



City of Norfolk Housing Market Study 2010 - 2014

Study prepared by



Northeast Nebraska
Economic Development District



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NORFOLK HOUSING MARKET STUDY

EXECUTIVE SUMMARY

The purpose of this study is to assess the housing market for the City of Norfolk, Nebraska. The demand for affordable housing was assessed on the basis of extensive analysis of past trends for both the population's socio-economic structure and the housing market. The major findings of this study are as follows:

Section I: Market Area Definition

- The Market Area for the City of Norfolk is approximately a 25-mile radius with the Primary Market Area within 10 miles.

Section II: Norfolk and Madison County Population Demographics

- The City of Norfolk is projected to decrease in population by 2020 from 23,516 to 22,017. This is a loss of 1,499 persons.
- The population of Madison County is estimated to be 33,223 by 2020, a loss of 2,003.
- In Norfolk from 1990 to 2000, the largest decline in population occurred in the 60-64 age group with a loss of 101 or 12.23%. The largest gain in population occurred in the 45-59 age group with a gain of 1,157 or 46.13%. While the largest gain in population occurred in the 45-59 category, Norfolk is not an aging community. The largest age brackets are still the 5-18 and the 25-44.
- In Madison County from 1990 to 2000, the largest decline in population again occurred in the 60-64 age group with a loss of 147 or 10.84%. The largest gain in population occurred in the 45 to 59 age group with a gain of 1,791 or 44.56%. Madison County as a whole also has a younger population with the largest age group again in the 5-18 and 25-44 groups.
- Sex and Race saw dramatic changes in the both the city and the county from 1990 to 2000. The male population saw the largest change with a gain of 10.58% in Norfolk and 9.53% gain in Madison County during that time frame. The Hispanic population in both areas also saw a large increase with a gain of 527.88% in Norfolk and 520.29% in Madison County.

Section III: Economic Profile

- For Madison County the labor force has seen many changes over the last few years. Between 2005 and 2008 there was a decrease of 1,139 persons employed in the county. From 2008 to November of 2009 (the most current data available) another decrease occurred with a drop in employment of 685.

- For Norfolk, those in management, professional, and related occupations comprised 3,059 persons, or 25.06%, compared to 25.65% countywide. Service occupations and sales and office occupations all make up fairly even portions of the employed population for the city.

Section IV: Income Distribution and Housing Affordability

- The median household income in the City of Norfolk in 2000 was \$35,807 and was estimated to be \$42,489 by 2008 according to the US Census.
- Approximately 10.98% of the total persons of Norfolk, and 11.16% of the total persons of Madison County earned incomes below the poverty threshold in 2000.
- Over 30% of Norfolk's rental units pay more than 30% of their income on housing costs. With such a large percentage of renter households experiencing cost overburden in rented dwelling units, this has a significant negative impact on their capacity to eventually move into self-owned housing units. While spending more per month on rental housing costs, a smaller percentage of such households' income can be put toward savings for a future down payment. Moreover, such a household would find it difficult to incur the added expenses of owning a home, such as the cost of upkeep or larger utility payments.

Section V: Housing Stock Profile

- One-unit detached made up the largest percentage of housing units in both Norfolk and Madison County in 2000. Only 35.55% of all remaining housing units were not one-unit detached in Norfolk.
- The total number of vacant units in the City of Norfolk increased by 55.22% between 1990 and 2000; from 460 units to 714 units given the data available. This compares to an increase of 27.53% countywide.
- Compared to the similarly sized communities of Columbus and Fremont, the median value of owner-occupied units in Norfolk is fairly consistent at \$83,000. Fremont, being the largest community, has the highest median value at \$87,100, and Columbus, which is slightly smaller than Norfolk and Fremont in size, has a median value of \$80,300.
- Norfolk currently has a vacancy rate of 7.53%. Communities are encouraged to have vacancy rates of 5% to 7%.

Section VI: Housing Market Demand

- In the population information in Section II of this study, it was shown that the number of residents in the City of Norfolk is expected to decrease in population from 23,539 in 2000 to 22,017 by 2020. In 2000, the average household size was 2.43 individuals. By dividing the estimated 2020 population (minus the projected number of persons living in group quarters) by the average household size, it brings the projected number of households to 8,740. We must then add in the desired vacancy rate of 5% and then subtract the known supply. The overall adjusted supply is 83, leaving a demand for 83 units or 8.3 units a year for the next ten years.
- Also from Section V of the housing study, it is important to note that 55.72% of the Norfolk population is in owner-occupied units, while 37.20% is in rental units.
- This study will assume, therefore, that either: 1) 56% of all new homeowners in Norfolk by the year 2020 will desire to own a home; or 2) more households living in Norfolk will seek to purchase a home rather than continue to rent.
- The preparers of this study recommend a more conservative absorption rate due to the expected decrease in Norfolk's population in the next 10 years. At absorption rates of 50% and 60%, the following number of homes would be in demand by the year 2020 (shown in Table 6.2). Development beyond the number of units identified for the recommended absorption rates should not commence prior to 90% occupancy or sale of these units.

**Table 6.2: Owner Housing Market Absorption Rate,
City of Norfolk**

Units Needed (2020)	4	4
Absorption Rate	50%	60%
Demand (2020)	2	3

Source: NENEDD

- As stated above, the City of Norfolk will experience a need for three new rental units by 2020. Due to a steady vacancy rate in the community and a projected decrease in population, this study also proposes a more conservative housing development absorption rate for rental units: 50% to 60% of projected demand. The following table shows the estimated number of rental units that will be in demand for the year 2020. Again development beyond the number of units identified for the recommended absorption rates should not commence prior to 90% occupancy of these units.

**Table 6.3: Rental Housing Market Absorption Rate,
City of Norfolk**

Units Needed (2020)	3	3
Absorption Rate	50%	60%
Demand (2020)	1	2

Source: NENEDD

SECTION I: MARKET AREA DEFINITION

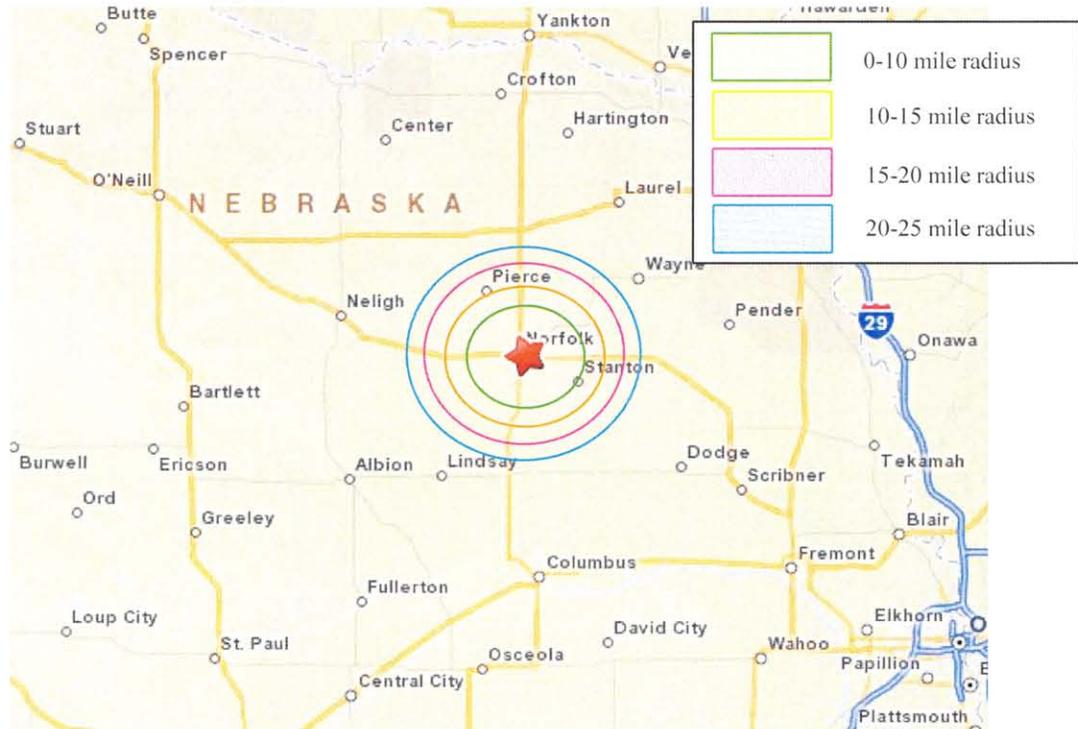
The Norfolk housing market area was determined based on several factors. These factors include retail trade area, population distribution, tenants' former residences, and general commuting patterns.

Norfolk's Market Area Geographic Boundary

Illustration 1.1 graphically displays the Effective Market Area for Norfolk, Nebraska. The primary market area for Norfolk is defined as an area covering all of Madison County and a portion of Pierce, Wayne, Stanton, Platte, and Boone counties. The illustration shows four concentric circles that depict the various market areas that are most likely to influence Norfolk's economic situation. The innermost ring represents a radius distance of zero to ten miles; the innermost-center ring radius is from ten to fifteen miles. The outermost-center ring includes a radius of fifteen to twenty miles. The outmost ring extends from twenty to twenty-five miles.

Population movement in a geographic area occurs for multiple reasons. Residential mobility or short distance residential changes, and the spatial and temporal movement patterns they represent are analyzed below. Residential mobility and commuting patterns can explain the activities of the area population as they relate to housing. Data about area movement provides a relaxed perspective of geographical area as opposed to rigid pre-imposed boundaries (i.e. city limits, county/state lines, natural barriers such as rivers, etc.). Analysis of prior movements of a population provides a "snapshot" of complex behaviors.

Illustration 1.1: Market Area for Norfolk, Nebraska



Source: NENEDD

Commuting Patterns

A lack of affordable and quality housing reduces the personal choices available. Consistent with the “proximity-to-location assumption” the commuting patterns of laborers in Madison County indicate a desire to live as close to their place of employment as availability and affordability allows. In essence, personal considerations are merely selection by process of elimination. Commuting patterns for work and residential mobility are interconnected. The availability of quality housing affects lifestyle behaviors as does the lack of housing. The data provides a reasonable inference that the distance to work is relevant. Table 1.1 identifies the total number of persons commuting into Madison County from surrounding counties. Madison County has a very high number of persons commuting into the county. Since Madison County has Norfolk, which is the largest community in the area, many persons from smaller towns commute to Norfolk/Madison County for work. These commuters are choosing to continue to drive to Madison County for work, rather than move to the area. This may indicate a lack of available housing, or a lack of adequate or affordable housing. This study will explore these reasons thoroughly.

The Norfolk Housing Market Area opportunity depends upon the availability of quality housing stock compared to the surrounding “commuting corridor” communities. Madison County does not have the highest average selling price of the surrounding counties. Both Platte and Wayne had higher average selling prices in 1999.

Table 1.1: Commuting Patterns to Place of Employment

Commuting into Madison County	Persons
Stanton Co.	1,310
Pierce Co.	1,009
Platte Co.	482
Wayne Co.	462
Douglas Co.	444
Antelope Co.	375
Lancaster Co.	361
Dakota Co.	221
Hall Co.	205
All other locations	2,390
Total	7,259

Source: Nebraska Department of Labor

Table 1.2: Average Selling Price of Single-Family Homes per County*

	1994	1995	1997	1998	1999
Boone	\$28,507	\$32,488	\$37,288	\$46,692	\$42,932
Pierce	\$36,698	\$41,196	\$48,283	\$55,520	\$57,773
Platte	\$65,412	\$64,418	\$74,012	\$78,012	\$80,569
Stanton	\$42,666	\$51,096	\$58,355	\$60,090	\$61,804
Wayne	\$57,215	\$51,988	\$64,028	\$67,393	\$75,330
Madison	\$50,863	\$59,072	\$72,789	\$75,224	\$74,839

* Data not available for 1996

Source: Nebraska Databook

In 1999, the average selling price of a single-family unit in Madison County was \$74,839, compared to \$80,569 in Platte County which is similar in population to Madison County as a whole.

Table 1.3: Family Income for Nebraska and Madison County, 2006*

Location	Area Median Income (AMI)			Maximum Affordable Monthly Housing Cost by % of Family AMI			
	Annual	Monthly	30% of AMI	30%	50%	80%	100%
Nebraska	\$59,530	\$4,961	\$17,859	\$446	\$744	\$1,191	\$1,488
Madison County	\$55,500	\$4,625	\$16,650	\$416	\$694	\$1,110	\$1,387

Source: National Low Income Housing Coalition - Out of Reach 2006

*Data not available for City of Norfolk

Table 1.3 shows median income levels estimated by the U.S. Department of Housing and Urban Development, as well as the maximum cost of owning a home (using 30% as a guideline for the maximum cost of housing). As the table indicates, a family with income equal to 100% of the estimated family median income for Madison County should be able to afford monthly housing costs of \$1,387 in 2006; a family with income equal to 80% of median income can afford housing costs of \$1,110 per month.

Table 1.4: 2000 Household Income, Norfolk and Madison County

	Annual	Monthly	30%	50%	80%	100%
Norfolk	\$34,609	\$2,884	\$260	\$433	\$692	\$865
Madison County	\$35,807	\$2,984	\$269	\$448	\$716	\$895

Source: NENEDD and US Census Bureau

Table 1.4 uses data from the U.S. Census Bureau to calculate the maximum affordable housing cost by percentage of household income in 2000 for Norfolk and Madison County. Using the respective median household income for Norfolk and Madison County, the table shows the maximum mortgage amount that would be affordable to a household earning various percentages of the median income. A household earning 80% of the median income can afford to spend \$692 in Norfolk.

With the average selling price in Norfolk being \$83,000 in 2000 and using a 30-year mortgage with an average fixed interest rate of 5.00%, the monthly total mortgage costs including principal and interest would be \$445. Adding in base utilities of approximately \$200/ month, the total monthly housing cost is estimated to be \$645. Based on Table 1.4, households in Norfolk earning at least 50% of the median family income would not be able to afford to own a house in Norfolk without some sort of financial assistance. A family earning 80% of the median family income should be able to afford a modestly priced home.

SECTION II: POPULATION DEMOGRAPHICS

This study will analyze the population of the City of Norfolk and Madison County to determine current and future housing demand of city residents. The most accurate representation of housing demand can be determined by examining the changes in the population of the community and its characteristics, as well as several economic factors that may have an impact on present and future demand. This study also recognizes that the migration of people to and from areas outside the City of Norfolk, but within the market area, will have an impact on housing demand for the city. This study, therefore, will present comparable data for both the City of Norfolk and Madison County, in an effort to paint a general picture of population and economic growth in the market area.

In order to set housing goals and strategies best suited for the community of Norfolk, it is first important to project future demand for housing. The most appropriate first step in that analysis is to examine population growth trends.

Population

Population trends and projections for the City of Norfolk and Madison County are identified in Table 2.1. In Norfolk, there was a gain of 9.50% of the population between 1990 and 2000. Madison County also experienced an increase in the population with a growth of 7.87% from 1990 to 2000.

Table 2.1: Population Trends/Projections for Norfolk and Madison County

	Year	Population	Total	
			Change	Percent
			(from previous decade)	
Norfolk	1990	21,476	--	--
	2000	23,516	2,040	9.50%
	2020 Proj.	22,017	-1,499	-6.37%
	2025 Proj.	21,459	-558	-2.53%
Madison County	1990	32,655	--	--
	2000	35,226	2,571	7.87%
	2020 Proj.	33,223	-2,003	-5.69%
	2025 Proj.	32,260	-963	-2.90%

Source: NENEDD and Nebraska Databook

Utilizing population projections for the City of Norfolk, it is estimated that they will experience a loss of 2,057 residents by 2020, and a loss of another 558 by 2025.

Madison County population projections show that the county is also expected to see a decrease in population with a loss of 2,003 by 2020 and a loss of another 963 by 2025.

Age Distribution

The population per age category for the City of Norfolk and Madison County is identified in Table 2.2 and Table 2.3.

Table 2.2: Breakdown of Age Distribution for City of Norfolk; 1990 to 2000

	1990	% of total 1990 population	2000	% of total 2000 population	Total change 1990 to 2000	Total percent change 1990 to 2000
Under 5 years	1,791	8.34%	1,662	7.06%	-129	-7.20%
5 to 18	4,499	20.95%	4,888	20.77%	389	8.65%
19 to 24	2,038	9.49%	2,700	11.47%	662	32.48%
25 to 44	6,778	31.56%	6,573	27.92%	-205	-3.02%
45 to 59	2,508	11.68%	3,665	15.57%	1,157	46.13%
60 to 64	826	3.85%	725	3.08%	-101	-12.23%
65 to 74	1,548	7.20%	1,470	6.24%	-78	-5.04%
75 to 84	1,047	4.88%	1,240	5.27%	193	18.43%
85+	441	2.05%	616	2.62%	175	39.68%
Total	21,476	100.00%	23,539	100.00%	2,063	9.61%

Source: U.S. Bureau of the Census

Table 2.3: Breakdown of Age Distribution for Madison County; 1990 to 2000

	1990	% of total 1990 population	2000	% of total 2000 population	Total change 1990 to 2000	Total percent change 1990 to 2000
Under 5 years	2,667	8.17%	2,441	6.93%	-226	-8.47%
5 to 18	7,114	21.79%	7,647	21.71%	533	7.49%
19 to 24	2,582	7.91%	3,414	9.69%	832	32.22%
25 to 44	10,101	30.93%	9,618	27.30%	-483	-4.78%
45 to 59	4,019	12.31%	5,810	16.50%	1,791	44.56%
60 to 64	1,356	4.14%	1,209	3.43%	-147	-10.84%
65 to 74	2,414	7.38%	2,314	6.57%	-100	-4.14%
75 to 84	1,695	5.20%	1,868	5.30%	173	10.21%
85+	707	2.17%	905	2.57%	198	28.01%
Total	32,655	100.00%	35,226	100.00%	2,571	7.87%

Source: U.S. Bureau of the Census

In Norfolk from 1990 to 2000, the largest decline in population occurred in the 60-64 age group with a loss of 101 or 12.23%. The largest gain in population occurred in the 45-59 age group with a gain of 1,157 or 46.13%. While the largest gain in population occurred in the 45-59 category, Norfolk is not an aging community. The largest age brackets are still the 5-18 and the 25-44.

In Madison County from 1990 to 2000, the largest decline in population again occurred in the 60-64 age group with a loss of 147 or 10.84%. The largest gain in population occurred in the 45 to 59 age group with a gain of 1,791 or 44.56%. Madison County as a whole also has a younger population with the largest age group again in the 5-18 and 25-44 groups.

Table 2.4: Age 60+ Population in Norfolk and Madison County; 2000

	Norfolk	Madison County
60 to 64	725	1,209
65 to 74	1,470	2,314
75 to 84	1,240	1,868
85+	616	905
Total	4,051	6,296

Source: US Census Bureau and NENEDD

In the City of Norfolk, the total number of persons 60+ is 4,051, which makes up 17.21% of Norfolk’s total population

Madison County’s 65+ population is 6,296 or 17.87% of the entire county’s population.

The data in Table 2.4 is very important to consider when making decisions based upon future housing demand. Many rural communities in Northeast Nebraska are seeking elderly housing options due to their aging populations. The City of Norfolk is an exception to the rule as the elderly are not the population group expected to see the largest growth in the future. However, it is still important to consider this age group when developing future housing options for the entire community. Since Norfolk is the largest community in the area, many small towns that do not offer their own elderly housing rely on it to meet this particular need.

Table 2.5: Profile of Population Characteristics

Subject	Norfolk			Madison County		
	1990	2000	% Change	1990	2000	% Change
Total Population	21,476	23,539	9.61%	32,655	35,226	7.87%
Male	10,311	11,402	10.58%	15,954	17,474	9.53%
Female	11,165	12,137	8.71%	16,701	17,752	6.29%
Race						
White	20,614	19,956	-3.19%	31,263	29,200	-6.60%
Black	239	242	1.26%	277	295	6.50%
AI or AN	150	214	42.67%	259	265	2.32%
Asian, NH, & OPI	78	175	124.36%	89	213	139.33%
Some other race	126	1,263	902.38%	279	2,226	697.85%
Hispanic (of any race)						
Hispanic or Latino	269	1,689	527.88%	488	3,027	520.29%

Source: US Census Bureau and NENEDD

In the City of Norfolk, population increased by 9.61%, from 21,476 in 1990 to 23,539 in 2000. Madison County also saw an increase in population with a gain of 7.87% or 2,571 individuals from 1990 to 2000.

Sex and Race saw dramatic changes in the both the city and the county from 1990 to 2000. The male population saw the

largest change with a gain of 10.58% in Norfolk and 9.53% gain in Madison County during that time frame. The Hispanic population in both areas also saw a large increase with a gain of 527.88% in Norfolk and 520.29% in Madison County.

Recognizing changes in the ethnic and racial makeup of the community is an important step in assessing the housing needs of a community. Policymakers must carefully examine the potential for distinct cultural attitudes and assumptions, as well as for special needs of those groups, without relying on generalizations or stereotypes. In the process of formulating policy, it is

important to identify which trends are indeed linked to heritage and culture, and which are linked more accurately to a given social or economic situation. City leaders and officials are challenged, then, to make decisions based on established trends and their antecedents, while respecting the various possible individual needs of every citizen.

Table 2.6: Profile of Households and Housing Occupancy; 1990 and 2000

Subject	Norfolk			Madison County		
	1990	2000	% Change	1990	2000	% Change
Persons Living in Group Quarters	543	780	43.65%	1,017	1,319	29.70%
Institutionalized	250	204	-18.40%	724	743	2.62%
Non-institutionalized	293	576	96.59%	293	576	96.59%
Average Household Size	2.49	2.43	--	2.57	2.52	--
Total Housing Units						
Total Housing Units	8,877	10,091	13.68%	13,069	14,432	10.43%
Occupied Housing Units	8,412	9,377	11.47%	12,283	13,436	9.39%
Owner-occupied Housing Units	5,074	5,623	10.82%	8,035	8,838	9.99%
Vacant Owner-occupied Units	98	127	29.59%	143	207	44.76%
Renter-occupied Housing Units	3,338	3,754	12.46%	4,248	4,598	8.24%
Vacant Rental Units	248	439	77.02%	311	499	60.45%

Source: US Census Bureau

As Table 2.6 shows, the total number of housing units in the City of Norfolk changed from 8,877 in 1990 to 10,091 in 2000, an increase of 13.68%. Average household size changed from 2.49 to 2.43 over the same period. In 2000 the number of persons living in group quarters changed from 543 in 1990 to 780, an increase of 43.65%.

Of the total occupied housing units in the City of Norfolk in 2000 (9,377), homeowners comprised 5,623 and renters 3,754. The number of vacant units, both owner-occupied and renter-occupied, is lower than the preferred 5-7%. This is something that city officials will need to consider when planning for the future.

Table 2.7: School Age Children, Madison County by Academic Years: 1998-2009

Fiscal Year	Ages			Total
	5-10	11-14	15-18	
1998	3,442	2,300	2,267	8,009
1999	3,222	2,293	2,313	7,828
2000	3,293	2,264	2,361	7,918
2001	2,938	2,106	2,228	7,272
2002	3,135	2,195	2,244	7,574
2003	3,619	2,503	2,881	9,003
2004	3,752	2,398	2,648	8,798
2005	3,307	2,036	2,082	7,425
2006	3,268	1,897	2,679	7,844
2007	2,901	1,807	2,758	7,466
2008	3,001	1,843	1,918	6,762
2009	2,561	1,628	1,661	5,850

Source: NIFA Nebraska Profile

The number of school aged children in Madison County changed from 1998 to 2009 with an overall loss of 2,159 students. From 2002 to 2003 the number of school age children rose by 1,429 or 18.87%. However, after 2003, the number of school age children began to decline with a loss of 3,153 by 2009.

Table 2.8: Disabled Individuals by Age and Type of Disability; 2000

Age	5-15	16-64	65+	Total
Type of Disability	Norfolk			
Sensory Disability	16	227	402	645
Physical Disability	13	687	876	1,576
Mental Disability	99	629	288	1,016
Self-care Disability	3	214	266	483
Go-outside-home Disability	--	653	679	1,332
Employment Disability	--	1,446	--	1,446
Total Persons with a disability	131	3,856	2,511	6,498
Type of Disability	Madison County			
Sensory Disability	29	336	543	908
Physical Disability	24	966	1,200	2,190
Mental Disability	161	753	380	1,294
Self-care Disability	18	290	364	672
Go-outside-home Disability	--	898	904	1,802
Employment Disability	--	2,092	--	2,092
Total Persons with a disability	232	5,335	3,391	8,958

Source: US Census Bureau

The City of Norfolk had 6,498 individuals with disabilities in 2000. Of these, the majority suffered from physical disabilities. This is another important sector of the population to consider when looking at new housing to help accommodate their particular needs.

Madison County had 8,958 total persons with disabilities in 2000. Of these, physical disabilities made up the largest percentage at 24.45%.

**Table 2.9: Persons by Household by Tenure;
2000**

Persons Per Household	Madison County	Norfolk
Total Households	13,436	9,377
Owner Occupied	8,838	5,623
1-person household	1,767	1,169
2-person household	3,295	2,077
3-person household	1,288	859
4-person household	1,365	845
5-person household	726	448
6-person household	247	136
7 or more-person household	150	89
Average Household Size	2.76	2.76
Renter Occupied	4,598	3,754
1-person household	1,991	1,692
2-person household	1,256	1,063
3-person household	597	501
4-person household	393	284
5-person household	243	144
6-person household	89	55
7 or more-person household	29	15
Average Household Size	2.07	1.93

Source: US Census Bureau

There are 5,623 owner-occupied housing units in the City of Norfolk, with an average of 2.76 persons per household. Of these owner-occupied households, there were 2,077 two-person households. The 3,754 renter-occupied units had an average of 1.93 persons per household. This compares to a countywide average of 2.76 for owners and 2.07 for renters. Of the renter households, 1,692 were one person households.

SECTION III: ECONOMIC PROFILE

The following statistical and narrative information identifies the economic profile of Madison County, including the City of Norfolk. Included in this analysis is a review of relevant labor force data and annual employment trends and projections. The major employers in Norfolk are also identified.

Labor Force, Employment Trends, and Projections

Table 3.1: Labor Force and Employment Trends, Madison County; 2002 – November 2009

	2002	2005	2008	Nov. '09
Labor Force	19,201	20,373	19,030	18,404
Unemployment	766	836	632	691
Rate of Unemployment	4.0	4.1	3.3	3.8
Employment	18,434	19,537	18,398	17,713
Total Change in Employment	--	1,103	-1,139	-685
% Change in Employment	--	5.98%	-5.83%	-3.72%

Source: Nebraska Department of Labor

Labor force and employment trends for Madison County are identified in Table 3.1. Between 2005 and 2008 there was a decrease of 1,139 persons employed in the county. From 2008 to November of 2009 (the most current

data available) another decrease occurred with a drop in employment of 685.

Table 3.2: Madison County Total BEA Employment, and Real Personal Income
(BEA Data 1996 through 2006: 1000's of 2007 Real Dollars)

Year	Earnings	Social Security Contributions	Residence Adjustment	Dividends, Interest, Rents	Transfer Payments	Personal Income	Per Capita Income	Total BEA Employment	Average Real Earnings Per Job
1996	825,622	87,347	-86,001	178,039	130,390	960,702	27,078	26,753	30,861
1997	832,133	91,729	-94,060	192,290	136,126	974,760	27,208	27,093	30,714
1998	839,098	91,829	-99,692	201,171	144,883	993,630	27,802	27,346	30,684
1999	817,587	90,301	-106,383	199,528	149,598	970,029	27,442	26,775	30,535
2000	828,263	90,864	-108,661	214,890	151,852	995,480	28,305	27,535	30,080
2001	875,930	96,896	-122,439	209,596	166,810	1,033,001	28,980	28,761	30,455
2002	894,718	99,718	-128,720	206,459	174,057	1,046,796	29,130	28,721	31,152
2003	928,783	102,297	-131,198	207,641	178,568	1,081,497	30,240	29,029	31,995
2004	957,130	103,958	-137,440	179,882	176,889	1,072,503	30,147	29,470	32,478
2005	945,041	103,679	-134,988	186,517	177,838	1,070,728	30,211	29,508	32,027
2006	909,965	102,138	-125,837	198,200	183,138	1,063,327	30,188	29,399	30,952

Source: NIFA Nebraska Profile

According to NIFA and the Nebraska Department of Revenue, “returns with an adjusted gross income (AGI) of less than \$10,000 decreased by 29.59 percent between 1991 and 2007. Returns with an AGI from \$10,001 to \$25,000 decreased by 15.91 percent over the period. On the other hand, returns with an AGI from \$100,000 or more increased from 516.09 percent over the period.”

Table 3.3: Total Business Establishments

Year	Nebraska	Madison County
1996	47,607	1,241
1997	48,588	1,284
1998	48,655	1,319
1999	48,968	1,298
2000	49,623	1,320
2001	49,710	1,333
2002	50,259	1,330
2003	50,394	1,351
2004	50,928	1,362
2005	51,440	1,371
2006	51,906	1,367

Source: NIFA Nebraska Profile

The total number of business establishments in Madison County grew by 126 between 1996 and 2006, for a total change in business establishments of 10.15%. This compares to the total statewide change in business establishments of 4,299 or 9.03% during the same time period.

Households are defined as all people who occupy a housing unit. Household income includes the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not. Further, because many households consist of only one person, average household income is usually less than average family income. Households in the City of Norfolk with a household income of less than \$10,000 comprised 4.80% of all owner-occupied households and 21.10% of all renter-occupied households in 2000. This compares to a county average of 5.51% of owner-occupied households and 20.00% of renter-occupied households.

Table 3.4: Households by Income Range

Income Range	Madison County				Norfolk			
	Owner-occupied		Renter-Occupied		Owner-occupied		Renter-Occupied	
	Households	Percent	Households	Percent	Households	Percent	Households	Percent
Less than \$10,000	487	5.51%	920	20.00%	270	4.80%	792	21.10%
\$10,000 to \$14,999	433	4.90%	491	10.68%	287	5.10%	447	11.91%
\$15,000 to \$19,999	486	5.50%	557	12.11%	273	4.86%	456	12.15%
\$20,000 to \$24,999	556	6.29%	616	13.40%	345	6.14%	516	13.75%
\$25,000 to \$34,999	1,275	14.43%	773	16.81%	798	14.19%	589	15.69%
\$35,000 to \$49,999	1,698	19.21%	729	15.85%	1,045	18.58%	573	15.26%
\$50,000 to \$74,999	2,315	26.19%	397	8.63%	1,539	27.37%	296	7.88%
\$75,000 to \$99,999	988	11.18%	90	1.96%	678	12.06%	75	2.00%
\$100,000 to \$149,999	462	5.23%	18	0.40%	315	5.60%	10	0.26%
\$150,000 or more	138	1.56%	7	0.16%	73	1.30%	0	0.00%
Total	8,838	100.00%	4,598	100.00%	5,623	100.00%	3,754	100.00%

Source: US Census Bureau

The Census Bureau defines a family as a householder and one or more people living in the same household who are related to the householder by birth, marriage, or adoption. Median family income includes the income of all members 15 years old and over related to the householder. Median family income is usually higher than median household income.

Table 3.5: Family Incomes by Income Range

	Madison County		Norfolk	
	Families	Percent	Families	Percent
Less than \$10,000	431	4.80%	287	4.86%
\$10,000 to \$14,999	373	4.16%	268	4.54%
\$15,000 to \$19,999	428	4.77%	252	4.27%
\$20,000 to \$24,999	629	7.01%	432	7.32%
\$25,000 to \$29,999	655	7.30%	449	7.61%
\$30,000 to \$34,999	705	7.86%	442	7.49%
\$35,000 to \$39,999	649	7.23%	401	6.79%
\$40,000 to \$44,999	606	6.75%	372	6.30%
\$45,000 to \$49,999	573	6.39%	373	6.32%
\$50,000 to \$59,999	1,236	13.77%	811	13.74%
\$60,000 to \$74,999	1,113	12.40%	746	12.64%
\$75,000 to \$99,999	999	11.13%	705	11.95%
\$100,000 to \$124,999	352	3.92%	240	4.06%
\$125,000 to \$149,999	92	1.03%	57	0.97%
\$150,000 to \$199,999	71	0.80%	40	0.68%
\$200,000 or more	61	0.68%	27	0.46%
Total Families:	8,973	100.00%	5,902	100.00%
Median Family Income	\$45,073	--	\$38,667	--

Source: US Census Bureau

Madison County's median household income was \$35,807, but the median family income was \$45,073. The median household income in the City of Norfolk was \$34,609 and the median family income was \$38,667 in 2000. Families in Norfolk with a family income less than \$10,000 comprised 4.86% of all families in the city. This compares to a county average of 4.80%. The income range that made up the highest percentage of Norfolk's population was the \$50,000 to \$59,999 group at 13.74% with the \$60,000 to \$74,999 group coming in next at 12.64%.

Table 3.6: Occupation and Class of Worker

Subject	Madison County	% of Madison County Employed	Norfolk	% of Norfolk Employed
Population 16 years and over	26,979	--	18,194	--
Employed Civilian Population 16 years and over	17,798	65.97%	12,206	67.09%
Occupation				
Management, professional, and related occupations	4,566	25.65%	3,059	25.06%
Service occupations	4,103	23.05%	2,931	24.01%
Sales and office occupations	4,566	25.65%	3,290	26.95%
Farming, fishing, and forestry occupations	274	1.54%	129	1.06%
Construction, extraction, and maintenance occupations	112	0.63%	73	0.60%
Production, transportation, and material moving occupations	3,897	21.90%	2,534	20.76%
Class of Worker				
Private wage and salary worker	12,852	72.21%	9,038	74.05%
Government workers	2,219	12.47%	1,513	12.40%
Self-employed workers in own not incorporated business	1,400	7.87%	708	5.80%
Unpaid Family Workers	44	0.25%	19	0.16%

Source: US Census Bureau

The employed civilian population 16 years and over comprised 12,206 persons, or 67.09% of the total population 16 years and over in the City of Norfolk, according to the 2000 Census. Those in management, professional, and related occupations comprised 3,059 persons, or 25.06%, compared to 25.65% countywide. Service occupations and sales and office occupations all make up fairly even portions of the employed population.

Table 3.7: Poverty by Families and Individuals in Madison County and Norfolk

Poverty Status	Madison County	Norfolk
Families below poverty level	675	412
Percent below poverty level	7.52%	6.98%
With related children under 18 years	557	376
Percent below poverty level	6.21%	6.37%
With related children under 5 years	162	136
Percent below poverty level	1.81%	2.30%

Source: US Census Bureau

The 2000 Census poverty statistics indicate that 2,525 individuals in the City of Norfolk were living in poverty. There were 412 families in poverty the majority of which had related children under the age of 18 years.

Table 3.8: Households in Poverty by Tenure and Age

Subject	Madison County	% of Madison County	Norfolk	% of Norfolk
Owner occupied:				
Income in 1999 below poverty level:	493	100.00%	246	100.00%
Householder 15 to 24 years	12	2.43%	8	3.25%
Householder 25 to 34 years	44	8.92%	20	8.13%
Householder 35 to 44 years	96	19.47%	48	19.51%
Householder 45 to 54 years	73	14.81%	37	15.04%
Householder 55 to 59 years	21	4.26%	5	2.03%
Householder 60 to 64 years	37	7.51%	16	6.51%
Householder 65 to 74 years	70	14.20%	40	16.26%
Householder 75 to 84 years	85	17.24%	56	22.76%
Householder 85 years and over	55	11.16%	16	6.51%
Renter occupied:				
Income in 1999 below poverty level:	1,074	100.00%	911	100.00%
Householder 15 to 24 years	349	32.50%	315	34.58%
Householder 25 to 34 years	221	20.58%	193	21.19%
Householder 35 to 44 years	146	13.59%	93	10.21%
Householder 45 to 54 years	85	7.91%	69	7.57%
Householder 55 to 59 years	41	3.82%	34	3.73%
Householder 60 to 64 years	14	1.30%	8	0.88%
Householder 65 to 74 years	42	3.91%	38	4.17%
Householder 75 to 84 years	125	11.64%	114	12.51%
Householder 85 years and over	51	4.75%	47	5.16%

Source: US Census Bureau

There were 246 homeowners and 911 renters in poverty in the City of Norfolk, or 4.37% of homeowners, and 24.27% of the city's total renters. This compares to 5.58% of the homeowners and 23.36% of the renters in poverty countywide. In Norfolk, householders in their prime working years, 25 through 44, comprised 68 (27.64%) homeowners in poverty and 286 (31.39%) renters in poverty. In comparison, there were 72 (29.27%) homeowners aged 75 and over in poverty and another 161 (17.67%) renters over 75 years of age in poverty.

SECTION IV: INCOME DISTRIBUTION AND HOUSING AFFORDABILITY

The income section of this market study is important in determining the number of households within the market area that have the capability to afford the cost of purchasing or renting the existing units available or the units that might become available due to future owner or rental housing development.

Income Distribution

The following tables identify income levels and income distribution for Norfolk and Madison County.

Table 4.1: Income Distribution for Norfolk; 2000 and 2008

	2000	2008 (est.)
< \$15,000	1,760	1,513
\$15,000-\$24,999	1,582	2,557
\$25,000-\$34,999	1,394	1,701
\$35,000-\$49,999	1,607	1,689
\$50,000-\$74,999	1,856	1,180
\$75,000-\$99,999	778	718
\$100,000-\$149,999	320	141
\$150,000 or more	83	102
Median Household Income	\$34,609	\$40,086

Source: US Census Bureau

Table 4.2: Income Distribution for Madison County; 2000 and 2008

	2000	2008 (est.)
< \$15,000	2,298	1,798
\$15,000-\$24,999	2,206	1,906
\$25,000-\$34,999	2,052	1,629
\$35,000-\$49,999	2,418	2,380
\$50,000-\$74,999	2,726	2,559
\$75,000-\$99,999	1,088	1,716
\$100,000-\$149,999	483	1,085
\$150,000 or more	151	361
Median Household Income	\$35,807	\$42,489

Source: US Census Bureau

Tables 4.1 and 4.2 identify the income distribution for Madison County and Norfolk from 2000 and 2007.

As of 2000, the majority of the population of Norfolk had household incomes between \$50,000 - \$74,999. The median household income for the city was \$34,609 in 2000. In 2000 in Madison County, the majority of the population also earned \$50,000 - \$74,999 which is indicative of Norfolk having the majority of the jobs in the county.

Table 4.3: Number of Households Earning Less than Median Income for Madison County and Norfolk; 2000

	Median Income	80% of Median Income	50% of Median Income	30% of Median Income
Madison County	\$35,807	\$28,645	\$17,904	\$10,742
Percent of Households at or below	55.32%	40.11%	20.19%	11.65%
Norfolk	\$34,609	\$27,687	\$17,305	\$10,383
Percent of Households at or below	50.49%	40.52%	23.37%	12.55%

Source: NENEDD

As indicated in Table 4.3, 55.32% of the population of Madison County, and 50.49% of the population of Norfolk earn incomes less than the median income for the two respective political divisions. These numbers are not significant; however, unless it is considered that another 20.19% of Madison County's population and 23.37% of Norfolk's population do not earn even 50% of the median income. Moreover, another 11.65% of Madison County's and 12.55% of Norfolk's population earn less than 30% of the median income.

This analysis suggests that a significant percentage of both Madison County and Norfolk residents will continue to earn less than the median income. This trend, when coupled with the decreasing buying power of future median incomes, shows the potential for a number of households to experience housing cost overburden now and in the future. It is also evident that a number of households in the Norfolk area would be eligible for, and benefit from, public assistance programs, such as down payment assistance or housing rehabilitation subsidy programs.

Poverty Status

The U.S. Bureau of the Census calculates the number of individuals and families whose household income falls below poverty thresholds based on the income, family size, and number of children of each household. Poverty thresholds are revised annually using Consumer Price Index data.

Table 4.4, however, shows the data that was available from the 1990 and 2000 Census records.

Table 4.4: Poverty Status; 1990 and 2000

	Nebraska	Madison County	Norfolk
1990			
Total Population	1,578,385	32,655	21,476
Number below the poverty level	170,616	3,198	1,985
Percent	10.81%	9.79%	9.24%
2000			
Total Population	1,711,263	35,226	23,539
Number below the poverty level	161,269	3,807	2,525
Percent	9.42%	10.81%	10.73%

Source: US Census Bureau

when both Norfolk and Madison County went above the state as a whole.

Table 4.4 demonstrates that in 1990, Madison County had a lower percentage of persons living below the poverty line than the state of Nebraska. Norfolk also had a lower percentage of persons below the poverty level than the state and the county as a whole. This changed in 2000, however,

Table 4.5: Poverty Status, Norfolk and Madison County; 2000

Persons with poverty status	Norfolk	Madison County	Nebraska
Under 18 years	728	1,250	54,477
Percent	3.17%	3.66%	3.28%
18 years and older	1,797	2,557	106,792
Percent	7.82%	7.50%	6.43%
Total persons below poverty level	2,525	3,807	161,269
Percent	10.98%	11.16%	9.71%
Total persons	22,986	34,110	1,660,527

Source: US Census Bureau

As seen in Table 4.5, approximately 10.98% of the total persons of Norfolk, and 11.16% of the total persons of Madison County earned incomes below the poverty threshold in 2000.

Housing Affordability and Cost Overburden

There is a direct link between the level of income of an individual or family and the percentage of gross income he or she spends on housing. In general, the lower a person's income, the greater the percentage of income spent on housing will be. It is generally understood that a family or individual that spends more than 30% of his or her income on housing experiences housing cost overburden. Because of this, it is also generally understood that low-income families and individuals do not own their own housing units; rather they rent living units from various sources or property owners.

The following tables show a breakdown of the number of owner and renter households that spend specific selected percentages of their income on housing for both Madison County and Norfolk.

Table 4.6: Selected Monthly Owner/Renter Costs as Percentage of Household Income, Norfolk

	Housing Units with a Mortgage		Housing Units Without a Mortgage		Renter Households	
	Number of Households	Percentage of Population	Number of Households	Percentage of Population	Number of Households	Percentage of Population
Less than 15%	803	24.93%	1,299	66.14%	719	19.15%
15 – 19%	790	24.53%	302	15.38%	670	17.85%
20-24%	676	20.99%	115	5.86%	574	15.29%
25-29%	276	8.57%	80	4.07%	386	10.28%
30-34%	212	6.58%	41	2.09%	244	6.50%
35+	459	14.25%	111	5.65%	1,030	27.44%
Not computed	5	0.15%	16	0.81%	131	3.49%
Total Households	3,221	100.00%	1,964	100.00%	3,754	100.00%

Source: US Census Bureau

Table 4.7: Selected Monthly Owner/Renter Costs as Percentage of Household Income, Madison County

	Housing Units with a Mortgage		Housing Units Without a Mortgage		Renter Households	
	Number of Households	Percentage of Population	Number of Households	Percentage of Population	Number of Households	Percentage of Population
Less than 15%	1,153	25.79%	2,005	67.53%	920	20.74%
15 – 19%	1,071	23.95%	385	12.97%	771	17.39%
20-24%	922	20.62%	186	6.26%	655	14.77%
25-29%	408	9.13%	107	3.60%	430	9.70%
30-34%	305	6.82%	61	2.06%	276	6.22%
35+	599	13.40%	193	6.50%	1,132	25.52%
Not computed	13	0.29%	32	1.08%	251	5.66%
Total Households	4,471	100.00%	2,969	100.00%	4,435	100.00%

Source: US Census Bureau

The previous two tables show the percentage of both owner and renter households in Norfolk and Madison County that utilize more than 30% of their income on housing costs. In Norfolk, both housing units with a mortgage and renter households saw a high number of residents spending more than 30% of their income on housing costs.

In Madison County again, both housing units with a mortgage and renter households saw a large number of residents spending more than 30% of their income on housing costs.

Over 30% of Norfolk’s rental units pay more than 30% of their income on housing costs. With such a large percentage of renter households experiencing cost overburden in rented dwelling units, this has a significant negative impact on their capacity to eventually move into self-owned housing units. While spending more per month on rental housing costs, a smaller percentage of such households’ income can be put toward savings for a future

down payment. Moreover, such a household would find it difficult to incur the added expenses of owning a home, such as the cost of upkeep or larger utility payments. These factors should be noted while developing housing strategies for the community of Norfolk.

Fair Market Rent

The National Low Income Housing Coalition (NLIHC), based in Washington D.C., estimates the level of income needed for the average household to be able to afford suitable housing. Their most recent study, released in 2006, provides the most up-to-date information pertaining to housing cost overburden.

The NLIHC uses estimates of the median area income for owner families and renter families from the U.S. Department of Housing and Urban Development (HUD). Using these estimates and Fair Market Rent (FMR) estimates from HUD, the NLIHC calculates the level of income needed to afford adequate housing. HUD publishes Fair Housing Market for housing units in states and counties across the nation. FMR is a gross estimate of the fair cost of shelter rent, plus utilities, based on the level of income and housing demand of a region. Table 4.8 shows data for Nebraska and Madison County from the 2006 NLIHC study.

Table 4.8: 2006 Family Income, Madison County and Nebraska*

	2006 Median Family Income (HUD est.)		Maximum Affordable Monthly Housing Cost by Percent Median Family Income			
	Annual	Monthly	30%	50%	80%	100%
Nebraska	\$59,530	\$4,961	\$446	\$744	\$1,191	\$1,488
Madison County	\$55,500	\$4,625	\$416	\$694	\$1,110	\$1,388

Source: NLIHC

*Data not available for City of Norfolk

Table 4.8 shows median income levels, estimated by the U.S. Department of Housing and Urban Development, as well as the maximum monthly cost of owning a home (using 30% as a guideline for the maximum cost of housing). As the table indicates, a family with income equal to 100% of the estimated family median income for Madison County should be able to afford monthly housing costs of \$1,388 in 2006; a family with income equal to 80% of median income can afford housing costs of \$1,110 per month.

Table 4.9: 2000 Household Income, Madison County and Norfolk

	2000 Median Household Income		Maximum Affordable Monthly Housing Cost by Percent Median Household Income			
	Annual	Monthly	30%	50%	80%	100%
Norfolk	\$34,609	\$2,884	\$260	\$433	\$692	\$865
Madison County	\$35,807	\$2,984	\$269	\$448	\$716	\$895

Source: US Census Bureau and NENEDD

Table 4.9 uses data presented previously in this chapter to calculate the maximum affordable housing cost by percentage of household income in 2000 for Norfolk and

Madison County. Using the respective median household income for Norfolk and Madison County, the table shows the maximum rent that would be affordable to a household earning various percentages of the median income. A family earning 80% of the median income can afford to spend \$692 in the City of Norfolk.

Table 4.10: 2007 Fair Market Rent by Number of Bedrooms, Nebraska and Madison County*

Bedrooms	Nebraska	Madison County
Zero	\$439	\$381
One	\$487	\$402
Two	\$609	\$528
Three	\$807	\$720
Four	\$890	\$742

Source: NLIHC

*Data not available for City of Norfolk

to pay full market rent for a three- or four-bedroom apartment. Whereas, a household earning 80% of the median income for either Norfolk or Madison County would only be able to afford a two bedroom apartment.

The table shows fair market rent estimated by HUD.

Combined with the data provided in Table 4.9, one can see that a renter household earning 100% of the estimated median renter household income in Madison County should have the capacity

More useful in guiding policymaking is an estimate of the number of households in Norfolk and Madison County that do not have adequate income to afford fair market rent for the region. Previously in this chapter, it was found that 20.19% of the population of Madison County and 23.37% of Norfolk earn less than 50% of the median income for each area. In addition, another segment of the population – 11.65% of Madison County households and 12.55% of Norfolk households – make less than 30% of the median income.

With these percentages in mind, it is possible to calculate the percentage of households in Norfolk and Madison County that do not have the capacity to afford fair market rent.

Fair market rent is not available specifically for Norfolk. This study assumes, however, that fair market for the City of Norfolk for a two-bedroom apartment would be around \$569 (an average between the fair market rent for a 2-bedroom for Nebraska and Madison County).

For households earning less than 50% of the median income for the City of Norfolk, renting a two-bedroom apartment would be prohibited by cost, seeing the maximum amount available to be spent on housing for a household with earnings equivalent to 50% of the median income is \$433. The cost for some one and all zero-bedroom apartments in Norfolk should be obtainable for a person making 50% of the median income.

For households earning less than 30% of the median income, fair market rent for any size apartment is too costly. The cost of a one-bedroom apartment in Norfolk would fall between \$402 - \$487. The maximum affordable monthly rent for a household with income less than 30% of the median income is \$260 for Norfolk and \$269 for Madison County. At fair market rent, a household in this income category would have to spend more than 30% of their income on monthly housing costs, and thus experience housing

cost overburden. As seen previously in this chapter, 33.94% of renter households in Norfolk, and 31.74% of renter households in Madison County already fall within this category.

**Table 4.11: 2006 Estimated Renter Household Income
Nebraska and Madison County**

	2006 Median Renter Household Income (NLIHC est.)		Maximum Affordable Monthly Housing Cost by Percent of Median Renter Income			
	Annual	Monthly	30%	50%	80%	100%
Nebraska	\$31,910	\$2,659	\$239	\$399	\$638	\$798
Madison County	\$27,449	\$2,287	\$206	\$343	\$549	\$686

Source: NLIHC

* Data not available for City of Norfolk

Table 4.11 estimates the median income of the average renter family in Nebraska and Madison County. As the data in the table demonstrates, a renter household with combined income equal to 100% of the median renter household income should be able to afford renter-housing costs of \$686 in Madison County. These figures are given based on the assumption that renter households generally generate less income than owner households do.

Table 4.12 below shows the hourly wage required to afford 100% of Fair Market Rent for one-bedroom and two-bedroom units in Nebraska and Madison County. The table shows that the minimum wage in 2006 of \$5.15 per hour does not supply adequate income to afford fair market rent in Nebraska or Madison County, nor would the current minimum wage of \$7.25.

Table 4.12: Wage Needed to Afford FMR, Nebraska and Madison County*

	Hourly Wage Needed at 40 hours per week		As Percent of Federal Minimum Wage (\$5.15/hr)	
	One-Bedroom FMR	Two-Bedroom FMR	One-Bedroom FMR	Two-Bedroom FMR
Nebraska	\$9.36	\$11.71	182%	227%
Madison County	\$7.73	\$10.15	150%	197%

Source: NLIHC

* Data not available for City of Norfolk

SECTION V: HOUSING STOCK PROFILE

General Housing Characteristics

This chapter of the housing study utilizes information gathered from the U.S. Census Bureau and NENEDD field studies to portray the size and shape of the present housing stock in Norfolk and Madison County. This section takes into account the many types of housing available to area residents, as well as the diverse characteristics of the inhabitants of those housing facilities.

Table 5.1 shows general housing characteristics for the City of Norfolk and Madison County for 2000. Table 5.2 shows similar data for Norfolk and the previous decade. Table 5.1 shows that the average number of persons per household in Norfolk was 2.50 and 2.59 in Madison County in 2000.

The number of renter-occupied units versus owner-occupied units in both Norfolk and Madison County

are substantially lower, as is the number of non-family versus family households.

Table 5.1: Households, Norfolk and Madison County

	Norfolk	Madison County
Total Population	23,539	35,226
Number of housing units	10,091	14,432
Number of households	9,377	13,436
Number of persons in households	22,759	33,907
Family households	1,745	2,806
Non-family households	1,292	1,748
Married couple family households	4,721	7,470
Female householder	843	1,030
Average persons per household	2.43	2.52
Person in group quarters	780	1,319
Renter Occupied Units	3,754	4,598
Owner Occupied Units	5,623	8,838

Source: US Census Bureau

Table 5.2: Household Size, Norfolk and Madison County

	Norfolk		Madison County	
	Number of Households	Percent	Number of Households	Percent
One-person	2,861	30.51%	3,758	27.98%
Two-person	3,140	33.49%	4,551	33.87%
Three-person	1,360	14.50%	1,885	14.03%
Four-person	1,129	12.04%	1,758	13.08%
Five-person	592	6.31%	969	7.21%
Six-person	191	2.04%	336	2.50%
Seven or more	104	1.11%	179	1.33%
Total	9,377	100.00%	13,436	100.00%
Median rooms, Owner-occupied	6.4	--	6.4	--
Median rooms, Renter-occupied	3.9	--	4.0	--

Source: US Census Bureau

Table 5.2 shows the various household sizes for Norfolk and Madison County.

One and two-person households make up the majority of housing units in Norfolk. In both Norfolk and Madison County, two-person makes up more of households than one-person. This chart demonstrates the growing number of smaller families in Norfolk and Madison County,

indicating that families are not as large as they have been in the past.

One-unit detached made up the largest percentage of housing units in both Norfolk and Madison County in 2000. Only 35.55% of all remaining housing units were not one-unit detached in Norfolk.

For both Norfolk and Madison County, 10+ units made up the second highest number of units with 2-4 units coming in the third highest.

**Table 5.3: Housing Stock Profile
Norfolk and Madison County**

	Norfolk	Madison County
Total Housing Units	10,091	14,432
One-unit detached	6,504	10,272
One-unit attached	189	206
2-4 units	839	922
5-9 units	673	704
10+ units	1,647	1,709
Mobile home	234	612
Boat, RV, van, etc.	5	7
Median no. of rooms	5.2	5.4
Occupied housing units	9,377	13,436

Source: US Census Bureau

**Table 5.4: Tenure by Occupants per Room
in Norfolk and Madison County**

	Norfolk	Madison County
Owner-occupied:	5,623	8,838
0.50 or less	4,389	6,820
0.51 to 1.00	1,150	1,848
1.01 to 1.50	73	127
1.51 to 2.00	11	28
2.01 or more	0	15
Renter-occupied:	3,754	4,598
0.50 or less	2,541	3,087
0.51 to 1.00	1,000	1,242
1.01 to 1.50	110	134
1.51 to 2.00	73	90
2.01 or more	30	45

Source: US Census Bureau

Table 5.4 shows the average number of persons per room by tenure in Norfolk and Madison County. In 2000, Norfolk had 110 renter- and 73 owner-occupied units with households members too numerous for available living space (defined as more than 1.01 persons per room or severe overcrowding) and 103 renter- and 11 owner-occupied units with 1.51 or more occupants per room which is defined as extreme overcrowding. Madison County had 127 owner-occupied units and 134 renter-occupied units that were severely overcrowded and 43 owner- and 135 renter- occupied units that were extremely overcrowded.

**Table 5.5: Structures Lacking Needed Facilities
Norfolk and Madison County**

	Norfolk	Madison County
Lacking plumbing	28	80
Lacking complete kitchen facilities	167	244
No telephone service	263	392
Total	458	716

Source: US Census Bureau

telephone service.

Table 5.5 shows the number of houses or living units in 2000 that did not have complete plumbing facilities, kitchen facilities, or telephone service for Norfolk and Madison County. According to the data in the table, 458 total homes in Norfolk lacked complete plumbing, kitchen facilities, or

Table 5.6: Disposition of Vacant Housing in Madison County and Norfolk; 1990 and 2000

Vacancy Status	Madison County			Norfolk		
	1990	2000	% Change	1990	2000	% Change
For rent	306	499	63.07%	243	439	80.66%
For sale only	143	207	44.76%	98	127	29.59%
Rented or sold, not occupied	--	87	--	--	55	--
For seasonal, recreational, or occasional use	50	72	44.00%	22	39	77.27%
Other vacant	282	131	-53.55%	97	54	-44.33%
Total Vacant	781	996	27.53%	460	714	55.22%

Source: US Census Bureau

The total number of vacant units in the City of Norfolk increased by 55.22% between 1990 and 2000; from 460 units to 714 units given the data available. This compares to an increase of 27.53% countywide. Vacant rental units saw a change from 243 units to 439 from 1990 to

2000 and for sale units went from 98 to 127 during the same time period for Norfolk.

Table 5.7: Housing Vintage and Housing Size in Madison County and Norfolk

Subject	Madison County	% of Madison County	Norfolk	% of Norfolk
Total Housing Units	14,432	100.00%	10,091	100.00%
Year Structure Built				
1999 to March 2000	210	1.46%	151	1.50%
1995 to 1998	889	6.16%	726	7.19%
1990 to 1994	776	5.38%	642	6.36%
1980 to 1989	1,757	12.17%	1,374	13.62%
1970 to 1979	2,847	19.73%	2,006	19.88%
1960 to 1969	1,998	13.84%	1,544	15.30%
1940 to 1959	2,311	16.01%	1,768	17.52%
1939 or earlier	3,644	25.25%	1,880	18.63%
Number of Rooms Per Dwelling Unit				
1 room	211	1.46%	174	1.72%
2 rooms	574	3.98%	527	5.22%
3 rooms	1,283	8.89%	1,108	10.98%
4 rooms	2,477	17.16%	1,987	19.69%
5 rooms	2,874	19.91%	1,906	18.89%
6 rooms	2,165	15.00%	1,363	13.51%
7 rooms or more	4,848	33.60%	3,026	29.99%
Median (rooms)	5.4	--	5.2	--
Bedrooms				
No Bedrooms	258	1.78%	219	2.17%
1 Bedroom	1,772	12.28%	1,564	15.50%
2 Bedroom	4,430	30.70%	3,336	33.06%
3 Bedroom	5,025	34.82%	3,235	32.06%
4 Bedroom	2,184	15.13%	1,322	13.10%
5 or more Bedrooms	763	5.29%	415	4.11%

Source: US Census Bureau, 2000

Almost 19% of the total housing units in Norfolk were constructed in 1939 or earlier.

Another 17.52% were constructed between 1940 and 1959. With only 15.05% of the units being constructed after 1990, the City needs to keep in mind that the majority of homes in Norfolk are aging and are going to be in need of repairs and upgrades.

Table 5.8: Housing Values

Subject	Madison County	Norfolk
Median Value for Owner-Occupied Units	\$80,100	\$83,000
Median Selected Monthly Costs		
Mortgage	819	842
No Mortgage	275	284
Median Contract Rent (\$)	359	368
Median Gross Rent (\$)	434	438

Source: US Census Bureau

in size, has a median value of \$80,300.

Compared to the similarly sized communities of Columbus and Fremont, the median value of owner-occupied units in Norfolk is fairly consistent at \$83,000. Fremont, being the largest community, has the highest median value at \$87,100, and Columbus, which is slightly smaller than Norfolk and Fremont

As Table 5.9 shows, there were 1,635 or 43.55% two-bedroom occupied rentals in the City of Norfolk. This compares to 42.12% countywide. Of the two bedroom units in Norfolk, the majority paid \$300 to \$499. The same was true countywide.

Cost overburden is defined as spending more than 30 to 50 percent of household income on housing. A severe cost burden is encountered if more than 50% of income is spent on housing.

Table 5.9: Household Gross Rent by Number of Bedrooms

Madison County	Zero Bedrooms	One Bedroom	Two Bedrooms	Three or More	Total
With cash rent	161	1,364	1,819	897	4,241
Less than \$200	35	265	66	26	392
\$200 to \$299	3	297	141	44	485
\$300 to \$499	62	595	978	284	1,919
\$500 to \$749	13	88	584	471	1,156
\$750 to \$999	6	16	25	59	106
\$1,000 or more	42	103	25	13	183
No cash rent	2	23	49	120	194
Total	163	1,387	1,868	1,017	4,435
Norfolk					
With cash rent	130	1,294	1,613	626	3,663
Less than \$200	26	241	51	16	334
\$200 to \$299	0	279	106	17	402
\$300 to \$499	53	572	861	154	1,640
\$500 to \$749	13	86	550	381	1,020
\$750 to \$999	0	15	20	53	88
\$1,000 or more	38	101	25	5	169
No cash rent	2	19	22	48	91
Total	132	1,313	1,635	674	3,754

Source: US Census Bureau

As Table 5.10 shows, 654 renters in Norfolk, or 17.42% of all renters, spent 30% to 49.9% of their household income on gross rent during 2000. 620 renters or another 16.52% also spent 50% or more of their income on housing, thus experiencing severe cost overburden. This compares to a countywide average of 16.23% and 15.52% respectively.

Further, 513 homeowners or 15.93% of the City's homeowners with a mortgage, spent 30% to 49.9% of their household income on housing and another 158 or 4.91% spent 50% or more on housing.

There were 93 householders without a mortgage that spent 30% to 49.9% of their income on housing costs. Fifty-nine households without a mortgage spent more than 50% of their income on housing costs in the City of Norfolk.

Table 5.10: Income Spent on Housing

Income Range	Specified-Renter Occupied Unit		Specified Owner-Occupied Units			
			Housing units with a Mortgage		Housing units without a Mortgage	
	Households	Percent	Households	Percent	Households	Percent
Madison County						
Less than 29.9%	2,776	62.59%	3,554	79.49%	2,683	90.37%
30% to 49.9%	720	16.23%	687	15.37%	157	5.29%
50% or more	688	15.52%	217	4.85%	97	3.27%
Not computed	251	5.66%	13	0.29%	32	1.07%
Total	4,435	100.00%	4,471	100.00%	2,969	100.00%
Norfolk						
Less than 29.9%	2,349	62.57%	2,545	79.01%	1,796	91.45%
30% to 49.9%	654	17.42%	513	15.93%	93	4.74%
50% or more	620	16.52%	158	4.91%	59	3.00%
Not computed	131	3.49%	5	0.15%	16	0.81%
Total	3,754	100.00%	3,221	100.00%	1,964	100.00%

Source: US Census Bureau

Value of Housing Units

Table 5.11: Value of Owner Occupied Housing Units, 2000		
	Norfolk	Madison County
No. of Owner Occupied Units with specified value	5,185	7,440
Less than \$50,000	689	1,387
\$50,000- \$99,999	2,909	3,923
\$100,000- \$149,999	988	1,360
\$150,00-\$199,999	371	468
\$200,000- \$299,999	210	268
\$300,000 +	18	34
Median value	\$83,000	\$80,100

Source: US Census Bureau

Table 5.11 gives a detailed breakdown of the cost for homes in Norfolk and Madison County in 2000, as well as the median value of homes for both political regions. The median value for the homes in Norfolk was \$83,000 and in Madison County \$80,100.

In Norfolk, 689 or 13.29% of the homes are valued at less than \$50,000. In Madison

County, 1,387 or 18.64% are valued in the same price range.

Table 5.12: Average Selling Price of Single-Family Homes

	1985	1990	1991	1992	1993	1994	1995	1997	1998	1999
Nebraska	\$50,179	\$52,921	\$53,971	\$54,541	\$64,498	N/A	\$66,533	\$84,401	\$90,971	\$85,072
Madison County	\$46,549	\$43,969	\$49,251	\$46,110	\$52,483	\$50,863	\$59,072	\$72,789	\$75,224	\$74,839

Source: Nebraska Databook

Table 5.12 identifies the average selling prices of single-family homes in Nebraska and Madison County from 1985 to 1999. (The most recent data available.) As Table 5.12 indicates, the average selling price in Madison County has remained below the statewide average from 1985 through 1999 aside from 1994 when data was unavailable. Like many other counties in Nebraska, the selling price in Madison County increased sharply from 1995 to 1997.

**Table 5.13: Average Sales Price and Area
(in Sq. Ft) of Property Transactions
Madison County**

Vintage	Average Sales Price (\$)	Average Floor Area Sq. Ft.	Price Per Sq. Ft. (\$)
Before 1930	51,924	1,307	39.71
1931-1960	67,117	1,090	61.58
1961-1970	92,209	1,291	71.45
1971-1980	110,224	1,378	79.98
1981-1990	141,872	1,616	87.80
1991-2000	173,987	1,770	98.31
2001-2006	171,539	1,562	109.79
Average	90,123	1,350	66.78

Source: NIFA Nebraska Profile

According to the Department of Property Assessment and Taxation (PA&T) the average selling price for single-family homes was \$51,924 before 1930 in Madison County. Single-family homes built during the same time frame averaged 1,307 square feet at \$39.71 per square foot. Single-family homes constructed between 2001 and 2006 cost around \$171,539 and had an average of 1,562 square feet at \$109.79 per square foot.

**Table 5.14: Household Forecast by Tenure and Income
Madison County**

Year	0-30% MFI	31-50% MFI	51-80% MFI	81-95% MFI	96%+ MFI	Total
Homeowners						
2000	500	700	1,425	842	5,353	8,820
2005	517	724	1,474	871	5,536	9,122
2010	544	761	1,550	916	5,822	9,593
2015	579	810	1,650	975	6,198	10,214
2020	616	862	1,757	1,038	6,597	10,870
2025	656	917	1,869	1,104	7,018	11,564
2030	698	976	1,988	1,175	7,467	12,304
Renters						
2000	972	834	1,189	419	1,202	4,616
2005	968	830	1,184	418	1,197	4,597
2010	984	844	1,203	424	1,216	4,671
2015	1,015	870	1,241	438	1,255	4,819
2020	1,046	897	1,280	451	1,294	4,969
2025	1,078	925	1,319	465	1,333	5,121
2030	1,111	953	1,360	480	1,375	5,279

Source: NIFA Nebraska Profile

The household forecast indicates an increase in homeowners in Madison County from 8,820 in 2000 to 12,304 in 2030. Renters are also anticipated to see an increase from 4,616 in 2000 to 5,279 by 2030. Homeownership from the year 2000 to 2030 is expected to change by 276 households for homeowners having incomes from 31-50% of MFI and 563 for those at 51-80% of MFI. Rental demand from the year 2000 to 2030 in the county is expected to increase by 119 households for renters having incomes from 31-50% of MFI and 171 for households from 51-80% of MFI.

Table 5.15: Monthly Cost of Renter Units

	Norfolk	Madison County
Total No. of Renter Occupied Units with specified cash rent	3,754	4,435
Less than \$200	508	625
\$200 – \$499	2,534	2,934
\$500 – \$749	446	481
\$750 – \$999	17	33
\$1,000 +	158	168
No cash rent	91	194
Median rent	\$368	\$359

Source: US Census Bureau

Table 5.15 shows the number of renter units per monthly cost for both Norfolk and Madison County. Only 13.53% of renters in Norfolk pay less than \$200 per month in rent. In Madison County, the majority of renters pay \$200-\$499 per month in rent.

When comparing the number of renter occupied units in Norfolk and Madison County, Norfolk makes up 84.64% of the total rental units in Madison County.

**Table 5.16: Total Residential Property Transactions
Madison County**

Housing Type	1999	2000	2001	2002	2003	2004	2005	2006	Total
Single Family	550	510	466	557	542	547	593	558	4,323
Mobile Home	9	8	7	7	5	8	7	4	55
Townhome	2	4	9	6	0	1	0	1	23
Missing	13	26	12	19	20	16	13	19	138
Duplex	4	2	1	1	2	3	1	1	15
Total	578	550	590	590	569	575	614	583	4,554

Source: NIFA Nebraska Profile

The PA&T database provided residential property transactions from 1999 to 2006. During these years, there were a total of 4,554 property transactions in Madison County. Of these, 4,323 were single-family transactions.

**Table 5.17: Quality of Materials and Workmanship
Madison County**

	Before 1930	1931-1960	1961-1970	1971-1980	1981-1990	1991-2000	2001-2006	Missing	Total
Low	13	4	4	2	0	0	0	1	24
Fair	545	272	84	67	14	19	2	2	1,005
Average	1,013	525	373	552	214	338	135	5	3,155
Good	6	2	7	15	26	43	24	0	123
Very Good	0	0	0	0	0	3	1	1	5
Excellent	0	0	0	0	0	0	0	0	0
Missing	3	1	2	2	0	1	2	0	11
Total	1,580	804	470	638	254	404	164	9	4,323

Source: NIFA Nebraska Profile

The PA&T data also has descriptions of buildings. Quality refers to the grade of materials and workmanship used in the original construction of the dwelling. Of the 1,580 single-family home transactions concerning units built before 1930, 13 were of low quality and 545 of fair quality. Conversely, of the 164 homes built from 2001-2006, none were of low quality, two were of fair quality, and the rest were average or above.

**Table 5.18: Condition of Residential Dwellings
Madison County, 2000**

	Before 1930	1931-1960	1961-1970	1971-1980	1981-1990	1991-2000	2001-2006	Missing	Total
Worn Out	1	1	1	2	0	0	0	0	5
Badly Worn	23	5	6	5	1	0	0	0	40
Average	1,550	798	463	624	239	360	24	9	4,067
Good	6	0	0	6	14	43	138	0	207
Very Good	0	0	0	0	0	0	0	0	0
Excellent	0	0	0	0	0	0	0	0	0
Missing	0	0	0	1	0	1	2	0	4
Total	1,580	804	470	638	254	404	164	9	4,323

Source: NIFA Nebraska Profile

In regard to the condition of residential dwellings, of the same 1,580 single-family homes built before 1930, one of the homes was worn out, 23 were badly worn, and 1,550 were in average condition.

NENEDD completed a windshield assessment of all the homes in the City of Norfolk and the immediate area. When homes are listed on the market, potential homebuyers tend to assess the outside of the home first and then decide whether to pursue setting up an appointment to look at the interior. If the outside of the home has substantial visible deterioration, most homebuyers will not continue the process. While the outside of the home is usually the part that homeowners fix up last, it is the most visible to potential buyers and therefore can deter a potential purchaser without ever seeing the work completed on the inside. Homes were rated based on the following criteria:

Dilapidated: In need of more than one major repair, for example, to the roof, foundation, windows, and/or siding, etc. Severe visible damage to the foundation automatically leads to a classification of dilapidated. Usually considered to be beyond rehabilitation.

Poor: Had visible signs of deterioration, especially to the windows, siding, roof, and porch. Asbestos shingles/siding automatically leads to a classification of poor. Could be rehabilitated, but substantial cost would be involved.

Fair: Usually had one sign visible of deterioration to the windows, siding, roof, etc. Not a significant amount of damage, but some work would be required to list the home for top dollar. The majority of homes fall within this category.

Good: Home had no substantial signs of deterioration. However; some cosmetic flaws were visible, such as outdated fixtures or very minor paint damage. Would require very little to no cost to sell the home for top dollar.

Excellent: Home shows absolutely no signs of deterioration. No cosmetic flaws were visible. Only a very small percentage of any community will fall into this category.

At no point were unattached garages, sidewalks, driveways, or landscaping used to help assess the home. Homes were slightly subject to the area they were in. A home in one area could be listed as fair, whereas if they were located in another area would be a poor. It is also assumed that all homes could be lowered one ranking based on the condition of the home inside. However; it is not assumed that they could move up one ranking as the quality of the outside of the home was severe enough to already put them in the category they were listed in.

Table 5.19: Rating Codes and Counts

Condition	Count
Dilapidated	122
Poor	875
Fair	4,010
Good	2,198
Excellent	305
Total	7,510

Source: NENEDD

The majority of single-family units in Norfolk were given fair to good ratings. However, approximately 11.65% of the units had a rating of poor and another 1.62% had a rating of dilapidated.

The map showing the condition of the current housing stock within the City of Norfolk is located in Appendix A.

Table 5.20: Housing Stock Occupancy and Vacancy, City of Norfolk

		Including Both Poor and Dilapidated Homes	Including Only Dilapidated Homes
<i>i</i>	Norfolk 2000 Housing Stock	10,091	10,091
<i>ii</i>	Norfolk 2000 Year-round Stock (i-x)	10,019	10,019
<i>iii</i>	Housing Permits Issued since 2000	764	764
<i>iv</i>	Single-family Units (Attached and Detached)	773	773
<i>v</i>	Multi-family Units	119	119
<i>vi</i>	Number Demolished since 2000	134	134
<i>vii</i>	Total Housing Stock 2009 (<i>i + iv + v - vi</i>)	10,849	10,849
<i>viii</i>	Owner (2000)	5,623	5,623
<i>ix</i>	Renter (2000)	3,754	3,754
<i>x</i>	Seasonal Housing (<i>est.</i>)	72	72
<i>xi</i>	Unsuitable Housing Stock (<i>see Table 5.20</i>)	997	122
<i>xii</i>	Year-round 2000 Housing Stock (<i>vii-x-xi</i>)	9,780	10,655
<i>xiii</i>	Vacant Living Units	996	996
<i>xiv</i>	Suitable Vacant Year-round (<i>xiii-x-xi</i>)	-73	802
<i>xv</i>	Year-round Vacancy Rate (<i>xiv / xii</i>)	-0.75%	7.53%

Source: U.S. Bureau of Census, City of Norfolk, and NENEDD

The City of Norfolk has an overall year-round vacancy rate of -0.75% or 7.53% depending on which figures are used. Communities are encouraged to have a vacancy rate of between 5% and 7% of livable housing units. This standard range for vacancy rates ensures that potential buyers and renters will have an adequate selection of homes to choose from. Both poor and dilapidated homes are considered unacceptable for listing on the housing market, particularly for attracting new buyers. These new buyers or renters might include individuals or families moving to Norfolk from outside the market area. In addition, housing demand might be created by individuals or families seeking to move to the Norfolk area from other parts of the market area (in this case, Madison County and Northeast Nebraska). New buyers will not be interested in purchasing homes requiring \$20,000-\$25,000 of repairs just to make them suitable for living. If houses in poor condition are included in the above equation then Norfolk does not have a suitable vacancy rate at -0.75%. However, if homes in poor condition are listed in the above equation, then Norfolk has an acceptable vacancy rate, but the housing stock may be considered questionable.

Existing Rental Unit Comparables

The following is a sampling of the rental units in Norfolk. The Norfolk Housing Authority will have a comprehensive list of all the rental units in the community.

Comparable #1

Location: 816 S. 7th Street

Number of Units: 1

Type: Single-family rental

Rent: \$635.00

Constructed: 1955

Bedrooms: 3

Utilities: None

Amenities: None

Comparable #2

Location: Oak Park Apartments

724 S. 18th Street

Number of Units: 39

Type: Multi-family

Rent: \$270-\$500

Constructed: N/A

Bedrooms: Efficiency, 1, 2 & 3

Utilities: Electric heat (included in efficiency only)

Water

Sewer

Trash

Amenities: 20 garages for \$35/month

Comparable #3

Location: The Apartment Company

3914 25th St.

Units: 60

Type: Multi-family

Rent: \$415-\$495

Constructed: 1975

Bedrooms: 1,2

Utilities: Gas Heat

Water

Sewer

Trash

Hot water (16 apts)

Amenities: 31 garages for \$35/month

Comparable #4

Location: Hickory Apartments

304-306 South Hickory

Units: 8

Type: Multi-family

Rent: \$360-\$425

Constructed: 1976

Bedrooms: 1, 2

Utilities: Water

Sewer

Trash

Amenities: Garage spaces available

Comparable #5

Location: Bema Rentals
107 Goldstrike

Units: 6

Type: Multi-family

Rent: \$375

Constructed: 1978

Bedrooms: 2

Utilities: Water

Sewer

Trash

Hot water

Amenities: 2 garages for \$30/month

Comparable #6

Location: Slater Rental
603 N. 6th Street

Units: 1

Type: Single family rental

Rent: \$400

Constructed: 1978

Bedrooms: 3

Utilities: Water

Sewer

Trash

Amenities: Washer/Dryer

Comparable #7

Location: 2008 Parker Circle

Units: 1

Type: Single family rental

Rent: \$550/month

Constructed: N/A

Bedrooms: 3

Utilities: Air conditioning

Amenities: None

Comparable #8

Location: 129 Miller Ave.

Units: 1

Type: Single family rental

Rent: \$540/month

Constructed: N/A

Bedrooms: 3

Utilities: Air conditioning

Amenities: None

Comparable #9

Location: 505 S. 2nd Street

Units: 2

Type: Duplex

Rent: \$515/month

Constructed: 1994

Bedrooms: 2

Utilities: Trash

Amenities: Two garage spaces

Comparable #10

Location: 205 Philip Ave.

Units: 6

Type: Multi-family

Rent: \$420/month

Constructed: 1992

Bedrooms: 2

Utilities: Water

Sewer

Trash

Amenities: Washer/Dryer

4 garage spaces for

\$25/month

Single-Family Comparables

Comparable #1

Location: 715 Blue Stem Circle
Price: \$135,000
Beds: 3
Baths: 1
Year Built: 2005
Square Footage: 1,180
Amenities: Full basement, central A/C,
attached two car garage

Comparable #2

Location: 1209 Kansas St.
Price: \$129,000
Beds: 3
Baths: 2
Year Built: 1974
Square Footage: 1,516
Amenities: Partially finished basement,
central A/C, attached two car garage

Comparable #3

Location: 1100 W. Wilson
Price: \$119,900
Beds: 5
Baths: 2
Year Built: 1966
Square Footage: 696 Main Level
Amenities: Full basement, central A/C,
attached two car garage

Comparable #4

Location: 1410 W. Benjamin
Price: \$109,900
Beds: 4
Baths: 2
Year Built: 1933
Square Footage: 1,030
Amenities: Fully finished basement,
central A/C, one car garage, automatic
sprinklers

Comparable #5

Location: 301 Domar Drive
Price: \$97,500
Beds: 3
Baths: 2
Year Built: 1999
Square Footage: 1,396
Amenities: Central A/C, automatic
sprinklers, master bath, fenced yard,
attached one car garage

Comparable #6

Location: 304 N. 9th Street
Price: \$90,900
Beds: 4
Baths: 3
Year Built: 1910
Square Footage: 1,012
Amenities: Finished basement, converted
garage, central A/C, master bath,
automatic sprinkler

Comparable #7

Location: 1406 W. Norfolk Ave.

Price: \$84,950

Beds: 4

Baths: 2

Year Built: 1915

Square Footage: 1,330

Amenities: Patio, central A/C, fenced yard

Comparable #10

Location: 405 S. 11th Street

Price: \$57,700

Beds: 4

Baths: 1

Year Built: 1915

Square Footage: 1,022

Amenities: Finished basement, window A/C

Comparable #8

Location: 1008 S. 2nd Street

Price: \$74,900

Beds: 4

Baths: 1

Year Built: 1905

Square Footage: 1,014

Amenities: Partial basement, central A/C

Comparable #11

Location: 116 E. Phillip

Price: \$46,000

Beds: 2

Baths: 2

Year Built: 1900

Square Footage: 960

Amenities: Central A/C, partial basement, enclosed porch, one car detached garage

Comparable #9

Location: 1013 S. 2nd Street

Price: \$69,950

Beds: 3

Baths: 1

Year Built: 1904

Square Footage: 1,184

Amenities: Partially finished basement, fenced yard, central A/C

Comparable #12

Location: 308 Omaha Avenue

Price: \$34,900

Beds: 2

Baths: 1

Year Built: 1930

Square Footage: 792

Amenities: Full basement, vinyl siding, central A/C

SECTION VI: HOUSING MARKET DEMAND

The purpose of this chapter of the housing study is to use information gathered in previous chapters to determine future housing demand for Norfolk. Since the population of Norfolk is expected to decrease in the coming years, the first step is to determine the number of units that will be in demand to satisfy the needs of existing individuals in the community and what type of housing will be needed to attract new residents. The second step is to determine what types of units would be most suitable for all residents of Norfolk.

Housing Needs Estimates

Table 6.1: 2020 Total Housing Demand	
Market Supply/Demand Analysis	
Estimated 2020 population	22,017
Group Quarters (Persons)	780
Average Household Size	2.43
Number of Households	8,740
5% Vacancy Rate	437
Known Supply	10,091
Estimated Total Demand	-914
Substandard Units	997
Adjusted Supply	83
Existing Gap	8

Source: US Census Bureau and NENEDD
 (1) 2000 data adjusted according to current estimates
 unit have been constructed since 2000.

In the population information in Section II of this study, it was shown that the number of residents in the City of Norfolk is expected to decrease in population from 23,539 in 2000 to 22,017 by 2020. In 2000, the average household size was 2.43 individuals. By dividing the estimated 2020 population (minus the projected number of persons living in group quarters) by the average household size, it brings the projected number of households to 8,740. We must then add in the desired vacancy rate of 5% and then subtract the known supply. The overall adjusted supply is 83, leaving a demand for 83 units or 8.3 units a year for the next ten years.

According to the City of Norfolk, 773 single-family units and 119 multi-family

Homeownership vs. Rental Units

Also from Section V of the housing study, it is important to note that 55.72% of the Norfolk population is in owner-occupied units, while 37.20% is in rental units. This study will assume, therefore, that either: 1) 56% of all new homeowners in Norfolk by the year 2020 will desire to own a home; or 2) more households living in Norfolk will seek to purchase a home rather than continue to rent.

Based on these assumptions, this study presumes that, of the additional eight housing units needed per year through the year 2020, considering all factors given above, four (56% of total needed) should be intended for habitation by an owner. Three units (37% of total needed) should be rental units and the remaining 7% or one unit contribute to the overall needed vacancy rate of the community.

Market Absorption Rate

Determining the appropriate market absorption rate for a community depends greatly on the approach the municipality would like to take in developing new housing for its citizens. While encouraging and administering new housing development within its jurisdiction, policymakers must be aware of the impact that new development can have on the already existing housing market. This applies to every segment of the housing market, including single-family homes, rental units, and subsidized units. Special care must be taken to ensure that too many new homes are not developed to prevent saturation of the housing market. It is key to keep in mind a target vacancy rate of 5%-7%. Exaggerated housing vacancy rates can have a negative impact on the value of, and demand for, the already existing housing stock.

With this in mind, policymakers may choose an aggressive or more conservative housing development strategy, with reference to the number and types of new homes to construct. The full range of perspectives and expectations of housing experts and policymakers about housing development may range from the conservative to the aggressive stance, but, in general, housing strategy is formulated with one common goal: to direct, or coordinate, the development of the appropriate number and types of housing that will be best suited to the needs of all segments of the community.

With this in mind, it is important to state that a typically conservative market absorption rate would be 50%-60% of the total living units needed within a given time period. A more aggressive absorption rate would be 70%-80% of total need. This study will recommend different levels of housing development activity depending on the type of housing unit in demand, that is, renter or owner.

Owner-occupied Housing

The preparers of this study recommend a more conservative absorption rate due to the expected decrease in Norfolk's population in the next 10 years. At absorption rates of 50% and 60%, the following number of homes would be in demand by the year 2020

(shown in Table 6.2). Development beyond the number of units identified for the recommended absorption rates should not commence prior to 90% occupancy or sale of these units.

Table 6.2: Owner Housing Market Absorption Rate, City of Norfolk

Units Needed (2020)	4	4
Absorption Rate	50%	60%
Demand (2020)	2	3

Source: NENEDD

A conservative market absorption rate should be followed in order to not over-saturate the market and hurt the value of the already available housing stock.

As, the needs of modern middle-class families have evolved, so have their taste in housing. It is not uncommon to find households whose heads are both employed full-time. These kinds of households, especially those where children are present, have less time and money to invest in an older home that might require more upkeep than a newer home. These types of homebuyers seek convenience of time and money when looking for a home. Likewise, more households are run by a single parent, which puts similar strains on time and financial resources.

It is also important to note that the expectations of younger, first-time homebuyers exceed those of previous generations. The first-time homebuyer wants, at a minimum, 3 bedrooms, 2 bathrooms, and a double-car attached garage.

From the surveys returned from both the financial institutions and the realtors, the opinion is that with the cost of gas going down, that people will continue to live in smaller towns and commute rather than move to Norfolk and have a higher cost of living.

Rental housing

As stated above, the City of Norfolk will experience a need for three new rental units by 2020. Due to a steady vacancy rate in the community and a projected decrease in population, this study also proposes a more conservative housing development absorption rate for rental units: 50% to 60% of projected demand. The following table shows the estimated number of rental units that will be in demand for the year 2020. Again development beyond the number of units identified for the recommended absorption rates should not commence prior to 90% occupancy of these units.

**Table 6.3: Rental Housing Market Absorption Rate,
City of Norfolk**

Units Needed (2020)	3	3
Absorption Rate	50%	60%
Demand (2020)	1	2

Source: NENEDD

SECTION VII – RESIDENTIAL SITE ANALYSIS

An analysis of potential areas and sites available for construction of future housing in the City of Norfolk was conducted. The type of housing development proposed for these sites should be guided by existing codes and ordinances, the amount of land available for development, and the compatibility of the proposed residential use with existing adjacent uses.

The Housing Market Study identifies the need for additional housing in the City of Norfolk in the next ten years; an estimated four single-family units and three multi-family units will be needed. Factors involved in the formulation of decisions relating to the location of residential development include terrain; proximity to major thoroughfares with direct connection to employment and recreational areas; choice in residential densities, with high densities in close proximity to permanent open spaces, nearest thoroughfares and community-serving shopping centers; with lowest densities located in areas between major transportation routes.

Certain environmental criteria that should be avoided in selecting a site for housing development:

- floodplain/wetland locations, which require a lengthy public review process and consideration of alternative sites in the area.
- sites in or adjacent to historic districts, buildings or archeological sites; which may mean expensive building modifications to conform to historic preservation requirements and a lengthy review process.
- sites near airports, railroads, or high volume traffic arteries, which may subject residents to high noise levels, air pollution, and risk from possible aircraft accidents.
- sites near tanks that store chemicals or petrochemicals of an explosive or flammable nature.
- sites near toxic dumps or storage areas.
- sites with steep slopes or other undesirable access conditions which may make them undesirable for use by the elderly or handicapped.

Norfolk Site Analysis

Future housing development in Norfolk should be carefully evaluated and planned to meet the needs of both current and potential residents. The City of Norfolk does have City zoning that restricts development of housing in parts of the community. The City has some areas where in-fill housing could be developed; however the lots tend to be smaller than most modern houses need and many of them have substandard housing already on them that would result in costly demolition expenses.

For new potential subdivisions, it is recommended that the City of Norfolk develop in any of the three highlighted areas on the map shown in Appendix B. All the areas are large enough to accommodate numerous houses and all have potential access to both sewer and water.

Areas 1, 2, and 3A are all able to accommodate residential housing according to the Future Land Use Plan found in the city's comprehensive plan.

Area 1A is comprised of both **Moderate Density Residential** and **Single Family Residential**. **Single-Family Residential** emphasizes single-family detached development, although unconventional single-family forms may be permitted with special review. **Moderate Density Residential** may incorporate a mix of housing types including single-family detached, single-family attached, and townhouse uses. Limited multi-family may be permitted with special review and criteria. Area 1A is found in part 1b of the Annexation Plan found in the city's comprehensive plan.

Area 2A is primarily **Single Family Residential** and is partially within city limits. The portion that is outside city limits is found in part 1b of the Annexation Plan found in the city's comprehensive plan.

Area 3A is also **Single Family Residential** and also located within city limits.

Area 1B is primarily **Single Family Residential** and is already located within city limits.

Areas 1C and 2C are both **High Density Residential** which allows for multi-family and compatible civic uses. It also allows for integration of limited office and convenience commercial with primarily residential areas. Neither location is within city limits, and is part of 2i of the Annexation Plan found in the city's comprehensive plan.

SECTION VIII: POTENTIAL FUNDING SOURCES

The following information identifies funding sources available to address the housing demand in Norfolk. The strategic combination of two or more sources can assist in meeting both the first mortgage and subsidy or gap financing requirements of proposed housing projects. Included with the identification of some of the sources is the estimated percentage of subsidy provided with the use of each source.

U.S. Department of Housing and Urban Development (HUD)

HUD Section 202 Program

Provides a direct loan to a non-profit developer for development of elderly housing. The program would meet all required subsidy, for development. The HUD Section 202 Program provides 100 percent financing with capital advances to finance the construction, rehabilitation, or acquisition with or without rehabilitation of structures that will serve as supportive housing for very low-income elderly persons, including the frail elderly.

HUD Section 811 Program

Provides a capital advance to a non-profit developer for development of housing for persons with disabilities. The program offers 100 percent financing with an operational subsidy.

Mortgage Insurance

The HUD 221(d)(3) or 222(d)(4) provides up to 100% mortgage insurance for non-profit development ((d)(3)) and 90% mortgage insurance coverage for profit-motivated developers ((d)(4)). Permanent financing can be provided via the public funds (i.e. CDBG, HOME) and/or conventional financing.

Nebraska Investment Finance Authority (NIFA)

Low-Income Tax Credit Program

The program promotes development of affordable rental housing for low-income individuals and families. It is dollar to dollar against federal income tax liability of the owner of the low-income housing project.

CROWN Program

CROWN (Credits to Own) is a lease-to-own housing program developed to bring home ownership within reach of very low-income households while assisting local governments in revitalizing their neighborhoods. The objectives of the program are to:

- Construct housing that is decent, safe, and permanently affordable for low-income residents;
- Develop strong public/private partnerships to solve housing problems;
- Offer renters a real plan to own a home; and
- Restore unused, vacant, in-fill lots to become a neighborhood asset.

CROWN utilizes the Low-Income Housing Tax Credit program as one financing tool. Other sources of financing may be HOME funds, Affordable Housing Trust funds, Federal Home Loan Bank funds, local government grants and loans, and traditional development financing sources.

CRANE Program

The Collaborative Resource Allocation for Nebraska (CRANE) program is a strategic allocation process between NIFA and other collaborating resource providers to accomplish difficult projects.

The focus and primary purpose of the CRANE program is to encourage the development of affordable housing through long-term, coordinated job creation/enhancement, housing development and community development strategies in Nebraska.

Together, NIFA and other collaborating resource providers work with communities and neighborhoods, who have joined with for-profits and non-profits, that commit to participate in the CRANE Program.

NIFA Single Family Mortgage Program/Homebuyer Assistance

The First Home and First Home Plus programs provides funding for mortgages made to homebuyers throughout the state at a less than current market interest rate.

The Homebuyer Assistance mortgage provides down payment and closing cost assistance is provided by NIFA in an amount currently equal to 4.25% of the first mortgage amount. The borrower is required to execute a second mortgage for the amount of the assistance. The second mortgage bears no interest and repayment is required only if the borrower pays off the first mortgage prior to the expiration of 11 years.

State of Nebraska Affordable Housing Program

The Affordable Housing Program is funded with resources for two U.S. Department of Housing and Urban Development Programs, the Community Development Block Grant Program, the HOME Investment Partnerships program, and the state-funded Nebraska Affordable Housing Trust Fund.

State of Nebraska Affordable Housing Trust Funds

The Affordable Housing Trust Funds provide assistance to eligible recipients for acquisition, rehabilitation, construction and production of affordable housing to increase the supply of decent, safe and sanitary housing for low to moderate income Nebraskans. Nebraska Affordable Housing Trust Funds can be used for housing rehabilitation, new construction of single-family and multi-family units, and technical assistance to nonprofit housing development.

Nebraska Community Development Block Grant (CDBG)

Both Community Development and Housing Development programs provide financial assistance for both owner and rental housing rehabilitation and gap financing for first time homeowners (administered by the Department of Economic Development). Depending upon the case, CDBG funding could provide up to 100% of the needed gap financing for a particular housing project.

Regional Homeowner Program

Funds are awarded for housing activities in two categories: Housing Rehabilitation, including owner-occupied housing rehabilitation for applications serving four (4) or more communities; or Homeownership Opportunity Program, including down payment assistance for low income homebuyers (this includes assistance related to newly constructed, rehabilitated housing, and existing housing).

Homeownership Subdivision Development

Funds may be used for infrastructure or development subsidies as it relates to new construction and down payment assistance. Eligible applicants are non-profit 501(c)(3) and 501(c)(4), a governmental sub-division, a local or regional housing authority.

Housing Pre-development Loans

NAHTF and HOME CHDO funds will be used to assist organizations with the following expenses to determine the feasibility of a specific housing project: feasibility studies (determining marketability of intended projects); financial commitment fees; fees for architects, attorneys, engineers, and other development team members; costs to obtain option to buy property; title clearance costs. Eligible applicants are local regional non-profit 501 (c)(3) or 501 (c)(4) housing or related service organizations, local units of government, Public Housing Authorities, and state-designated Community Housing Development Organizations (CHDOS).

Community Development Assistance Act (CDAA) --

The Community Development Assistance Act encourages financial support by businesses to community betterment by empowering the Department of Economic Development to distribute a 40% State tax credit to businesses, corporations, insurance firms, or financial institutions which make eligible contributions of cash, services, or materials to approved community betterment projects

City of Norfolk

Tax Increment Financing (TIF)

TIF is primarily designed to finance the public costs associated with a private development project. Essentially, the property tax increases resulting from a

development are targeted to repay the public investment required by the local government to redevelop substandard and blighted areas in a community.

USDA Rural Housing Programs

USDA Direct Home Ownership Loan

Provides loans in rural areas that assist very-low and low-income applicants to purchase, construct, repair or rehabilitate, or relocate a single family home. For manufactured housing, only new construction is permitted.

USDA Guaranteed Home Loans

Provides loans in rural areas that assist moderate to low income applicants to purchase, construct, repair or rehabilitate, or relocate a single family home. For manufactured housing, only new construction is permitted. Loans are made by local approved lenders with USDA Rural Development issuing a guarantee on the loan. Funds for repairs can only be included with the purchase of an existing home.

USDA Rural Home Repair Loans and Grants

Provides funds for necessary repairs to owner-occupied homes in rural areas (i.e. roof, windows, plumbing, electrical, heating, etc.). Applicants include very low-income owner-occupants. To qualify for a grant, the homeowner must be 62 years of age or older and be unable to repay a loan. Applicants for a loan must have acceptable credit history, adequate repayment ability and be unable to obtain the needed credit from commercial sources.

Rural Housing Site Loan

The purpose of the program is to purchase land and develop sites, including the construction of essential streets, utility lines etc., which will be sold on a non-profit basis to very-low, low and moderate-income households.

USDA 515 Rural Renter Housing Loans

These loans are used for construction or rehabilitation of apartment-housing units. Eligible applicants for these loans are individuals, non-profits, housing authorities, partnerships, and corporations. They must also qualify by meeting credit tests, legal capacity, credit history, and financial and management capacity requirements.

Other Suggested Housing Development Concepts/Programs

Local Employer Assistance

It is a common occurrence today, within many cities in the nation, to provide affordable housing. Major local employers are becoming directly involved in housing development. Major employers in Snyder could be approached to provide assistance in the development of several proposed housing projects. The

following options are available to local employers for their involvement in housing:

- a) Credit Enhancement – Provides a letter of credit for all, or a percentage of, the mortgage amount to serve as a mortgage guarantee.
- b) GAP Financing – Provides GAP financing to cover the unfunded portion of development costs, as a deferred loan to the developer.
- c) Mortgage Interest Rate Subsidy – Provides a buydown of the development mortgage interest rate.
- d) Purchase Bonds – Makes a commitment to purchase either/both taxable/tax exempt bonds utilized to finance housing development.

FHLB Affordable Housing Program

Administered through the Federal Home Loan Bank (FHLB) of Topeka; this program makes low-interest loans to families with incomes at or below 80% of the median income for the area. Its goal is to finance home ownership or the purchase, construction, or rehabilitation of rental housing in which 20% of the units are occupied and affordable to very low-income households. These funds are available through the Federal Home Loan Bank's member institutions in Nebraska, and are loans on a competitive basis with semi-annual application dates. This program can be combined with others (ie – State CDBG, low-income tax credit, etc.) to absorb the previously discussed subsidy requirements for both renter- and owner-occupied housing projects.

Home Investment Partnership Act Funds (HOME)

Authorized by the Title II, Section 215 of the NAHA to primarily leverage other affordable housing financing in order to develop rental projects owned, sponsored, or developed by community-based, non-profit housing development organizations; other local/regional government entities; and non-profit housing development organizations, and limited-profit builders.

Community Services Block Grant (CSBG)

The intent of the CSBG is to provide a range of services and activities through grants to have a measurable and potentially major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem.

Community Reinvestment Act (CRA)

Is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods, consistent with safe and sound banking operations

SECTION IX: RECOMMENDATIONS

Recommendations and Strategies

The following housing strategies address multiple issue areas of population, housing type, location, development financing, and the promotion and organization of affordable housing programs in the City of Norfolk.

Recommendation #1

Local housing development efforts should work to meet the housing needs of all population groups. The City of Norfolk should strive to ensure that all individuals, regardless of age, race, ethnicity, creed, sexual orientation, religion, or income level, have equal access to housing opportunity.

- With such a high percentage of renters spending more than 30% of their income on housing, the City should continue to develop a mixed variety of affordable housing options including various sized rental apartments, single-family homes, mobile homes, or duplexes.
- Although Norfolk's elderly population doesn't currently make up the largest age group, the city should encourage housing developers to continue to recognize the evolving needs of senior citizens as this age group grows in number throughout northeast Nebraska. Current trends show a preference for housing built for ease and convenience of time and upkeep and city officials should work with housing developers to constantly evaluate these preferences and the needs of future elderly generations.

Recommendation #2

The City of Norfolk should continue to strengthen public and private partnerships to ensure the successful development of affordable housing opportunities.

- Norfolk has a number of housing agencies working within the community. These agencies need to continue working together, along with local banks and realtors to meet all current and future housing needs of the citizens of Norfolk.

Recommendation #3

Continue to seek and utilize grants, low-interest loans, public and private sources of funds for both fixed financing and gap financed housing initiatives. Working to balance contributions from both public and private entities is mutually beneficial and provides for the most effective long-term planning of housing development for the community.

- There are many federal and state funding sources that should continue to be pursued in developing affordable housing in the city.

Recommendation #4

The City of Norfolk should continue the use of Nebraska Community Development Law – Tax Increment Financing (TIF) for redevelopment of blighted and substandard areas.

- The use of TIF can reduce the cash requirements for affordable housing an estimated 20-30%, while ensuring proper development of necessary infrastructure systems.
- The most effective use of TIF as it relates to affordable housing projects is the acquisition of property and development of streets, water, and other infrastructure.

Recommendation #5

The City should strive to keep current all ordinances related to housing, as well as building permits and inspection procedures, in order to ensure safe housing for all citizens of the community.

- Housing development is an integral part of the comprehensive development plan. Economic development activities both affect and are affected by housing needs and conditions. All zoning ordinances should be periodically updated to reflect the changing structure and needs of the community.
- All potential housing developers should find the city's record of the building permit and inspection process easy to access and understand. Likewise, residents of Norfolk should have fair access to all ordinances, restrictions, codes, and standards related to housing. Readability and ease of understanding of all housing codes and regulations are key to ensuring continued maintenance of these standards.

Recommendation #6

The City of Norfolk should strive to conserve and upgrade the existing housing stock in the community. Housing rehabilitation programs through NED, Inc., USDA-RD, and HUD should be utilized to enhance the condition of Norfolk's existing housing stock.

- The City of Norfolk should remain involved in facilitating the owner-occupied rehabilitation program, the Community Revitalization (CR) program, and the purchase/rehab/resell programs in the community. The distribution of public funds available to assist homeowners in upgrading the condition of their homes or funds to enhance the overall housing stock of the community often relies on an aggressive awareness or marketing campaign.

Recommendation #7

The City of Norfolk should continue promoting and applying for down payment assistance programs to provide homeowner opportunities to low- and moderate-income persons in the community.

- The City of Norfolk should maintain involvement in the down payment assistance program. This program is strongly utilized in the community and continuation is important to continue providing homeownership opportunities to low- and moderate-income persons.
- Local lenders commented on a lack of awareness among customers regarding both the rehabilitation and down payment assistance funds. The City should examine options for raising awareness of these programs.

SECTION X: ASSUMPTIONS, METHODS USED, AND DATA SOURCES

Assumptions and Methods Used

The assumptions used throughout this study were deduced or reasoned primarily by the preparers of this study, the Northeast Nebraska Economic Development District (NENEDD). Assumptions and methods used throughout this study were based upon generally accepted practices, assumptions, and methods commonly used throughout the United States relating to community planning, community housing analysis, and community housing development. Those can be summarized as follows.

□ **Method used for determining the Consumer Price Index (CPI):** The consumer price index is a measure which is used to track the change in prices for common household goods over time. The consumer price index is developed using a "market basket" approach, where researchers determine the cost of a particular set of goods and services every year. This cost is then compared against the cost of goods and services from other years.

To determine the percentage change in prices between two years, the following formula is used: Percentage change between Year A and Year B = CPI for Year B divided by CPI for Year A. The CPI can also be used to compare dollar amounts between years using "constant dollars." Constant dollars are dollars which are adjusted for inflation. For example, if you know the price of an item in YEAR A, and would like to know what that item would have cost in YEAR B, adjusting for inflation, you would use the following formula: Unknown price in Year B dollars is equal to the known price in Year A dollars multiplied by the number reached when the Year B CPI is divided by the Year A CPI.

The actual values of the CPI are determined by the Bureau of Labor Statistics. There are actually several Consumer Price Indexes, depending on the particular "market basket," including the set of consumers involved, and geographical factors. Two of these CPIs are used most frequently. In the 1996 Green Book, the House Committee on Ways and Means explained the difference between the two indexes as follows:

Prior to 1983, the CPI measured housing prices using a procedure that included changes in the asset value of owned homes. Because the asset value of houses was growing so much faster than the consumption value, the inflation rate that included asset values was excessive.

In 1983 the Bureau of Labor Statistics began using a rental equivalence approach to measure the value of housing. The official CPI-U inflation rate is based on the asset value of housing prior to 1983 and rental equivalence in 1983 and later. To provide a consistent time series, the Bureau constructed an experimental series, the CPI-U-X1, for 1967-82 based on rental equivalence. The general effect of using the CPI-U-X1 is to lower inflation in past years which in turn has the effect of lowering poverty thresholds for those years. A lower threshold means that fewer people are poor. As can be seen by comparing the first two columns in table H-7, adjusting the poverty threshold using the

CPI-U-XI reduces the official poverty rate by an average of about 1.5 percentage points (11 percent or 3.4 million persons) per year between 1979 and 1994.

The American Institute for Economic Research (AIER) has developed a CPI calculator that automates this second calculation and illustrates the process of inflating and deflating dollar amounts from year to year. While it is possible to gather all of the data available about the consumer price index and calculate the numbers for oneself, the preparers of this study determined that the conversion program available at <http://www.aier.org/research/cost-of-living-calculator/> would be sufficiently accurate for our purposes.

□ **Method used for determining population, income distribution, age distribution, racial makeup, and number employed projections:** Methodologies for creating estimates vary from data provider to data provider. A data provider should have a well-developed, documented methodology. This methodology should incorporate post-census, small-area input. For example, a data provider can track neighborhood level growth and decline through the annual acquisition of current-year small-area data from across the nation. Sources could include local government data, consumer database counts, and postal delivery statistics. The data provider also could use Census Bureau estimates and other federal data that provide totals for larger areas such as cities, counties, and states. These independent estimates could be used as control totals for the small-area estimates.

A data provider should be constantly improving its methods for creating demographic estimates, such as implementing procedures for estimating impacts of events such as military base closings, fires, floods, and hurricanes; providing estimates to local agencies for verification of accuracy and feedback; introducing increased detail for age breaks in population estimates; and evaluating and adding new data sources.

The best demographic data estimation methods are only as good as the data used as input. A data provider should use numerous sources. These sources may include city and regional planning agencies, special census results from the Census Bureau, and data from reputable companies that conduct market research. The data provider also should supply information on how the data from each source is used in the demographic estimation process. For example several of our providers of projection figures utilize such sources as Nebraska State Data Center, Center for Public Affairs Research, University of Nebraska at Omaha; and U.S. Bureau of the Census, and Claritas' Inc. to compute projection figures.

The opportunity to evaluate the accuracy of estimates comes once every 10 years – when the new decennial census data become available. A data provider should conduct such an evaluation to substantiate the accuracy of estimates. For example, when the year 2010 Census data become available, data providers should check the accuracy of their year 2010 estimates against these census data, and make the results available.

Rapid population growth and household growth at the tract and block group level can take place over a year. This growth can have a significant effect on a market. A data provider should have its demographers thoroughly investigate small geographies where

post-2000 input data (from local sources) indicate an exceptional change in growth, i.e., a growth rate beyond an established threshold.

The providers of the projection figures used in this study include the Nebraska Department of Economic Development – Nebraska Databook at <http://www.neded.org/content/view/428/714/>, the Nebraska Department of Labor at <http://www.dol.state.ne.us/nstars/webnstars/>, NIFA Nebraska Profile <http://www.nifa.org/programs/>, and NENEDD.

□ **Method used for determining income levels required to afford Fair Market Rent:** Fair Market Rent (FMR) is a gross estimate of the fair cost of shelter rent, plus utilities except telephone, based on the level of income and housing demand of a region. In general, the FMR for an area is the amount that would be needed to pay the gross rent (shelter rent plus utilities) of privately owned, decent, safe, and sanitary rental housing of a modest (non-luxury) nature with suitable amenities.

HUD sets FMRs to assure that a sufficient supply of rental housing is available to program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of standard quality rental housing units rent. The 40th percentile rent is drawn from the distribution of rents of units which are occupied by recent movers (renter households who moved into their unit within the past 15 months). Newly built units less than two years old are excluded, and adjustments have been made to correct for the below market rents of public housing units included in the data base.

HUD uses similar procedures to calculate FMRs, whether they are based on AHS metropolitan area surveys, decennial Census data, or RDD surveys. The main difference is in the way *base year* FMR estimates are developed from each of the sources of survey data. The procedures used to calculate FMRs and the differences in the base year estimates are explained below. Figure 1 provides a flow chart and Figures 2 through 4 provide numerical examples of the procedures keyed to the numbered steps associated with the different types of base year FMR estimates: AHS, Census, and RDD.

HUD uses the RDD technique to obtain random samples of one- and two-bedroom units occupied by recent movers. One-bedroom rents are increased by the Census two-bedroom to one-bedroom ratio to convert them into two-bedroom-equivalent rents.

RDD surveys exclude public housing units, newly built units, seasonal units, units owned by relatives, and units not rented for cash. The surveys do not specifically exclude substandard units because there is no practical way to determine housing quality from telephone interviews. A HUD analysis conducted to address this issue has shown that the slight downward RDD survey bias caused by including some substandard units is almost

exactly offset by the slight upward bias that results from surveying only units with telephones. Additional research on this topic is underway.

On average, between 8,000 and 12,000 telephone numbers need to be contacted to achieve the target survey level of at least 200 interviews of eligible recent movers. The RDD surveys have a high degree of statistical accuracy. There is a 95 percent likelihood that the 40th percentile recent-mover rent estimates are within 3 to 4 percent of the actual 40th percentile rent, and virtually all of the estimates are within 5 percent of the actual 40th percentile value.

The National Low Income Housing Coalition (NLIHC) at <http://www.nlihc.org/oor/oor2006/area.cfm?state=NE> estimates the level of income needed for the average household to be able to afford fair market rent. Their most recent study, released in 2008 used Fair Market Rent estimates and 2008 median family, median household, and median renter household income estimates provided by the U.S. Department of Housing and Urban Development to determine maximum affordable monthly housing cost affordable at various percentages of income levels.

□ **Method used to determine the number of housing units by type, total number of housing units, and quality of housing units rated by condition:** A city-wide field study was conducted by NENEDD. Utilizing a City of Norfolk map as a guide, NENEDD conducted a sight, or sometimes referred to as “windshield,” survey of the exterior of every housing unit. Each housing structure was counted, and each structure was rated for condition, i.e., excellent, good, fair, poor, or dilapidated. A full description of the methods used for determining condition is outlined in Section V of the study.

Data Sources

Data used for charts, graphs, illustrations, and tables throughout this document have typically been cited for source immediately after each. Data and information used for textual information have typically been cited within the text. Below is a comprehensive list of the sources used and a brief description of the type of data and/or information supplied by each entity.

Norfolk Area Real Estate and Lending Agents and Property Managers

average selling price of housing units, housing options, occupancy and vacancy rates in existing multi-family projects, comparable rental units, comparable owner units, expected market absorption, effect on market area

Norfolk, City of

housing units demolished, new housing permits, potential site location

National Low Income Housing Coalition

affordable housing costs by income, fair market rent

Nebraska Public Power District

major employers, annual employment

Nebraska, State of/Department of Economic Development - Nebraska Databook

county population projections

Nebraska, State of/Department of Labor

labor force, employment, unemployment rates, labor force projections, employment projections, employment by industry

Nebraska, State of/Department of Revenue

average selling price of housing units, number of sales

Northeast Nebraska Economic Development District

analyses, comparisons, conclusions, summaries, calculations, projections, compilations, assumptions, methods used, maps, occupancy and vacancy estimates, compilation of data sources

University of Nebraska-Lincoln /Bureau of Business Research

labor force, employment, unemployment rates

U.S. Department of Commerce/Bureau of Census

poverty thresholds, incomes, poverty status, owner/renter costs, demographic information, household information, housing characteristics, housing stock profile, housing unit values, occupancy and vacancy estimates, commuting patterns

U.S. Department of Housing and Urban Development

estimated median family income, fair market rent

U.S. Department of Labor/Bureau of Labor Statistics

Consumer Price Index

**Color Key Code for Appendix A
(Rating by House)**



Excellent



Good



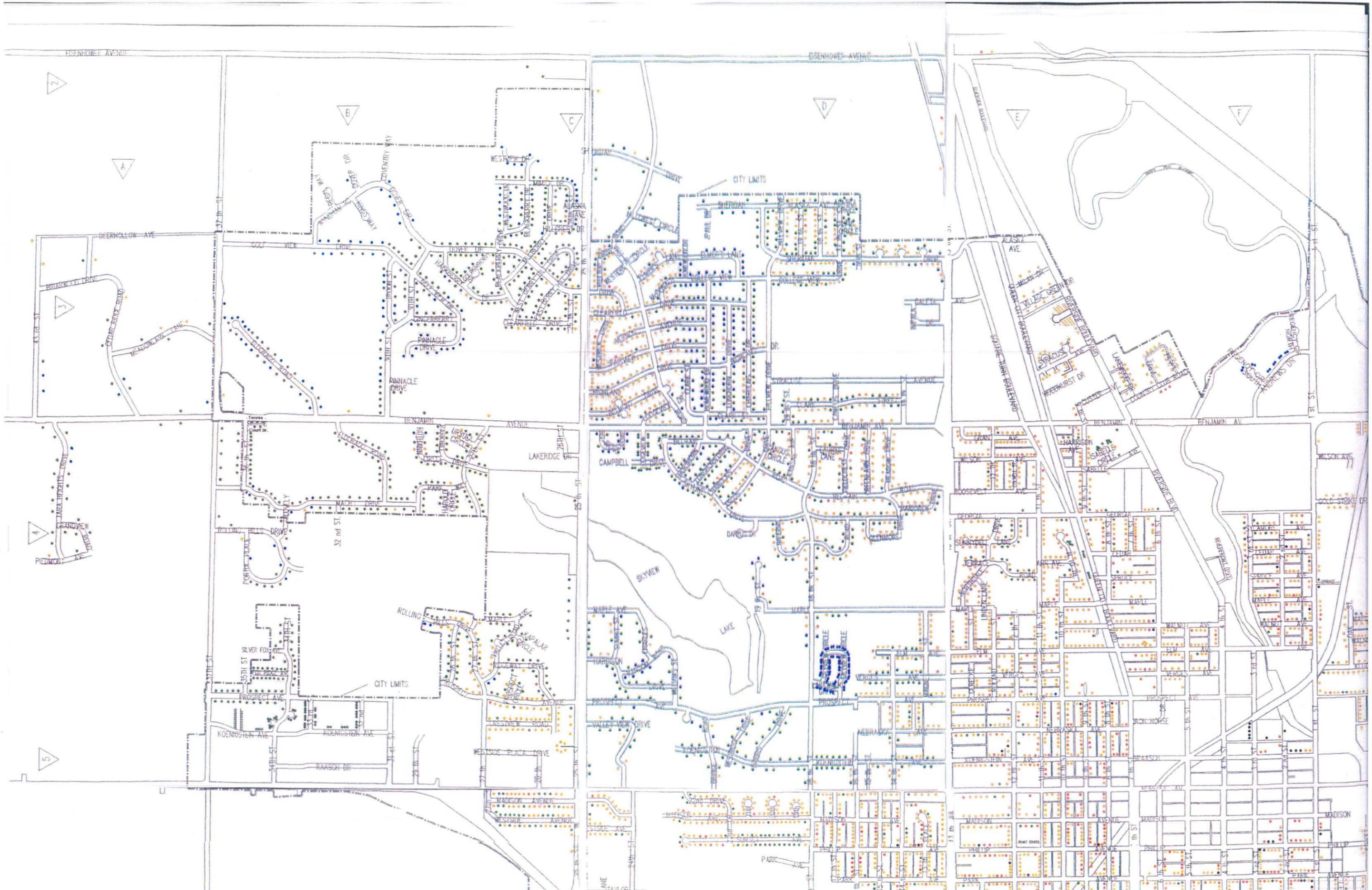
Fair

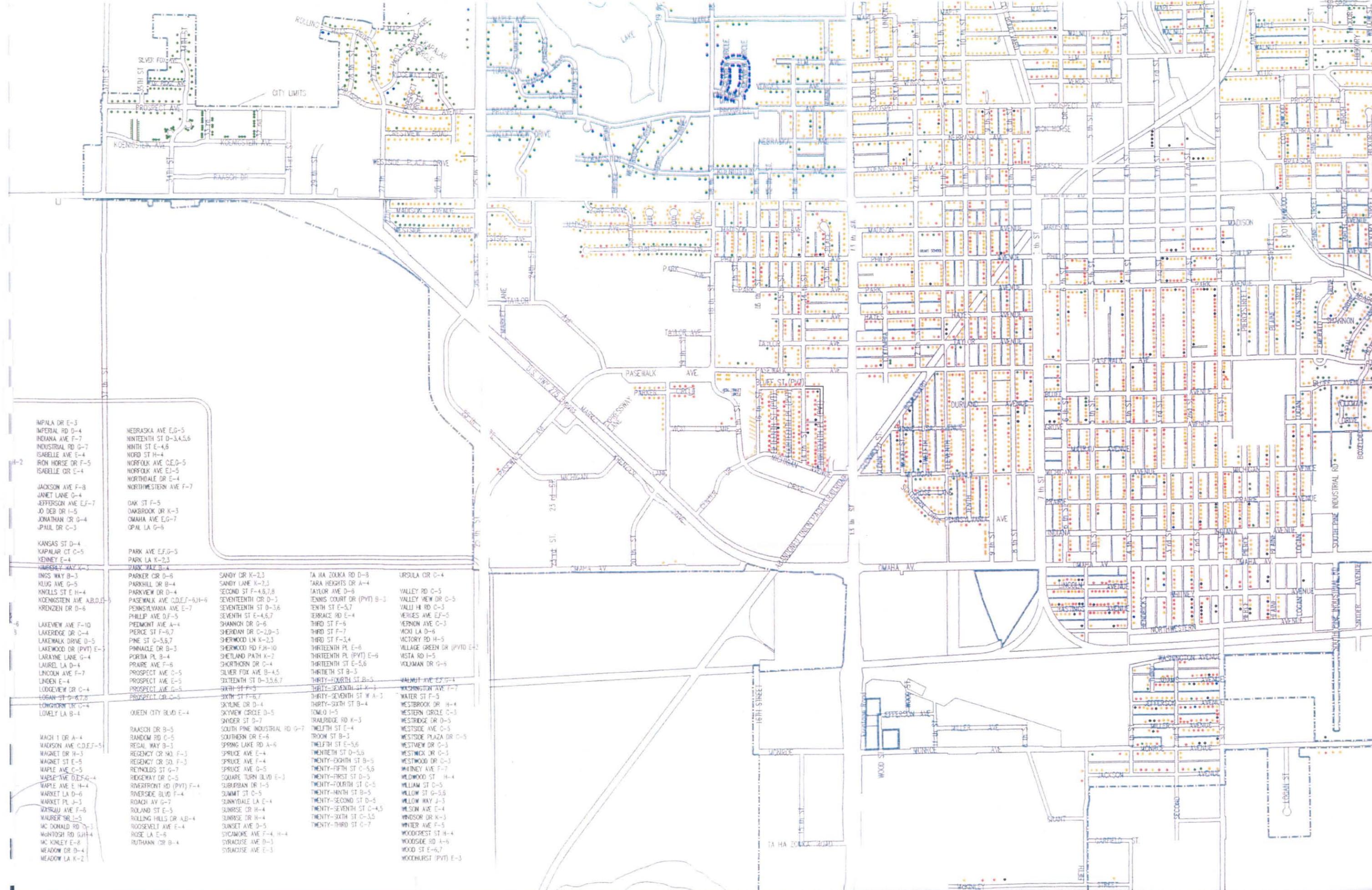


Poor



Dilapidated





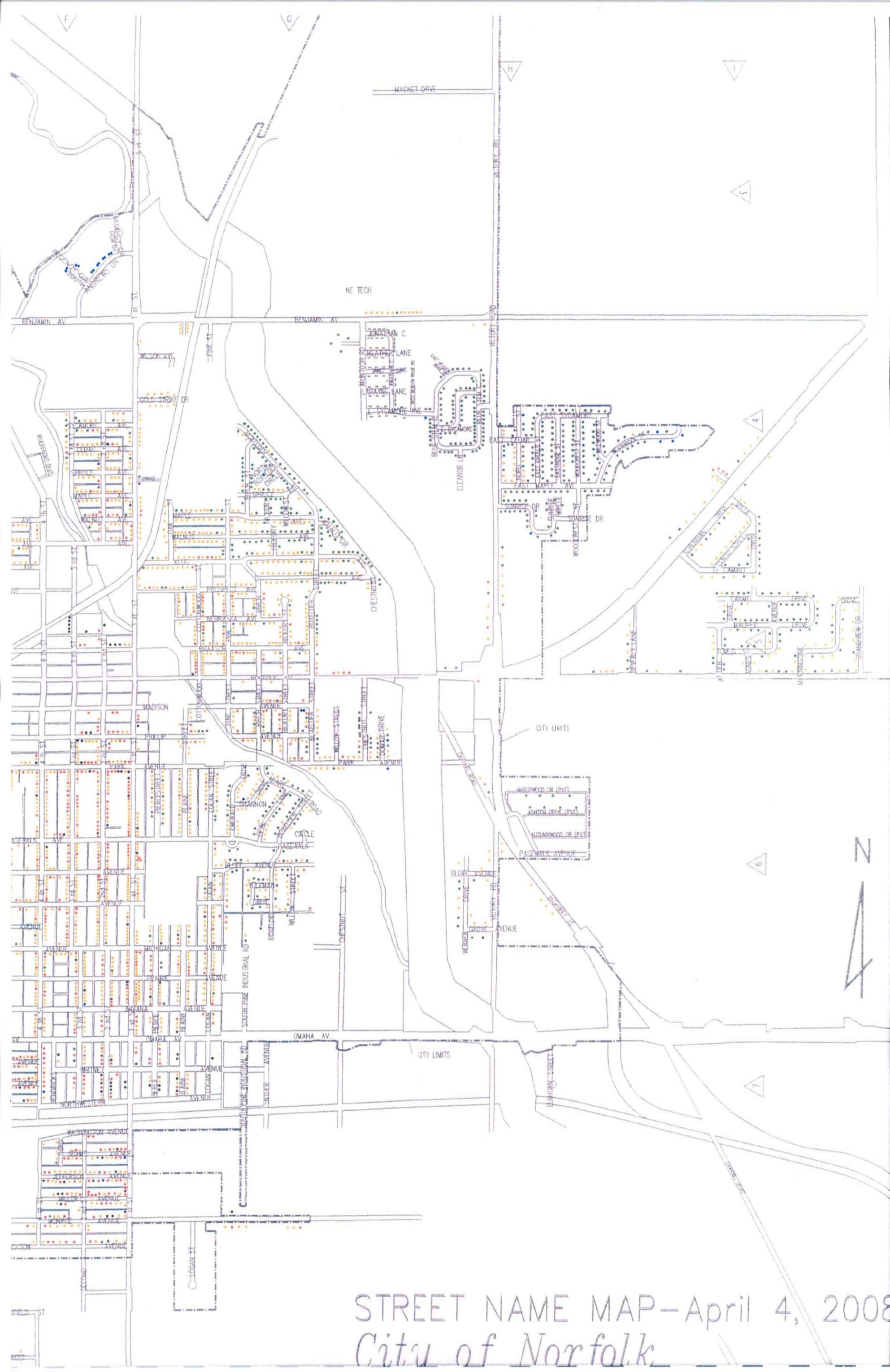
- IMPALA DR E-3
- IMPERIAL RD D-4
- INDIANA AVE F-7
- INDUSTRIAL RD G-7
- ISABELLE AVE E-4
- IRON HORSE DR F-5
- ISABELLE CIR E-4
- JACKSON AVE F-8
- JANET LANE G-4
- JEFFERSON AVE E-F-7
- JO DEB DR I-5
- JONATHAN CR G-4
- PAUL DR C-3
- NEBRASKA AVE E,G-5
- NINETEENTH ST D-3,4,5,6
- NINTH ST E-4,8
- NORD ST H-4
- NORFOLK AVE C,E,G-5
- NORFOLK AVE E,I-5
- NORTHDALE DR E-4
- NORTHWESTERN AVE F-7
- DAK ST F-5
- DAK BROOK DR K-3
- OMAHA AVE E,G-7
- OPAL LA G-6

- KANSAS ST D-4
- KAPALAR CT C-5
- KENNEY E-4
- KIMBERLY WAY K-3
- KINGS WAY B-3
- KLUG AVE G-5
- KNOLLS ST E H-4
- KOENIGSTEIN AVE A,B,D,E-5
- KRENZEN DR D-6
- LAKEVIEW AVE F-10
- LAKERIDGE DR G-4
- LAKENWALK DRIVE D-5
- LAKEMOOD DR (PVT) E-5
- LARAYNE LANE G-4
- LAUREL LA D-4
- LINCOLN AVE F-7
- LINDEN E-4
- LOGGVIEW DR C-4
- LOGAN ST D-6,7,8
- LONGHORN DR G-4
- LOVELY LA B-4
- PARK AVE E,F,G-5
- PARK LA K-2,3
- PARK JAZZ B-4
- PARKER DR D-6
- PARKHILL DR B-4
- PARKVIEW DR D-4
- PASEWALK AVE C,D,E,F-6,7,8
- PENNSYLVANIA AVE E-7
- PHILLIP AVE D,F-5
- PIEDMONT AVE A-4
- PERCE ST F-6,7
- PINE ST G-5,6,7
- Pinnacle DR B-3
- PORTIA PL B-4
- PREAIRE AVE F-6
- PROSPECT AVE C-5
- PROSPECT AVE E-5
- PROSPECT AVE G-5
- PROSPECT CR G-5
- QUEEN CITY BLVD E-4
- RAASCH DR B-5
- RANDOM RD C-5
- REGAL WAY B-3
- REGENCY CR NO. F-3
- REGENCY CR SO. F-3
- REYNOLDS ST G-5
- RIDGEWAY DR C-5
- RIVERFRONT DR (PVT) F-4
- RIVERSIDE BLVD F-4
- ROACH AVE G-7
- ROLAND ST E-5
- ROLLING HILLS DR A,B-4
- ROOSEVELT AVE E-4
- ROSE LA E-6
- RUTHANN CR B-4

- SANDY CR K-2,3
- SANDY LANE K-2,3
- SECOND ST F-4,6,7,8
- SEVENTEENTH DR D-3
- SEVENTEENTH ST D-3,6
- SEVENTH ST E-4,5,7
- SHANNON DR G-6
- SHERIDAN DR C-2,0-3
- SHERWOOD LN K-2,3
- SHERWOOD PL F,H-10
- SHETLAND PATH K-2
- SHORTHORN DR C-4
- SILVER FOX AVE B-4,5
- SIXTEENTH ST D-3,5,6,7
- SIXTH ST F-3
- SIXTH ST F-6,7
- SKYLINE DR D-4
- SKYVIEW CIRCLE D-5
- SNYDER ST G-7
- SOUTH PINE INDUSTRIAL RD G-7
- SOUTHERN DR E-6
- SPRING LAKE RD A-6
- SPRUCE AVE E-4
- SPRUCE AVE F-4
- SPRUCE AVE G-5
- SQUARE TURN BLVD E-3
- SUBURBAN RD I-5
- SUMMIT ST C-5
- SUNNYDALE LA E-4
- SUNRISE CR H-4
- SUNRISE DR H-4
- SUNSET AVE D-5
- SYCAMORE AVE F-4, H-4
- SYRACUSE AVE D-3
- SYRACUSE AVE E-3
- TA HA ZOUKA RD D-8
- TARA HEIGHTS DR A-4
- TAYLOR AVE D-6
- TENNIS COURT DR (PVT) B-3
- TENTH ST E-5,7
- TERRACE DR E-4
- THIRD ST F-6
- THIRD ST F-7
- THIRD ST F-3,4
- THIRTEENTH PL E-6
- THIRTEENTH PL (PVT) E-6
- THIRTEENTH ST E-5,6
- THIRTIETH ST B-3
- THIRTY-FOURTH ST B-5
- THIRTY-SEVENTH ST K-3
- THIRTY-SEVENTH ST W A-3
- THIRTY-SIXTH ST B-4
- TOMLO I-5
- TRAILBRIDGE RD K-3
- TWELFTH ST E-4
- TROOM ST B-3
- TWELFTH ST E-5,6
- TWENTY ST D-5,6
- TWENTY-EIGHTH ST B-5
- TWENTY-FIFTH ST C-5,6
- TWENTY-FIRST ST D-5
- TWENTY-FOURTH ST C-5
- TWENTY-NINTH ST B-5
- TWENTY-SECOND ST D-5
- TWENTY-SEVENTH ST C-4,5
- TWENTY-SIXTH ST C-3,5
- TWENTY-THIRD ST C-7
- URSULA CR C-4
- VALLEY RD C-5
- VALLEY VIEW DR C-5
- VALLI HI RD C-3
- VERGES AVE E,F-5
- VERNON AVE C-3
- WICKI LA D-6
- VICTORY RD H-5
- VILLAGE GREEN DR (PVT) E-2
- VISTA RD I-5
- VOLKMAN DR G-6
- WALNUT AVE E,S,G-4
- WASHINGTON AVE F-7
- WATER ST F-5
- WESTBROOK DR H-4
- WESTERN CIRCLE C-3
- WESTRIDGE DR D-5
- WESTSIDE AVE C-5
- WESTSIDE PLAZA DR C-5
- WESTVIEW DR C-3
- WESTWICK DR C-3
- WESTWOOD DR C-3
- WHITNEY AVE F-7
- WILDWOOD ST H-4
- WILLIAM ST C-5
- WILLOW ST G-5,6
- WILLOW WAY J-3
- WILSON AVE E-4
- WINDSOR DR K-3
- WINTER AVE F-5
- WOODCREST ST H-4
- WOODSIDE RD A-6
- WOOD ST E-6,7
- WOODHURST (PVT) E-3

- WACH I DR A-4
- MADISON AVE C,D,E,F-5
- MAGNET DR H-3
- MAGNET ST E-5
- MAPLE AVE C-5
- MAPLE AVE D,E,F,G-4
- MAPLE AVE H-4
- MARKET LA D-6
- MARKET PL J-3
- MATRAU AVE F-6
- MAURER SR I-5
- MC DONALD RD G-3
- MONTOSH RD G,H-4
- MC KINLEY E-8
- MEADOW DR D-4
- MEADOW LA K-2

● MODULY
● STREET
● STREET



STREET NAME MAP—April 4, 2008
City of Norfolk

