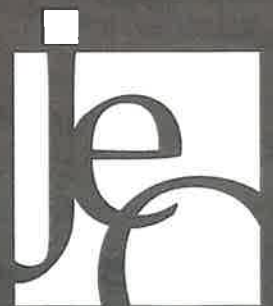
SECOND ST

FAIRVIEW ST

2020 ALBION, NEBRASKA

Housing Study

Adopted December 8, 2020 | Resolution #121(20)



ALBION is located in the center of Boone County, NE. The U.S. Census estimates the city's population was 1,561 in 2017, representing a 5% decrease in population since 2010. The city is located 43 miles from Columbus and 52 miles from Norfolk.

Study Process

The Albion Housing Study was developed in conjunction with an update to the City's Comprehensive Plan. Within the context of the planning process, public participation involved a series of focus group meetings, an on-line public forum, and engaging select stakeholder in housing, community and economic development to discuss housing needs and opportunities in Albion.

PROFILE: The first step in the study is to develop a profile for Albion. The profile is an understanding and analysis of Albion, its residents, and its existing housing stock. The purpose of the profile is to understand who the residents of Albion are and what their future needs may be. This analysis also carries over to identify a potential market for the future residents of the community and examining the appropriate housing options to attract population growth.

ENGAGEMENT: The engagement step is a critical component of the planning process. Citizen participation is of the utmost importance in identifying the strengths, weaknesses, opportunities, and threats (SWOT) for the housing development in the community. The residents, workforce, and business leaders of Albion have the most intimate understanding of the issues facing the community and housing stock.

PROJECTIONS: The third step in the planning process includes projecting future housing needs and demands. Utilizing socioeconomic data and establishing trends of the existing population, a forecasted population base and housing demand are developed. These projections are designed to assist community leaders and private concerns in policy and investment decisions.

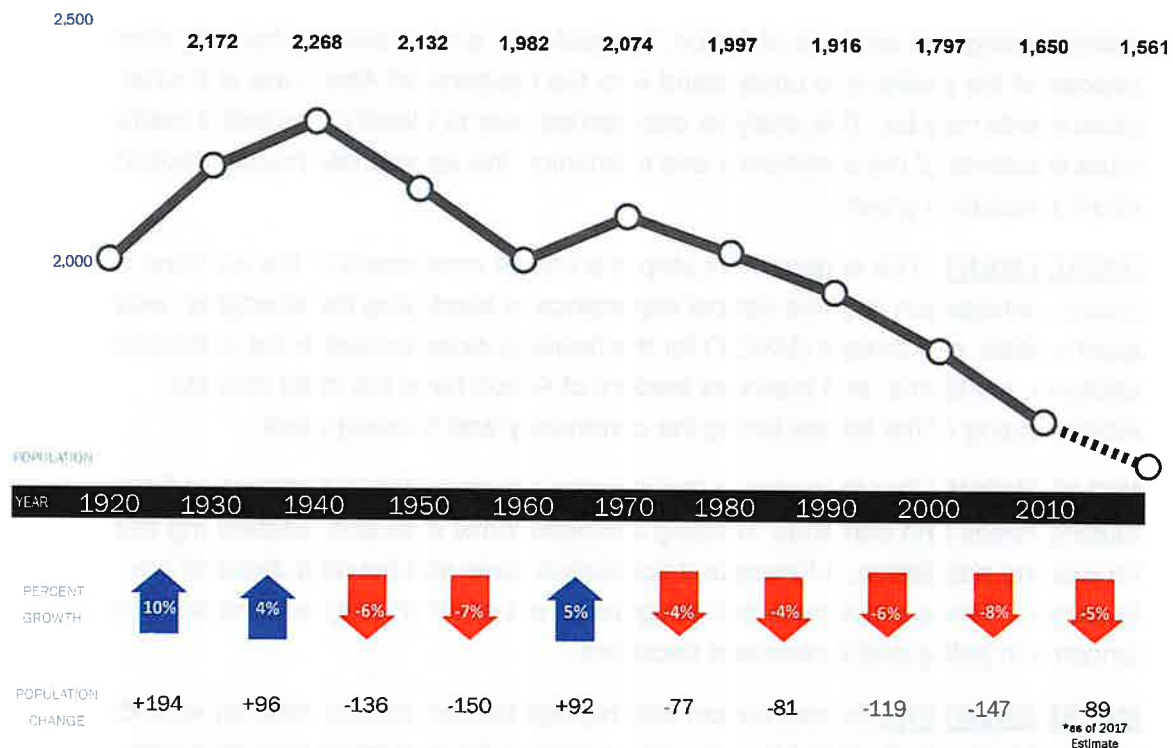
IMPLEMENTATION: In conjunction with highlighted community data, stakeholder input is utilized in the final step of the planning process. An implementation plan that complements the recommendations of the Comprehensive Plan was developed based on input gained throughout the planning process and targeted opportunities. This community action plan is created with strategies for addressing issues that may currently prohibit housing development in the community.

PROFILE

Demographics

The demographic section examines previous trends that have affected Albion's development. The City's population is influenced by multiple factors. These factors include its historical growth trend, age structure, migration patterns, and race characteristics. The current demographic makeup of a community also affects future growth potential. Population is heavily influenced by housing and economic opportunities. Population growth is necessitated by a growing local economy and matching housing opportunities.

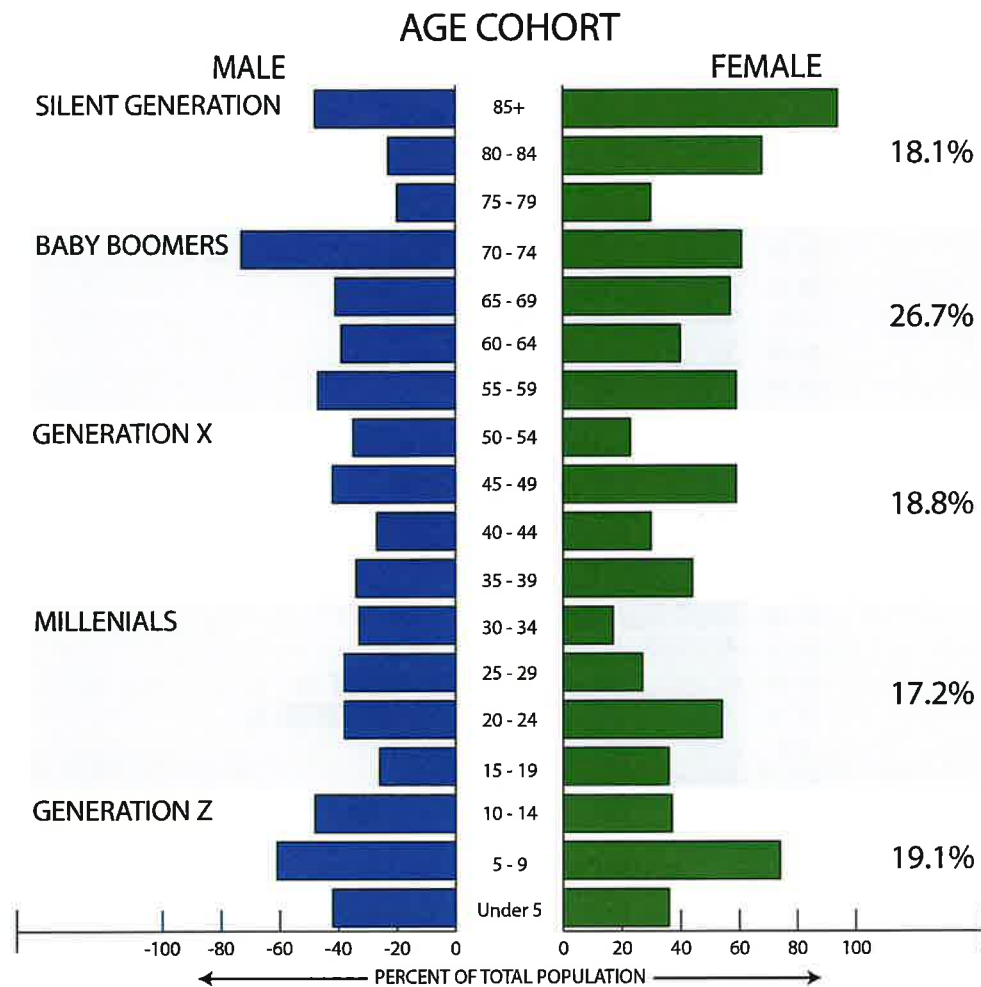
Figure 1: Historic Population



Historic Population

- Population trends are a glimpse into the historic growth and development of a community and can provide insight on future needs.
- The largest percentage of growth happened between 1960 and 1970 with a 5% increase in population.
- Estimates note a population decrease of -5% from the 2010 Census totals.

Figure 2: Population Pyramid

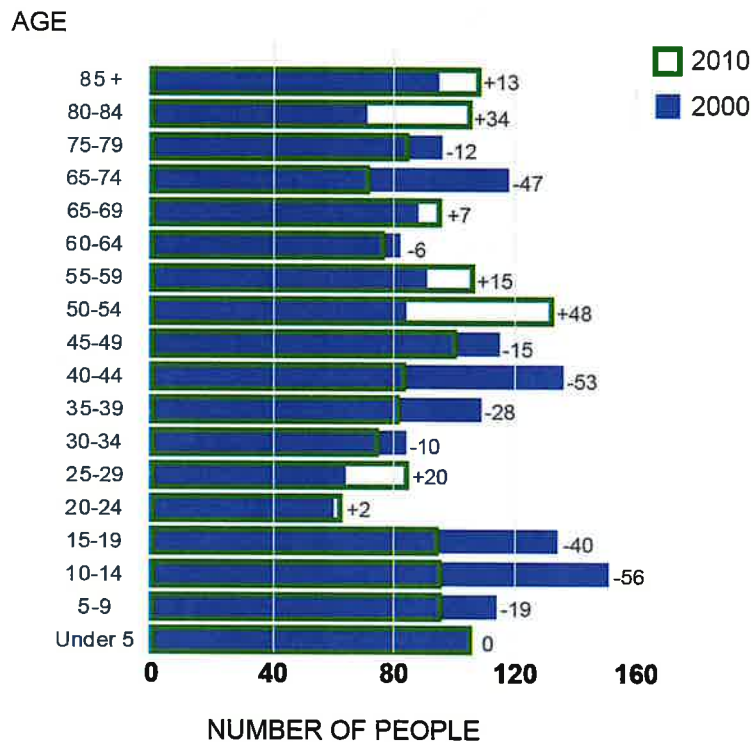


Age Cohort

- An age cohort pyramid is a depiction of the distribution of population by age and gender. A bottom-heavy cohort chart, with the majority of population in the youngest age groups, is a good indicator of growth. Albion's cohort pyramid notes flat growth.
- Millennials make up about 17.2% of the population. The 25 to 34 age group is one that generally does have or will soon be starting families and having children.
- The largest cohort of people are the Baby Boomers with 28.9%. This population is important to consider with respect to the community's workforce. This is the population most likely to be leaving the workforce within the next 10-15 years.
- The 75+ age cohort makes up 18.1% of the total population. These elderly residents have very specialized needs of their community. These needs are characterized by

specific needs for housing, transportation, medical needs, and ADA accessibility throughout the community.

Figure 3: Cohort Comparison



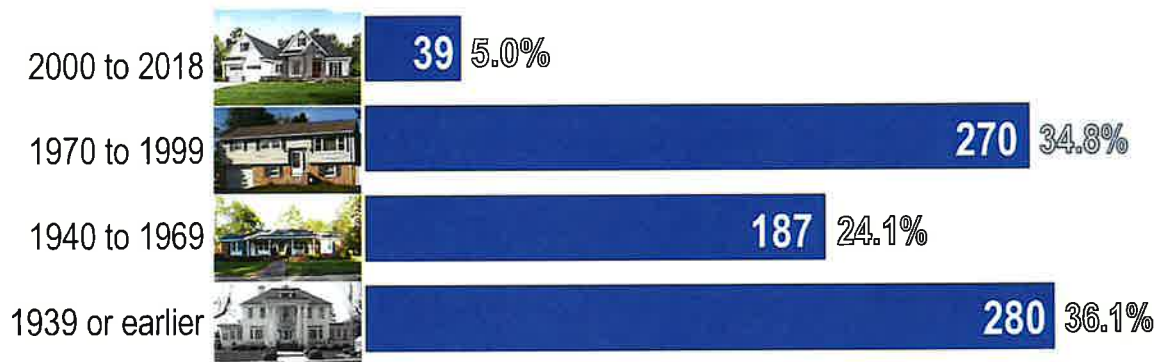
Cohort Comparisons

- The cohort comparisons notes what age cohorts saw increases or decreases in populations.
- The change in population between 2000 to 2010 was a decrease of -8% or 147 people.
- Growth was noted in several age cohorts: 20-24, 25-29, 50-54, 55-59, 65-69 and 80+. All other age cohorts lost population.

Existing Housing Analysis

Housing is a key component to future growth and opportunities available around communities. A growth seeking community must continually invest in its housing stock to ensure that an adequate supply is available to meet market demands for housing types, amenities, and price points. This section includes Albion housing statistics such as age, median home value, tenure, and housing costs. This information shows current housing strengths and areas for improvement.

Figure 4: Age of All Housing Units: Single-Family & Multi-Unit



Housing Age

- Nearly 60.2% of all housing units are over 50 years old with 36% of all housing units built prior to 1939, or over 70 years ago.
- While the age of a home is not inherently a negative characteristic, older homes require greater care and improvements to meet the needs of current home buyers.
- The ability of Albion to grow its population is contingent upon many factors with quality of diverse housing stock near the top of that list.

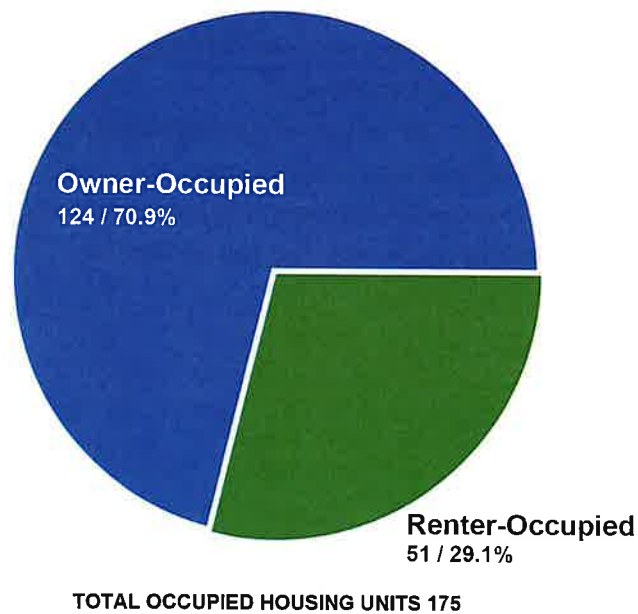
Table 1: Housing Trends (2000 & 2017)

Units	2000	2017
Total Population	1,797	1,561
Total Housing Units	835	776
Occupied Housing Units	754	705
Owner-occupied Units	566	503
Average Size	2.44	2.28
Renter-occupied Units	188	202
Average Size	1.88	1.73
Vacant Housing Units	81	71
Owner-occupied vacancy rate	3.7%	3.6%
Renter-occupied vacancy rate	13.4%	5.2%

*Source: US Decennial Census (2000)
American Community Survey Five-Year Estimate (2017)*

Housing Trends

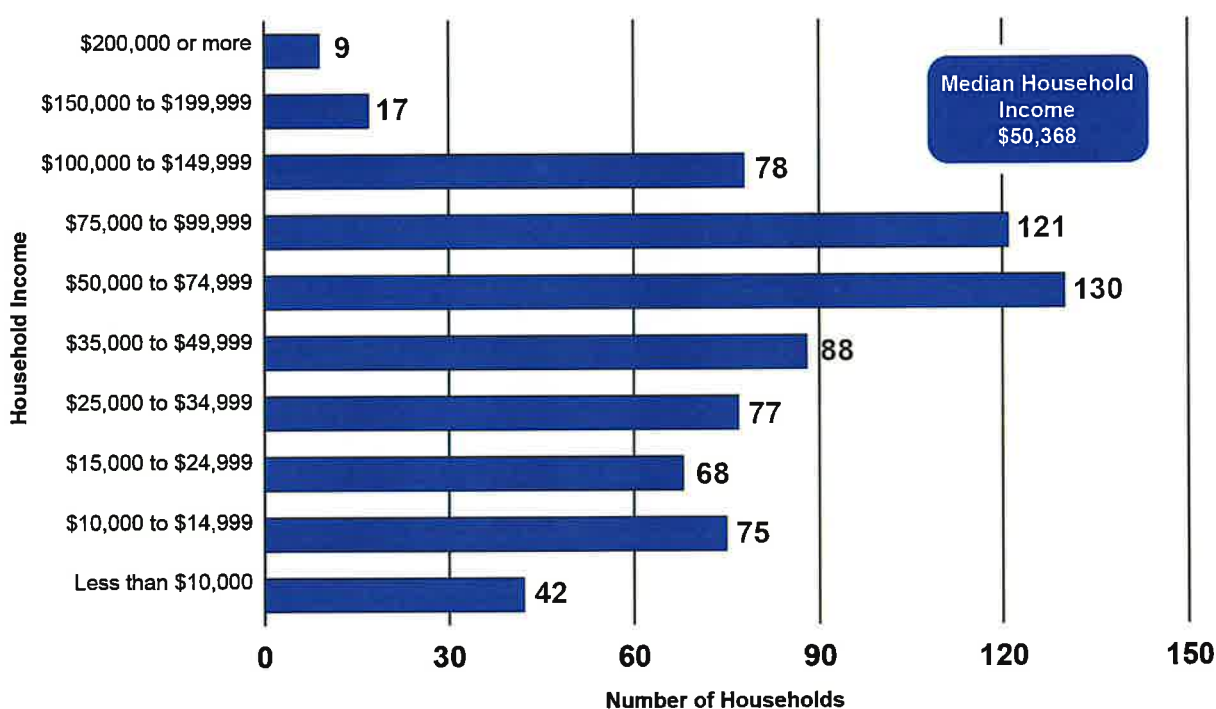
Figure 5: Housing Tenure



Housing Tenure

- The relationship between owner-occupied units (70.9%) and renter-occupied units (29.1%) is considered a balanced mix.
- A good stock of rental opportunities can be an asset for community growth. Rental options facilitate growth by providing turn-key living arrangements for newcomers to the community and offer an opportunity to save for the transition into home ownership.
- Rentals also offer the ability to live without the burden of property maintenance and upkeep, which can be important for elderly and young residents alike.

Figure 6: Household Income



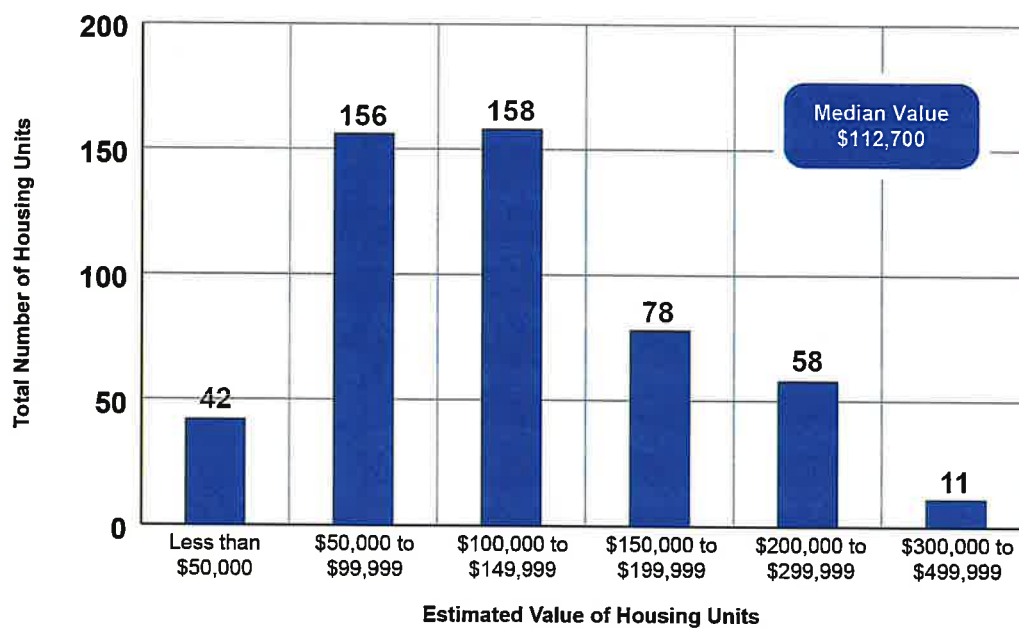
Household Income

- Income is a major, if not definitive, factor in terms of housing choice. The figure above documents household income levels and distribution for Albion residents.
- According to Census estimates, Albion's median income (\$50,368) is lower than the 2017 estimate Nebraska median household income of \$56,675 as well as Boone County at \$53,854.
- 49.6% of household income lies below \$50,000. However, the data also notes that 62.9% of household income consists of, or is supplemented by, social security or

retirement income. This is an indication that a number of households are out of the workforce, likely due to retirement.

- Income source refers to the source of resident-earned income. It should be noted that some residents may fall into more than one of these categories.
 - Earning refers to those residents within the job market. 70.4% of income from earning indicates that there is a strong workforce.
 - 48.4% of residents receive income from Social Security while 14.5% receive retirement income.

Figure 7: Owner-Occupied Unit Values



Owner-Occupied

- Owner-Occupied Unit Values Albion's median home value of \$112,700 which is below the statewide estimate of \$142,400 and significantly higher than that of the Boone County estimate of \$105,600.
- The majority of homes in Albion (62.4%) are valued between \$50,000 and \$149,999.
- New housing investments along with programming to improve the existing housing stock will raise home values in Albion while providing more housing options for new and existing residents.

Figure 8: Owner-Occupied Unit- Monthly Housing Costs

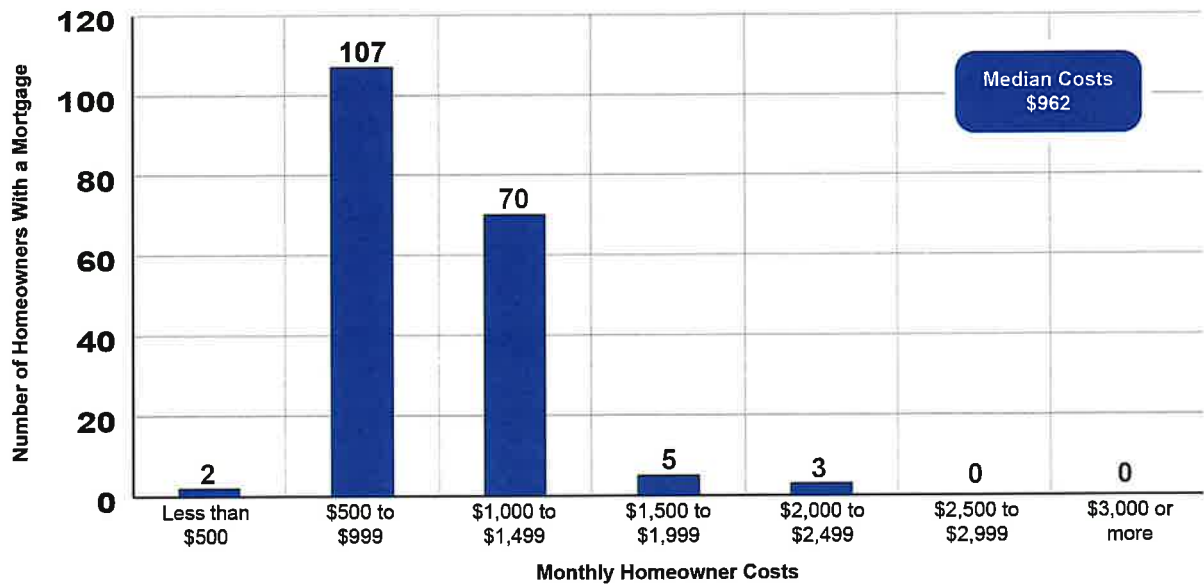
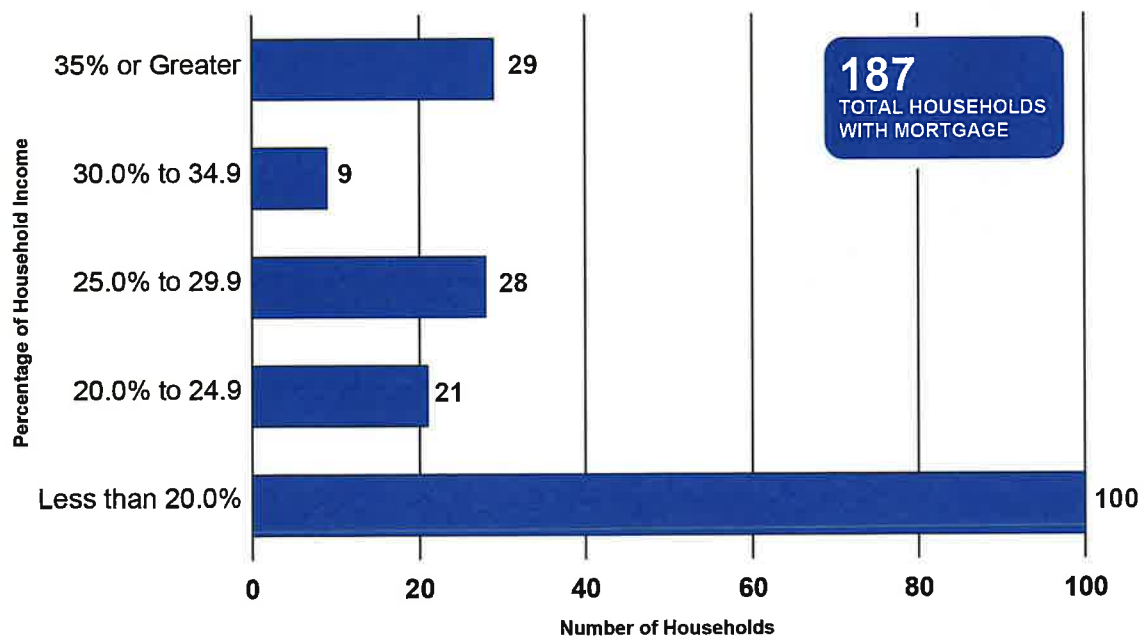


Figure 9: Owner-Occupied- Housing Cost As Percent of Income



Owner Housing Costs

- U.S. Census defines monthly housing costs as the total cost of owning or renting a home— mortgage or rent, taxes, insurance, and utility costs.
- For owners, the median monthly cost of ownership was \$962 in 2017.
- A low housing cost provides additional discretionary income that can be applied towards savings, additional investment in the home, or in the local economy.
- A monthly housing costs in excess of 35% of household median income is considered to be a burden to the household. An estimated 15.5% of households have a housing burden, while 80.6% of households spend less than 25% of their household income on housing costs.
- Having such a high percentage of household well below the burden level is a positive economic indicator for the community. This number also suggests a number of households are living “below their means” and would have the ability to upgrade housing if provided the option.

Figure 10: Renter- Monthly Housing Costs

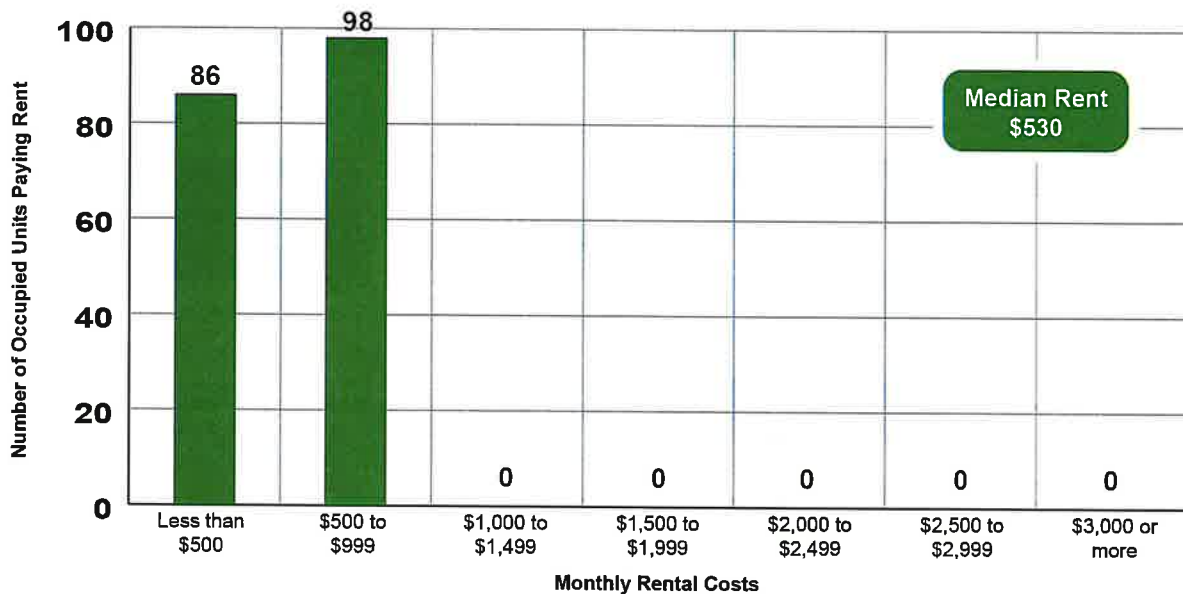
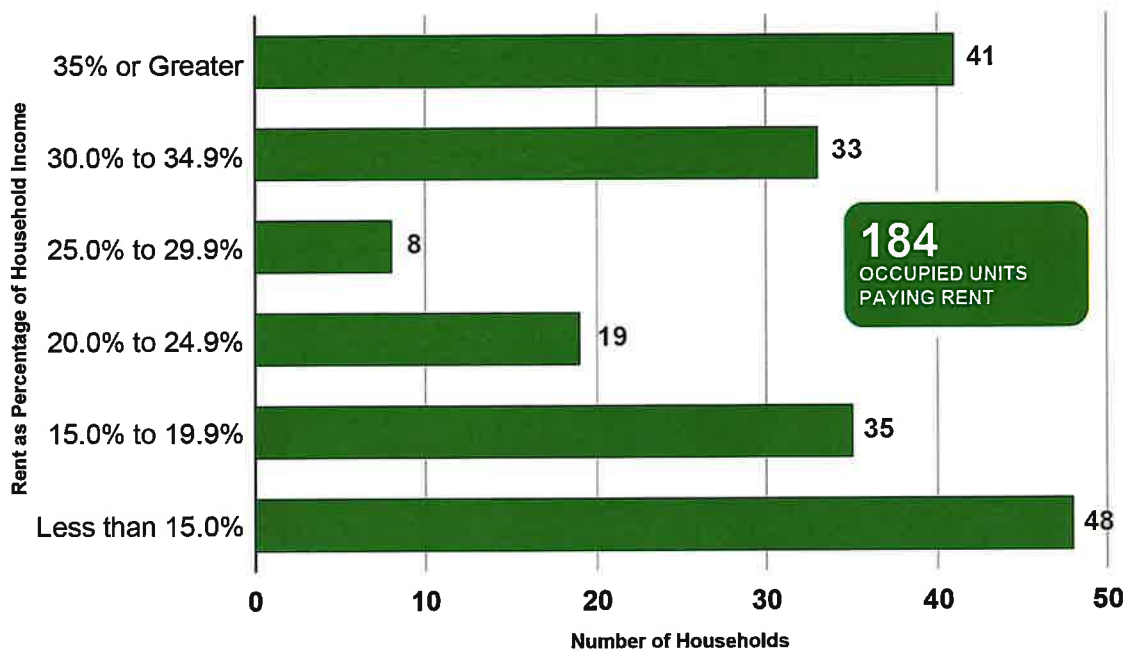


Figure 11: Renter- Housing Cost As Percent of Income



Renter Housing Costs

- U.S. Census defines monthly housing costs as the total cost of owning or renting a home— mortgage or rent, taxes, insurance, and utility costs.
- With a median rent of \$530, some renters in Albion experience more difficulty with affordability of housing. This is lower than the State median rent of \$773 and higher than the Boone County median of \$447.
- 22.3% of renters experience a housing burden, with gross rents exceeding 35% of their household income. With 55.4% of renters paying less than 25%, there is some opportunity for higher-quality rental options with a higher lease rate or for them to transition to purchasing a home.

Senior Living Centers

Assisted and senior living centers are an important amenity for a community's sustainability. Providing housing choices for retired, elderly, or handicapped individuals is vital to community growth of all ages.

Wolf Memorial Good Samaritan Center

Located at 1222 S. Seventh Street Wolf Memorial provides short-term rehabilitation and long-term nursing care.

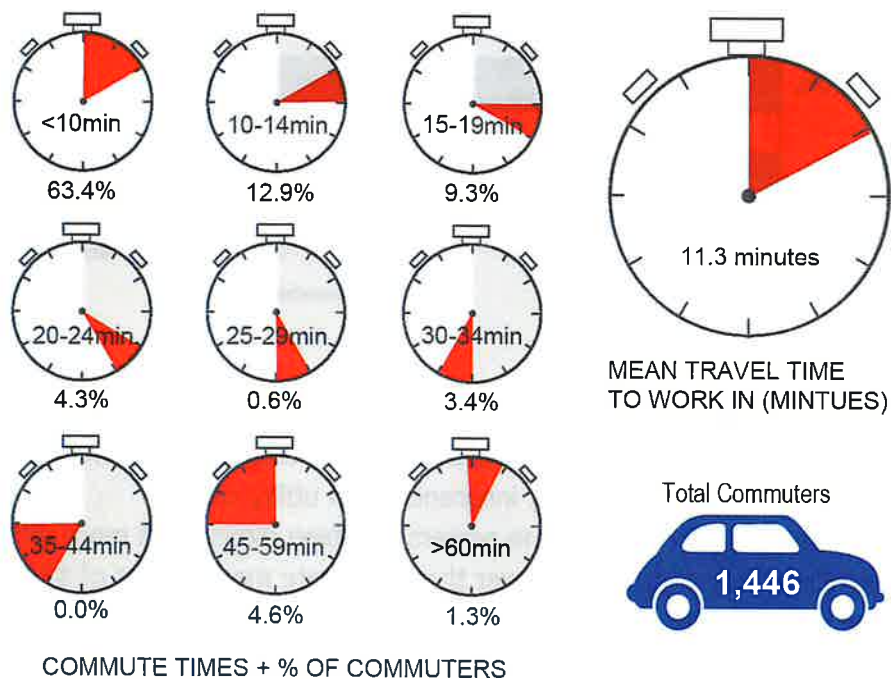
Samaritan Estates

Located at 1225 S. Sixth Street, Samaritan Estates includes assisted living apartments, respite care, and personal emergency response alerts.

The Cottages

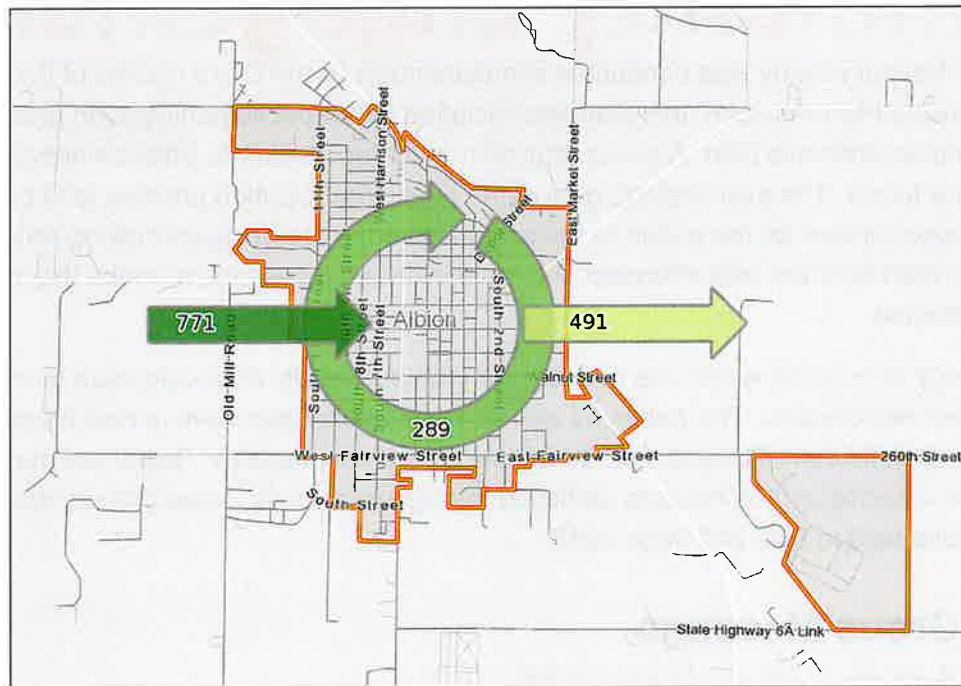
Located at 1222 S. Seventh Street, this Good Samaritan Society property provides private 1-, 2-, and 3-bedroom apartments for seniors.

Figure 12: Commuter Trends



- Mean travel to work time is 11.3 minutes.
- 85.6% of Albion residents commute less than 20 minutes to employment.
- Approximately 73% of Albion's workforce commutes into the community.

Figure 13: Inflow & Outflow (2015)



INFLOW: WORK IN ALBION			OUTFLOW: LIVE IN ALBION		
Home Destination	Number	Share	Work Destination	Number	Share
Albion	289	27.3%	Albion	289	37.1%
COMMUTE INTO ALBION FOR EMPLOYMENT			LEAVE ALBION FOR EMPLOYMENT		
St. Edward, NE	62	5.8%	Omaha, NE	38	4.9%
Petersburg, NE	36	3.4%	Columbus, NE	30	3.8%
Cedar Rapids, NE	30	2.8%	Norfolk, NE	27	3.5%
Grand Island, NE	24	2.3%	Lincoln, NE	21	2.7%
Omaha, NE	14	1.3%	St. Edward, NE	18	2.3%
Columbus, NE	11	1.0%	Cedar Rapids, NE	17	2.2%
Genoa, NE	11	1.0%	Lindsay, NE	15	1.9%
Madison, NE	9	0.8%	Genoa, NE	9	1.2%
Norfolk, NE	9	0.8%	Grand Island, NE	8	1.0%
All Other Locations	565	53.3%	All Other Locations	308	39.5%
OUTSIDE TOTAL	771	72.7%	OUTSIDE TOTAL	491	63.0%

- According to 2015 American Community Survey estimates, 37.1% of Albion residents worked in Albion while the other 63% commuted outside of Albion for work.

Community Engagement

The Albion Housing Study was conducted simultaneously to the City's update of the Albion Comprehensive Plan. As such, this plan was included in the public participation process of the larger comprehensive plan. A successful plan must represent the citizen's needs and vision for the future. The over-arching goal of the public participation process is to provide a variety of opportunities for the public to become involved in the decision-making process. Community members are well-informed and have intimate knowledge to make the most of Albion's potential.

The challenge of creating workforce housing with the availability of developable land were the most discussed topics. The public as well as key stakeholders believe new housing is needed to retain its current population as well as attract new families. Below are the main themes and ideas regarding housing identified through interviews, focus groups, and public input sessions held in May and June 2019.

Focus Group Meetings

HOUSING & DEVELOPMENT FOCUS GROUP

Citizens, realtors, senior housing managers, and economic development professionals made up this group of participants. Their experience with Albion real estate market allows them to speak with authority on the topic of housing needs on behalf of the community.

Current Strengths/Assets:

- Easy to find a house at \$300,000 +
- Finding a builder is typically not a problem
- Housing Authority (Harmony Homes) – great asset
 - Duplexes – could use more – government housing project
 - Full with waiting lists
 - 50/50 split of younger than 65/older than 65
- 2-bedroom apartment style living by ballfields – Gateway Terrace – good addition to community – for 55+, but many consider it expensive - \$900/mo + utilities
- Some moving to Gateway Terrace have made homes available within town by moving from original house
- People want to move here – jobs and those that want to come home – but housing is not available

Barriers and Challenges:

- No one does mass construction of homes or spec homes
- Land and infrastructure costs are high
- Not good starter houses for young couples or families
- Very little availability in \$100,000 - \$150,000 range – when available, these sell fast
- Availability of land – land locked by river and floodplain or good farm production
- Could have more homes within the town with annexation around golf course

- Older homes have some issues with wells and septic tank issues – infrastructure for these areas is expensive but not all that far
- Biggest challenge is for working families – affordable single-family homes and single professional
 - When employer is hiring, challenge to find a place for them in the community
 - If you could build \$150,000 to \$200,000 you would open homes at lower entry level.

Suggested Strategies to Remove Barriers:

- Encourage infill on vacant lots – utilize existing infrastructure
- City has demolished vacant homes, upon request – program through ED and now the funds have sunset – Reimbursement to owner to demo with requirement that owner built something back on the lot - Still opportunity to do more of this.
- Enforce nuisance ordinance on unkept property
- Annex developed areas into the city
- Planning commission in 2014 directed city admin to complete an inventory of underutilized lots – which lots were ready to build (have infrastructure, good lot size) and what needed investment or had obstructions (structure to be demoed, undersized lot, etc.) – this was very helpful
 - Should update and compare what has changed
- Penalize those that let lots with infrastructure sit empty – monthly fee for unused water/sewer

Housing Needs:

- Entry level & transitional housing – need a year to get settled and get familiar with the community
- Downtown housing
- Housing for teachers, nurses, police officers, etc.
- Rentals – decent but not expensive – those that meet standards and current desires
 - Standards could be addressed – but will it drive rent up? Fair market rates are high for Boone county + utilities – and rents are going up
 - A few landlords have the majority of properties
- Biggest need is for two-bedroom units

Where should new housing go in Albion?

- Infill would be ideal and most efficient
- Considering the restrictive floodplain and river - South and west –
- Barriers (topography) to infrastructure expansion when going west
- City infrastructure is on fringe of city – very few and only water are served outside of city limits

Magic Wand Question:

What one thing would you change in Albion if you had a “magic wand”?

- Bigger pot of money for city to do infrastructure – so that not all costs go on to rate payer
- Possibly utilize TIF more –
- Fiber to home everywhere
- A non-ag industry (something tied to the larger economy) with a housing development to support it – all levels of housing – mixed use development/employment with walkability to home
- Early childhood development project – coming but not quite here
- Nursing homes in some towns have built transitional housing – sell with a buy back – duplex (formula for buying and selling) – use the equity in your house to buy the duplex – use the equity in the duplex to pay for future care

Additional housing is needed for Albion to grow. This includes new construction, rehabilitation of existing housing, and a mix of types – apartments and duplexes. Diversifying and improving housing types helps to attract and meet the needs of various age groups. Good quality housing is a focus. The city should provide incentives and/or ample land for residential subdivisions. In addition, the city should encourage infill and rehabilitation of the existing housing stock.

Projections

Population Projections

Albion's growth projection is primarily based on an Age Cohort Survival Projection. By utilizing the existing age cohort data combined with regional birth, mortality, and migration rates; age cohort analysis allows for the projection of future population. The assumptions lie in sustained trends in these criteria for the next 20 years.

Projections note an annual average decline of 1.7% through 2040. Albion ability to grow is contingent on its ability to provide adequate housing opportunities.

Figure 14: Population Projection – Age Cohort Analysis

	U.S. Census 2017	Forecast				
		2020	2025	2030	2035	2040
Projected Population	1,561	1,388	1,291	1,219	1,128	1,073
Population Change	(89)	(173)	(97)	(73)	(91)	(55)
% Change	-5.4%	-11.1%	-7.0%	-5.6%	-7.4%	-4.8%
Average Annual Population Growth	-2.7%	-2.9%	-1.8%	-1.4%	-1.9%	-1.2%

Source: American Community Survey Five-Year Estimate (2017)

Housing Projections

The demand for number of units, both owner-occupied and renter-occupied, is calculated based off the current occupancy rate for each tenure. Census estimates that 71.3% of Albion residents lived in homes they owned, while 28.7% of residents rented their home.

This ratio was utilized to estimate the projected population of owners and renters based off the projected population described earlier in this chapter. These population numbers were further divided by the average household size of both owner occupied and renter occupied units. This number equates to the total number of owner and renter housing units required to house the estimated future population.

Figure 15: Housing Need Projections

	2017	2020	2025	2030	2035	2040
Owner Population	1,113	990	921	869	804	765
Renter Population	448	398	371	350	324	308
Owner Units	488	434	404	381	353	336
Renter Units	259	230	214	202	187	178

Source: American Community Survey Five-Year Estimate (2017)

Figure 16: Housing Needs by Value – Owner-Occupied

Annual Household Income	# of Households*	Home Values	Housing Supply*	Surplus/ Deficit
Less than \$25,000	81	Less than \$50,000	42	-39
\$25,000 to \$49,999	126	\$50,000 to \$99,999	156	30
\$50,000 to \$74,999	99	\$100,000 to \$149,999	158	59
\$75,000 to \$99,999	104	\$150,000 to \$199,999	78	-26
\$100,000 to \$149,999	67	\$200,000 to \$299,999	58	-9
\$150,000 or More	26	\$300,000 or More	11	-15

**Source: American Community Survey Five-Year Estimate (2017)*

Figure 17: Housing Needs by Value – Renter Occupied

Annual Household Income	# of Households*	Monthly Renter Costs	Housing Supply*	Surplus/ Deficit
Less than \$20,000	90	Less than \$500	86	-4
\$20,000 to \$34,999	31	\$500 to \$999	98	67
\$35,000 to \$49,999	22	\$1,000 to \$1,499	0	-22
\$50,000 to \$74,999	31	\$1,500 to \$1,999	0	-31
\$75,000 to \$99,999	17	\$2,000 to \$2,499	0	-17
\$100,000 to \$149,999	11	\$2,500 to \$2,999	0	-11
More than \$150,000	0	\$3,000 or more	0	0

**Source: American Community Survey Five-Year Estimate (2017)*

Housing Demand by Income

The aggregate market for housing is comprised of sub-markets, each defined by tenure and price ranges, as well as by owner and renter occupied. To analyze conditions in each sub-market, the demand for housing (measured by the number of households), is compared with the supply of housing (measured by the number of owner-occupied units). This model assumes that those renting would move into ownership for a unit of appropriate value.

The households in a market can be categorized into groups according to the household's income. Similarly, homes can be divided into corresponding categories to each income group based on trends and recommended price points of affordability. According to the 2017 American Community Survey, the majority of homeowners in Albion have home valued at around 200% of their annual household income.

The number of households in each income category is compared to the number of homes in each corresponding value category. Where there are more homes than household, a surplus exists; where there are more households than homes, a deficit exists. Categories of relatively high deficits should be prioritized for immediate development.

IMPLEMENTATION

Vision Implementation Plan

Implementation refers to the objectives, policies, and actions that have been identified to carry out the vision of this study. It includes actions designed to improve the long-range planning process, strengthen links between the plan and budgeting, establish a process reporting system to monitor the progress and schedule for updating and amending the plan in the future. The successful utilization of this study is contingent on the implementation of the goals and objectives identified in this section and the Albion Comprehensive Plan. It is up to the community stakeholders in Albion to champion the projects envisioned to the implementation of it. What happens with the plan, how it is used in day-to-day decision making, and the extent to which it is followed over time will all influence the success of the plan.

Goal:

The City of Albion will promote a broad range of housing choices and ensure the existing housing stock in the community is well-maintained.

Objectives:

- Encourage the development and/or rehabilitation of affordable housing options.
- Encourage second story living downtown.
- Improve deteriorated areas with rehabilitation programs.
- The city will help facilitate development projects to ensure adequate infrastructure capacity for new subdivisions and infill projects.

Action Items:

- Enforce existing nuisance ordinances directed at maintaining personal property to keep housing units in good condition and not to detract from the overall aesthetic quality.
- Identify local and state resources to aid first-time homebuyers that include financial assistance and counseling to prepare for homeownership.
- Create greater density with the existing community.

Collaborating Partners

Plan implementation involves the actions and decisions of governmental and non-governmental entities. The success of the comprehensive plan's vision is dependent on the city's ability to identify partners and maintain ongoing communication and coordination. The following is a list of potential collaborating partners:

- Boone County Economic Development
- Local builders and real estate agents
- Boone County Development Agency
- Local banks
- Northeast Nebraska Economic Development District

Potential Funding Resources

Funding is an essential component to plan implementation. The following is a list of potential funding resources:

- Statutorily Authorized Programs
- Special Assessment Districts
- Private Donations/Foundations
- USDA-Rural Development
- Nebraska Department of Economic Development
- Nebraska Investment Finance Authority
- Tax Increment Financing

Recommendations

This section seeks to expand upon the Vision Implementation Plan and the Albion Comprehensive Plan. Special needs, policies, and projects were identified in the public participation process, and discussions with the City, Planning Commission, and other community stakeholders. This section will explore that input with guidance for addressing special topics relating to Albion's housing needs.

Affordable Housing

Affordable housing has proven to be a struggle for many communities in recent years. Due to factors such as land costs, cost of construction labor and materials, availability of local developers and contractors, etc.; the cost of housing construction is such that it is difficult to develop new single family residential units at prices available to low-to-moderate income consumers. There are a number of strategies to support quality housing opportunities at prices around \$175,000 to \$200,000. The consensus being that this price range would facilitate the most growth among young professionals and families, helping stimulate additional growth in Albion.

Incentives

Increasingly more housing grant or loan programs for housing development or rehabilitation are made available to low and state-median income households. The Nebraska Investment Finance Authority (NIFA) and the Nebraska Department of Economic Development (DED) both offer a number of housing incentive programs available for homeownership and rental opportunities. It is important for to maintain relationships and an awareness of these programs to better utilize and promote them.

Not only should these programs be accessed by the City as direct developers, but many of the programs are available directly to private developers to encourage affordable housing development. Integrating mixed-income neighborhoods throughout the community was established as a priority in the Albion Comprehensive Plan. By facilitating the use of these resources for private development, Albion can encourage affordable housing throughout market-rate developments.

Tax Increment Financing (TIF) is a local redevelopment tool that can be an effective incentive for prioritized housing needs. TIF utilizes the incremental tax increase generated by a redevelopment project to finance the improvements needed to create the project. By placing guidelines on the utilization of TIF towards special housing needs (affordable housing, senior housing, rentals, etc.), the City can encourage the private sector to invest in housing areas that wouldn't otherwise be feasible or profitable. It is recommended that the City develop and adopt TIF guidelines that promotes its use in the community core, but also for specialized housing projects.

Policies

The strict application of zoning regulations can often be a barrier towards the development of a diverse housing stock. The separation of uses and developments can discourage the mixed-use districts and mixed-income neighborhoods that foster affordable housing. Albion has been taking measures to review existing regulations to ensure that they not only accommodate a diverse housing stock but encourage it throughout the community.

The Albion Planning Commission should facilitate discussions with property owners and potential developers of multi-family housing in Albion. This is a pro-active approach and it is recommended these types of discussions are held on a regular basis. Albion should consider an annual Housing Workshop, where area stakeholders can meet with City leadership and policy makers to have a programmed discussion of housing topics, issues, and opportunities.

Figure 15 (page 18) depicts the forecasted need for housing based on current tenure trends in Albion. By balancing the development of rental opportunities with ownership housing units, Albion can facilitate transitional housing, and more affordable housing options for families, young professionals, and seniors. The Future Land Use Plan of the Albion Comprehensive Plan provides opportunities for multi-family development in key transportation corridors. Albion should encourage higher-density multi-family developments in the Medium Density Residential and Mixed-Use land uses. These areas were identified based on their high level of transportation access and to provide adequate buffers from more intensive commercial developments towards lower density residential uses.

About one-third of the housing stock in Albion was built prior to 1939. It is important that the community take measures to protect and enhance its existing housing stock. In lieu of direct affordable housing development, maintaining an adequate base of its older housing can be an effective manner of providing affordable housing options in Albion. There are a number of measures that the community can undertake to foster reinvestment in the existing housing stock. Beyond outside financial incentives (NIFA, DED), there are a number of direct-to-homeowner incentives that Albion can help promote. Successful rehabilitation efforts for the existing Albion housing stock will likely hinge on the removal of residential areas from the 100-year floodplain.

Between power rebates and tax credits/deductions for energy efficiency improvements, Albion can develop and distribute marketing material to help homeowners navigate their options.

Home improvements do not solely have to be encouraged with financial incentives. Making resources available to homeowners willing to invest in their properties can encourage improvements to the housing stock. Community clean-up days that provide drop-offs or pickup of building materials and clutter can help facilitate improvements and maintenance of Albion homes.

Attracting and promoting local construction contractors can help reduce the cost of transporting skilled labor from outside of Albion. The City should utilize the Commercial and Industrial land uses established in the Comprehensive Plan Future Land Use Plan to attract skilled professions to the community.

