

EXTREMELY BLIGHTED DETERMINATION STUDY FOR NORFOLK, NEBRASKA FEBURARY 2024

A study to determine if areas already declared Blighted and Substandard meet the Legislative requirements to be declared Extremely Blighted for purposes of receiving extended funding.

Prepared by Information Art
Kurt Elder AICP, GISP
FEBURARY, 2024

EXTREMELY BLIGHTED AREA STUDY

Conducted by: Information Art - Kurt Elder
Member of the American Institute of Certified Planners
Member of the Certified Geographic Information System Professionals
Licensed Real Estate Sales Person Professional (IA)

I. Standard Review

Implementation Background: In the 2020 Nebraska general election Proposed Amendment No. 2 was offered to the voters. It was a constitutional amendment to authorize the Legislature to allow cities and villages to pledge property taxes as part of a redevelopment project for a period not to exceed twenty years if, due to a high rate of unemployment combined with a high poverty rate as determined by law, more than one-half of the property in the project area is extremely blighted. As a state voters approved the measure 530,236 FOR (61.6%) and 330,445 AGAINST. In Madison County voters approved the measure 7,957 FOR (56.8%) and 6,047 AGAINST.

REF: Statute 18-2101 to 18-2154 and section of the act, aka Community Development Law

A. Reasons for completing an extremely blighted study

Section 2: (1) For any city that (a) intends to carry out a redevelopment project which will involve the construction of workforce housing in an extremely blighted area as authorized under subdivision (28)(g) of section 18-2103, (b) intends to declare an area as an extremely blighted area for purposes of funding decisions under subdivision (1)(b) of section 58-708, or (c) intends to declare an area as an extremely blighted area in order for individuals purchasing residences in such area to qualify for the income tax credit authorized in subsection (7) of section 77-2715.07, the governing body of such city shall first declare, by resolution adopted after the public hearings required under this section, such area to be an extremely blighted area.

B. Legislative Direction

Section 2: (2) Prior to making such declaration, the governing body of the city shall conduct or cause to be conducted a study or an analysis on whether the area is extremely blighted and shall submit the question of whether such area is extremely blighted to the planning commission or board of the city for its review and recommendation. (...) The planning commission or board shall submit its written recommendations to the governing body of the city within thirty days after the public hearing.

C. Process

Brief: In order for an area to be designated as extremely blighted and substandard two finding, through three facets, need to be meet. These facets are defined in Nebraska statute. (i.e. 18-2103 – Terms, ...) However, for brevity they are **(a)** areas that have been found blighted and substandard through city council action, and **(b)** have been found to be extremely blighted.

This study primarily determines which areas meet the statutory definition.

An approved blighted and substandard area is also extremely blighted if **(i)** the *average rate* of unemployment in the area during the period covered by the most recent federal decennial census or American Community Survey 5-Year Estimate is at least two hundred percent of the average rate of unemployment in the state during the same period; and **(ii)** the *average poverty rate* in the area exceeds twenty percent for the total federal census tract or tracts or federal census block group or block groups in the area

D. Methodology & Data Tables

Methodology -

City of Norfolk base data methodology utilizes implementation strategies approved in Lincoln, Omaha, Grand Island and North Platte studies. Other community agents are currently using these strategies as they develop their studies.

Furthermore, our averaging process/interpretation received support from UNO's David Drozd Research Coordinator at the UNO Center for Public Affairs (David has since moved on to another firm), and input from Sen. Justin Wayne's office. Senator Wayne was the Chair of the Urban Affairs Committee when this legislation was passed.

All data was 2022 US Census American Community 5-year Survey data. We utilize block group level information from the census to maximize potential data points for analysis, knowing that margins of error would likely be more significant at this geography area.

Council Approved Blight -

The Community development law requires that an Extremely Blighted and Substandard area be an approved blighted area. The City of Norfolk has blighted areas; those studies/documents/approved areas are available for review through direct contact. ([Web link1](#)) ([Web link2](#)). See 'Approved Blighted & Substandard Areas' in the appendix.

Extremely Blighted Components –

Part (i) is a state comparison. The 2022 Nebraska Unemployment rate, according to the US Census American Community Survey (Five-year estimate) was 3.17%. Therefore, the average rate of our selected area would require an unemployment rate of at least 6.14. A five-year estimate is used because it is directed by state statute. Information Art uses familiar data sources when possible.

Information Art developed an area with an average unemployment of 6.9% within available (i.e., data points that were in the city limits or those that intersect Norfolk's corporate limits) An area average is determined by using the sum of estimated factors and NOT the average of each piece. Furthermore, state statute does not state that all facets must be contiguous. See 'Employment Study' in the appendix.

Part (ii) is a local area finding. Norfolk's 2022 poverty rate was 12.9%, but in line with state statute, Information Art worked to develop an area with at least 20% poverty. Information Art developed an area with a 21.4% poverty rate to meet this threshold within the available data points (i.e., data points in the city limits or those that intersect Norfolk's corporate limits). An area average is determined by using the sum of estimated factors and NOT the average of each piece. See 'Poverty Study' in the appendix.

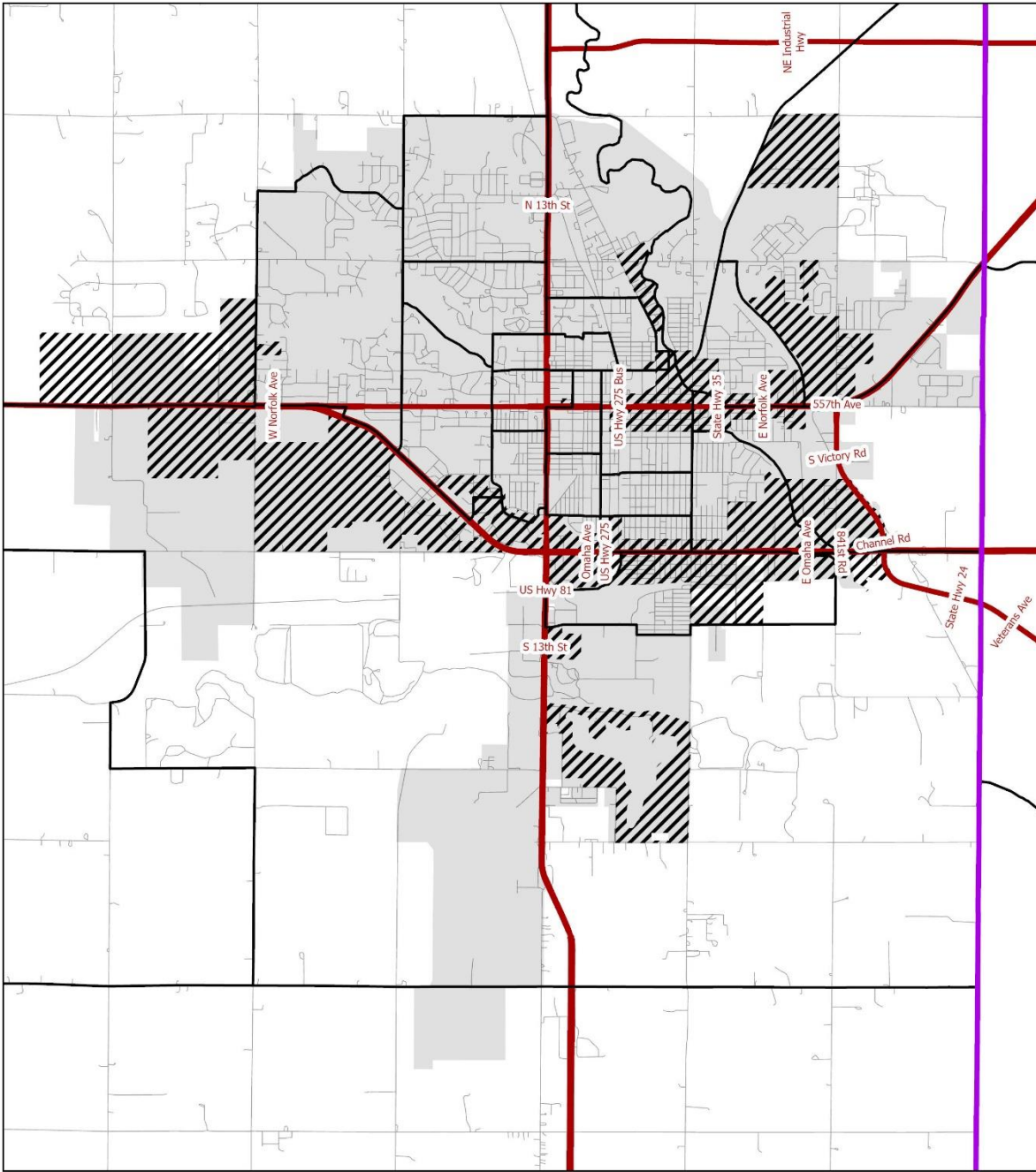
E. Process & Outcome

State statute does not direct how to operationalize census boundaries, margin of errors, and confidence intervals etc. that are often inconsistent with blight/project areas. Therefore, Information Art overlaid these three facets/areas (i.e., approved blight, 20%+ poverty, 200%+ of Nebraska's unemployment rate) and delineated areas where the three intersected as a reasonable implementation effort. Information Art presents for consideration a proposed extremely blighted area. See 'Qualifying Area Review: Focused Area' and 'Proposed Extremely Blighted Area' in the appendix.

Appendix Images:

1. Approved Blighted & Substandard Areas
2. Employment Study Area
3. Poverty Study Area
4. Qualifying Area Review: Focused Area
5. Proposed Extremely Blighted Area

Approved Blighted & Substandard Areas

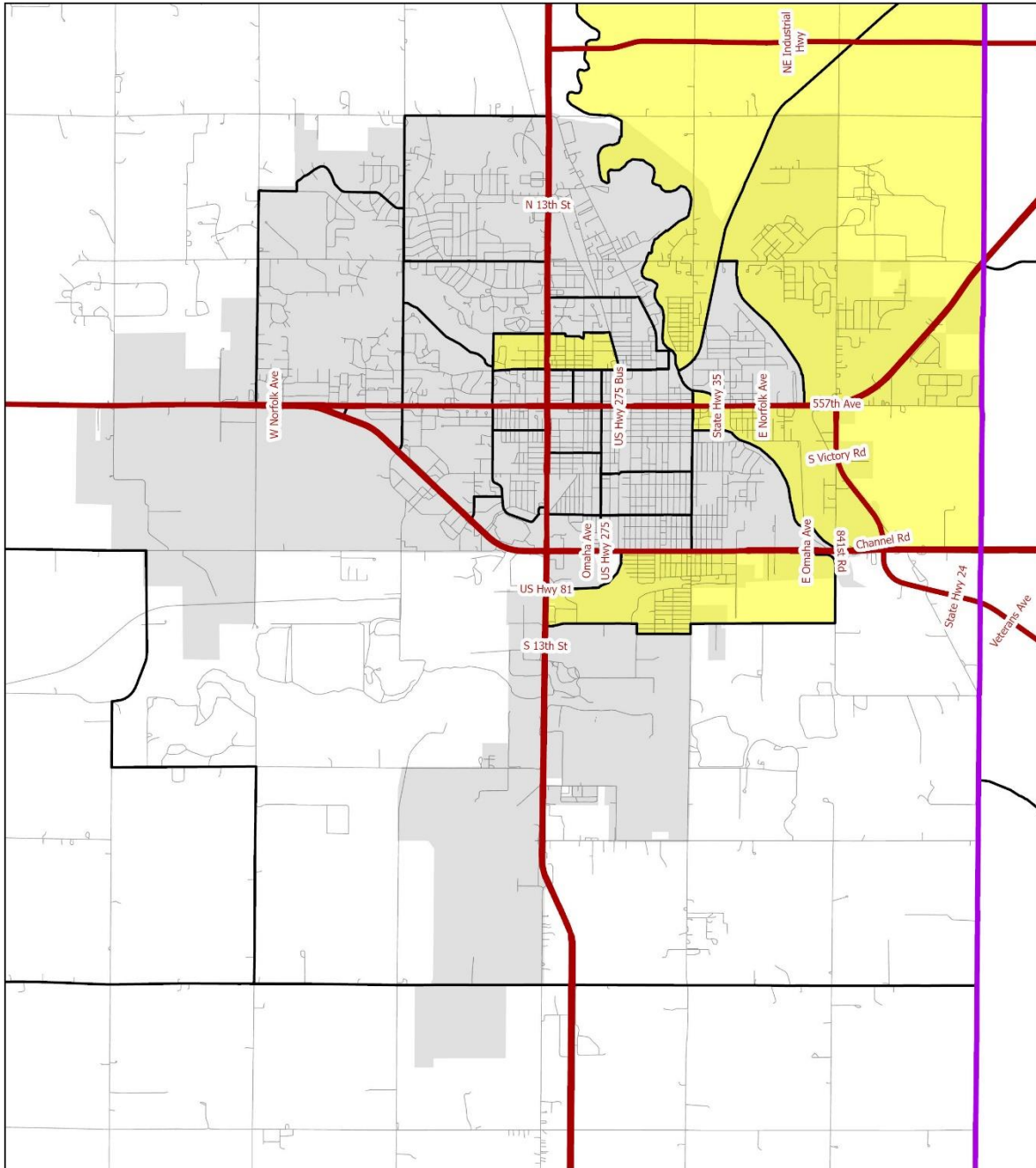


City of Norfolk: Blight and Substandard Area Review





- County Boundary
- Primary Roads
- Blight and Substandard Areas
- Norfolk City Limits



Employment Study Area



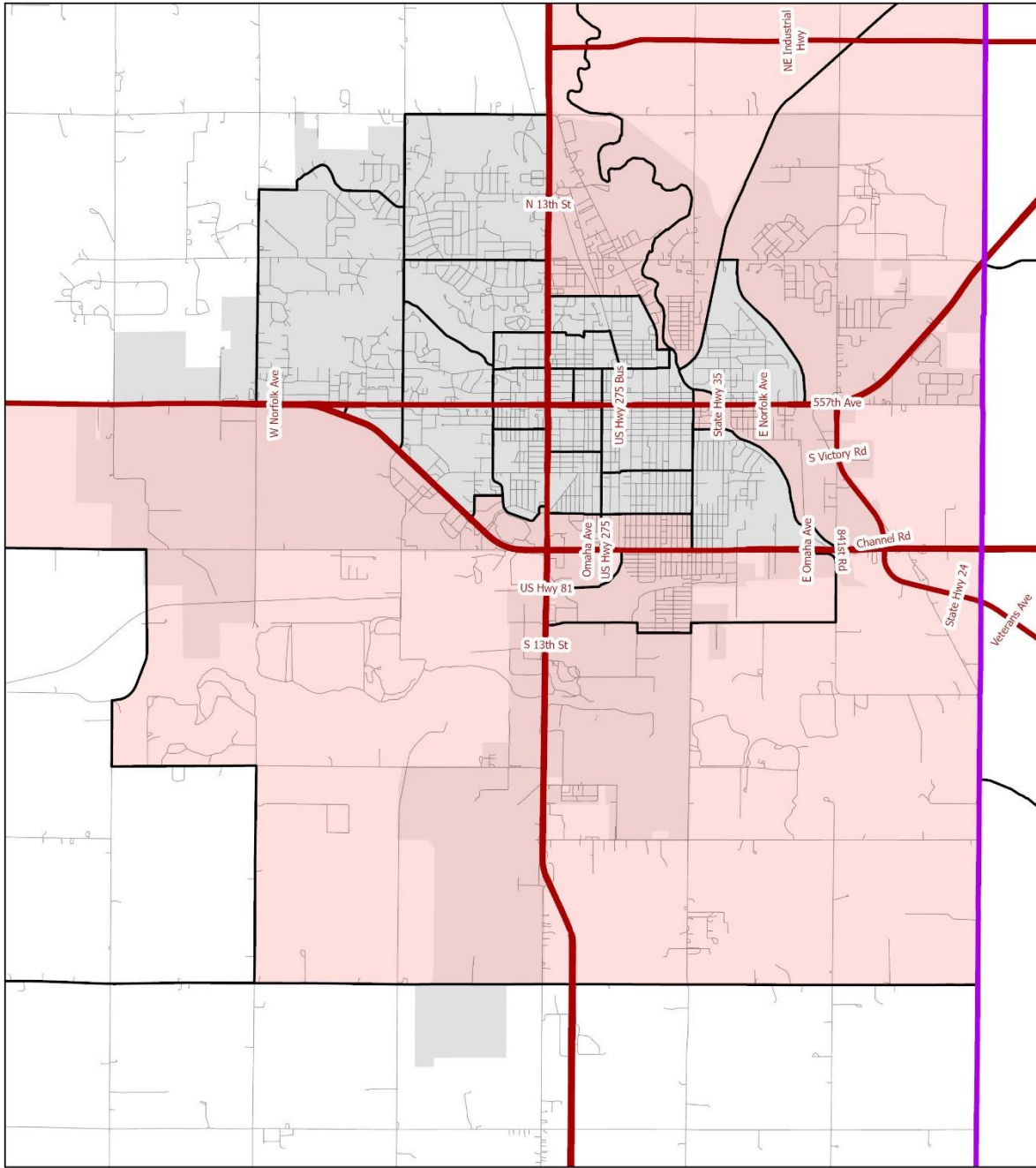
City of Norfolk: Unemployment Review

-  County Boundary
-  Primary Roads
-  Area Avg Unemployment (6.9%) > 200% NEBR Unemployment Rate (3.17%, 200% = 6.14%)
-  Norfolk City Limits





0 0.33 0.65 1.3 Miles



Poverty Study Area

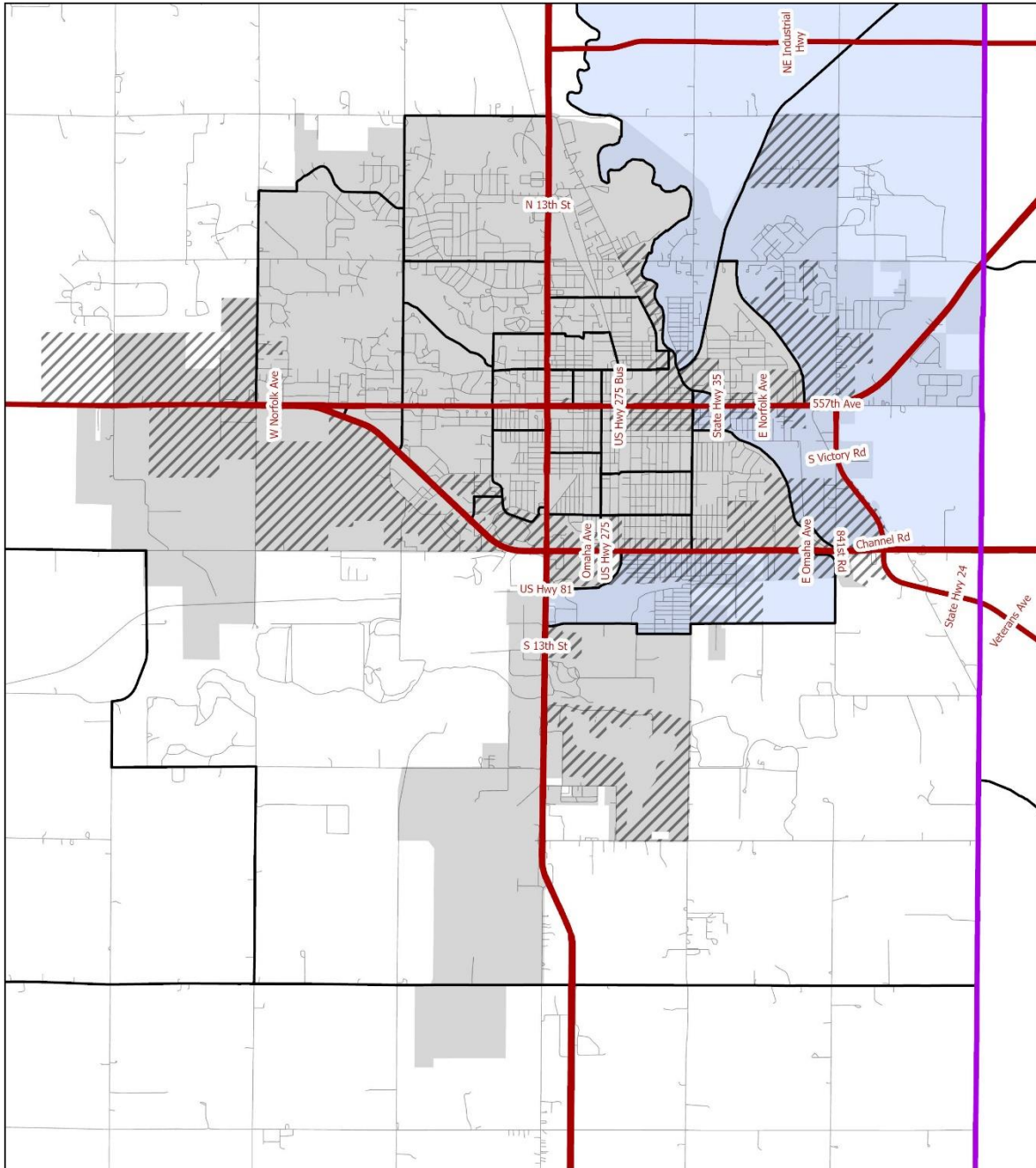


City of Norfolk: Poverty Review

-  County Boundary
-  Area Poverty > 20% (21.4%)
-  Primary Roads
-  Norfolk City Limits



Qualifying Area Review: Focused Area



City of Norfolk: Existing Blighted Areas & Qualifying Area, 2022 US Census ACS Five-year data

- County Boundary
- Extreme Blight Qualifying Areas
- Primary Roads
- Norfolk City Limits
- Blight and Substandard Areas



Proposed Extremely Blighted Area



City of Norfolk: Proposed Extremely Blight Area

- Primary Roads
- Roads - Madison County
- Proposed Extreme Blight Area

0 50 100 200 Feet

