



Housing in PLATTSMOUTH



A HOUSING ASSESSMENT &
STRATEGY PLAN FOR
PLATTSMOUTH, NE

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Chapter 1

A PROFILE OF PLATTSMOUTH

Plattsmouth is a strategically located community within the Omaha metropolitan area. The larger region weathered the “Great Recession” and is seeing robust housing sales and a rebounding construction market. Unlike much of the construction that occurred before 2008, the Omaha metro area has seen an increase in the number of rental units, townhomes, and other non-single family detached products. Additionally, much of this construction has focussed on areas inside the interstate loop, reflecting the growing interest in more urban environments. Plattsmouth is well positioned to capture a market interest in historic neighborhoods with access to businesses like those in Downtown Plattsmouth. But, to date, Plattsmouth has remained a hidden gem to much of this market.

This chapter examines demographic trends and issues that have a major impact on housing demand in the Plattsmouth area. Measures such as historical and projected population growth, migration to and from the area, household growth and size, and age distribution will help explain pressures on the housing market. This information is then used to identify future housing demands and appropriate pricing.

A SOCIO-ECONOMIC PROFILE OF THE COMMUNITY

Major findings of this chapter include:

- Over the past 18 years Plattsmouth’s population inside city limits has declined, but the population within the larger Plattsmouth service area has continued to grow.
 - While the labor force in Douglas and Sarpy Counties has experienced strong growth, Cass County’s has remained flat. Some of this may reflect the aging population in some communities but also the potential to be a home for those filling jobs in the larger region.
 - There have been a limited number of new rental units constructed over the last ten years resulting in a shortage of rental units to meet increased demand.
 - If strategies outlined in this plan and in the Comprehensive Plan can be implemented over the next ten years the city should be able to capture regional growth and reach a population 7,500 by 2030.
- Plattsmouth household income is now the lowest in the region, significantly impacting residents buying power in a time of rising housing costs.
 - Rent levels remain low but this is more of a reflection of age and quality of units. Other areas have seen new rental construction that is meeting demand for high quality units.

POPULATION CHARACTERISTICS AND CHANGE

Examining population characteristics is necessary to quantify housing needs. The following analysis presents historical and future population trends for Plattsmouth.

Plattsmouth ended the 20th Century with its largest population growth since the 1950s. In the last 16 years this trend appears to have reversed. Table 2 compares Plattsmouth’s growth with other communities in the region. Glenwood, Plattsmouth’s neighbor to the east, has had the most comparable growth. Notably, Plattsmouth has not grown at the same rates as communities like Blair and Gretna. The city has also decreased as a percentage of the county’s total population. In 1960 Plattsmouth’s 6,244 residents accounted for 35% of Cass County’s population; by 2016 it is estimated that Plattsmouth is 25% of the County’s population.



TABLE 1: Historical Population Change, Plattsmouth

Year	Population	Decennial Change	Decennial % Change	Average Annual Rate of Change
1930	3,793	--	--	
1940	4,268	475	13%	1.2%
1950	4,874	606	14%	1.3%
1960	6,244	1,370	28%	2.5%
1970	6,371	127	2%	0.2%
1980	6,295	-76	-1%	-
1990	6,412	117	2%	0.2%
2000	6,887	475	7%	0.7%
2010	6,502	-385	-6%	-
2016	6,476	-26	-0.4%	-

Source: U.S. Bureau of the Census

Table 2: Population Comparison

	1960	1970	1980	1990	2000	2010	2009 Estimate*	% Change 1960-2008
Plattsmouth	6,244	6,371	6,295	6,412	6,887	6,502	6,476	4.1%
Bellevue	8,831	21,953	21,813	30,982	44,382	50,137	52,933	467.7%
Blair	4,931	6,106	6,418	6,860	7,512	7,990	8,007	58.0%
Gretna	745	1,557	1,609	2,249	2,355	4,441	5,047	496.1%
Glenwood, IA	4,783	4,421	5,280	4,960	5,358	5,269	5,233	10.2%
Cass County	17,821	18,076	20,297	21,318	24,334	25,241	25,463	41.6%

*U.S. Census Estimate
Source: U.S. Bureau of the Census

Developments around Plattsmouth have attracted significant growth over this time period, some of these have included Osage Ranch, Buccaneer Bay, Beaver Lake, Copper Dollar Cove, and areas west of Rock Bluff Road. All of these areas are within the Plattsmouth service areas. These developments use Plattsmouth’s services and many, like Osage Ranch, view Plattsmouth as home. However, these areas do not add to the city’s population, thus while the city was losing population, the areas surrounding the city grew by more than 2% annually since 1990 (see Table 3). The Buccaneer Bay being the most popular but Osage Ranch also experienced strong growth in the last five years.

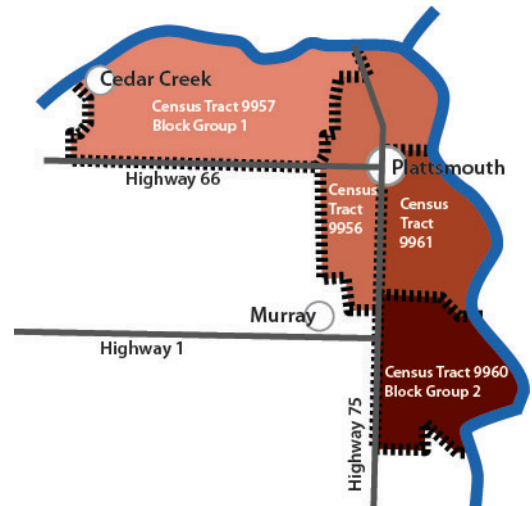


TABLE 3: Population Growth, Plattsmouth Service Area

	1990	2000	2010	2016	% Change, 1990-2010	Annual Growth Rate
Tracts 9956 and 9961 (exc. Plattsmouth)	1,585	1,590	1,709	1,938	22.3%	0.78%
Tract 9957, BG 1 (exc. Cedar Creek)	621	964	1,476	1,903	206.4%	4.40%
Tract 9960, BG 1	1,253	2,238	2,605	2,611	108.4%	2.86%
Total Outside Plattsmouth	3,459	4,792	5,790	6,452	86.5%	2.43%
City of Plattsmouth	6,412	6,887	6,502	6,476	1.0%	0.04%
Plattsmouth Service Area	9,871	11,679	12,292	12,928	31.0%	1.04%

Source: U.S. Census Bureau

TABLE 4: Predicted and Actual Age Cohort Change, Plattsmouth

Age Group	2010 Predicted	2010 Actual	Difference (Actual – Predicted)	% Variance (Actual/Predicted)
Under 5	411	477	66	115%
5-9	424	495	71	113%
10-14	566	469	-97	80%
15-19	625	463	-162	85%
20-24	499	337	-162	66%
25-29	476	433	-43	98%
30-34	428	429	1	96%
35-39	502	451	-51	75%
40-44	482	410	-72	76%
45-49	544	467	-77	95%
50-54	468	415	-53	112%
55-59	438	400	-38	142%
60-64	304	301	-3	134%
65-69	239	246	7	120%
70-74	187	201	14	118%
75-79	166	186	20	134%
80-84	125	128	3	99%
Over 85	201	194	-7	109%
Total	7,085	6,502	-583	97%

Source: U.S. Census Bureau, RDG Planning & Design

Comparing a community’s expected population, based on natural population change, with the actual outcome of the 2010 Census produces a deeper analysis of population trends. Table 5 summarizes the results of such an analysis for Plattsmouth. These estimates are based on the following assumptions:

- A cohort survival forecast method is used to forecast population. This method “ages” a five-year age range of people by computing how many of them will survive into the next five-year period. Cohort survival rates used were developed by the National Center for Health Statistics.
- Estimated birth and death rates for the population developed by the U.S. Bureau of the Census.

As shown in Table 5, the cohort survival forecast methodology indicates that Plattsmouth should have gained about 198 people during the 2000s. Instead, the city experienced a population decrease of 385. Out-migration appears to be greater among the city’s female population. During this period substantial growth was occurring in the areas just around Plattsmouth. Additionally, during the last two to three years of the decade, building construction across state and nation dropped dramatically. More people stayed in place and were less likely to form their own households.

Table 4 provides additional detail to the projections provided in Table 5, breaking it down into five-year cohorts. Based on the analysis in Table 4, the city experienced an out-migration among those in their bearing and rearing years (25-55). At the same time the city was able to attract some retirees and seniors to the community. Not uncommon, the city also experienced an out-migration of young adults 15-24 years old.

The loss of a younger population results in an aging population and, over time a natural decline in the overall

TABLE 5: Predicted and Actual Population Change

	2000	2010	Change	%
Predicted Population (based on survival and birth rates)	6,887	7,085	198	3%
Actual Population	6,887	6,502	-385	-6%
Predicted Female Population	3,577	3,643	66	2%
Actual Female Population	3,577	3,289	-288	-8%
Predicted Male Population	3,310	3,442	132	4%
Actual Male Population	3,310	3,213	-97	-3%

Source: U.S. Census Bureau

population. Projecting out from 2010 census data, the city's predicted population would be 6,519 in 2021. Based on 2000 trends and a low level of building activity, especially in the construction of new rental units, the city's population has likely continued to decline. However, building activity in the city's jurisdiction would indicate that growth has continued to occur in these areas.

HOUSEHOLD GROWTH AND CHARACTERISTICS

Households, rather than population, actually determine housing unit demand. Table 6 presents characteristics of Plattsmouth's households. The city experienced a 7% increase in population and a 12% increase in households between 1990 and 2000, resulting in a slightly lower number of people per household. Over the last 16 years the loss in households was actually slightly higher than the loss in population. This may indicate that the city was able to attract some additional families to the community but since the numbers are so close, this change is minimal. Table 6 provides 2016 estimate, which indicates the first growth in household size in the last 26 years.

POPULATION PROJECTIONS

Projections of population through the year 2031 help predict housing needs for the future. Later, this information will be combined with assumptions regarding trends in household size to determine the estimated number of new units required to meet the housing demands of the community.

Future population for the city is forecast by:

- Using 2010 Census statistics for age distribution as a basis for projecting future population. As before, the cohort-survival method is used to project population, utilizing birth and death rates developed by the Bureau of the Census and cohort survival rates from the National Center for Health Statistics. In Table 7 this methodology is reflected in the projected natural population change.
- Using the 2016 Census estimate historical annual growth trends, Plattsmouth service area population trend, and recent construction activity within the Jurisdiction. In the last 16 years Plattsmouth experienced population declines while the Omaha region experienced significant population gains. Plattsmouth's historic growth patterns are important to determining

TABLE 6: Household Size and Growth, Plattsmouth

	1990	2000	2010	2016	Change 1990-2016	Change 2000-2008
Population in Households	6,217	6,691	6,274	6,246	29	-28
Number of Households	2,328	2,618	2,525	2,486	158	-39
Person per Household	2.67	2.56	2.48	2.51	-0.16	0.03

Source: U.S. Census Bureau, RDG Planning & Design

TABLE 7: Population Projections, Plattsmouth

	2010	2016	2021	2026	2031
Natural Population Change*	6,502	6,503	6,519	6,547	6,572
0 .1% Annual Growth Rate	6,502	6,476	6,508	6,541	6,574
0.75% Annual Growth Rate	6,502	6,476	6,723	6,978	7,244
1.00% Annual Growth Rate	6,502	6,476	6,806	7,154	7,518

Source: RDG Planning & Design

the city's future population, but so is the city's potential growth based on its geographic location.

Table 7 displays alternative population projections based upon natural population change (a zero migration rate) as well as annual growth rates of 0.1% and 1.0%. Ultimately the city has the potential to capture more regional growth. Job growth, a strong economy, and the city's proximity to the metro area position it for growth if housing can be provided. Initiatives identified in this plan and other city planning processes should begin to accelerate growth, resulting in a 2031 population of 7,518

ECONOMIC ISSUES

Table 8 compares median household income figures for Plattsmouth and surrounding communities. Plattsmouth's estimated median household income was \$47,178 in 2016, lower than all the communities in Table 8. The annual growth rate in income dropped dramatically between 2009 and 2016 as compared to the previous 10 year period. Between 1999 and 2009 incomes grew by 1.6% annually compared to 0.45% annual growth between 2009 and 2016. This a reflection of both the stagnate wages that were experienced in communities across Nebraska and the city's aging population, as well as the lack of new housing in Plattsmouth that would attract individuals



TABLE 8: Median Household Income, Plattsmouth and Comparable or Regional Communities, 1999-2016

	1999	2009	2016	% Change 1999-2016
Plattsmouth	\$38,844	\$45,703	\$47,178	21.5%
Cass County	\$46,515	\$61,453	\$63,385	36.3%
Blair	\$41,214	\$49,366	\$47,980	16.4%
Omaha	\$40,006	\$44,358	\$50,827	27.0%
Papillion	\$63,992	\$76,177	\$77,339	20.9%
Gretna	\$50,112	\$59,654	\$66,890	33.5%
Bellevue	\$47,201	\$56,189	\$58,053	23.0%
Glenwood	\$39,682	\$52,134	\$57,148	44.0%
Nebraska	\$39,250	\$49,503	\$54,384	38.6%

Source: U.S. Bureau of the Census; Claritas, Inc, 2010

TABLE 9: Household Income Distribution, 2009

	Plattsmouth % of all Households	Nebraska % of all Households
Under \$15,000	13.2%	10.7%
\$15,000 - \$24,999	8.2%	10.2%
\$25,000 - \$34,999	10.4%	10.5%
\$35,000 - \$49,999	21.6%	14.4%
\$50,000 - \$74,999	18.3%	19.8%
\$75,000 - \$99,999	15.4%	13.1%
Over \$100,000	12.9%	21.4%
Total Earning Less than \$49,000 (80% of County Median)	53.4%	45.8%
Total Earning Less than \$35,000 (50% of County Median)	31.8%	31.4%

Source: U.S. Bureau of the Census; RDG Planning & Design



of higher incomes. Again, this is happening in the areas around the city but not inside city limits. The slow growth will also be of note when, later in this chapter, the cost of housing over the same period is examined.

Table 9 shows the distribution of households by income category for Plattsmouth and Nebraska. The city has a slightly larger percentage of residents earning less than \$35,000 and a smaller percentage of residents earning over \$75,000 a year. Again, this could indicate that those individuals filling higher income positions are living just outside of the city. About 53% of Plattsmouth's households earn less than \$49,000 annually or 80% of the Cass County median income. Plattsmouth's median household income will continue to grow at a slower rate than other adjacent communities if higher wage earners are unable to secure desirable housing in Plattsmouth and the city's population continues to age resulting in more individuals on retirement incomes.

EMPLOYMENT

Table 10 displays labor statistics in Cass, Sarpy, and Douglas Counties for 1990, 2000, 2009, and 2016. Diverse economies including government contractors and agriculture related business allowed the region to weather the recession. While employment rates in Cass County appear to be a little higher, they are still substantially lower than Douglas and Sarpy Counties; and recent data from the Department of Labor indicated unemployment is below 4%. During the 1990s the county's labor force was growing at approximately 2.7% annually. Since 2000 the recession has resulted in more tentative growth in Cass County but not so much in Sarpy and Douglas; indicating a significant opportunity to capture individuals filling those jobs with unique housing options in a small town atmosphere.

Although the unemployment rate has roughly doubled for Douglas and Sarpy Counties since 2000, rates at 5% are still relatively low, even in a stronger economy. A low unemployment rate suggests a healthy local economy that will generate new employment, further increasing demand on the city's housing supply. In order to support future economic growth and compete in the larger regional market, the housing supply must be expanded. The expansion should include a mix of options. Units at the lowest cost end will meet the needs of entry-level production workers, while higher-cost housing will attract and retain manager- and executive-level positions.

TABLE 10: Employment Trends, 1990-2006 (annual average)				
	1990	2000	2009	2016
Cass County				
Labor Force	10,502	13,662	13,879	13,784
Employed	10,194	13,285	13,182	13,095
Unemployment Rate	2.9%	2.8%	5.0%	5.00%
Sarpy County				
Labor Force	48,449	66,473	78,642	93,694
Employed	47,484	64,965	75,041	90,249
Unemployment Rate	2.0%	2.2%	4.6%	3.68%
Douglas County				
Labor Force	224,730	259,875	279,125	296,074
Employed	218,827	252,071	264,664	280,910
Unemployment Rate	2.6%	3.0%	5.2%	4.9%
Source: U.S. Census Bureau				

Chapter 2

HOUSING TRENDS & DEMANDS

This chapter examines the U.S. Census and other trend data to evaluate the supply and condition of housing in Plattsburgh. Of particular interest is information on housing vacancy, ownership percentage, and pricing. This information can help identify existing or potential imbalances in the market and may suggest housing policy direction for a variety of issues.

Major findings of this chapter include:

- A slower growth pattern since 2000 has resulted in fewer new homes being added to the market in the last 10 years. The majority of the city's construction is happening just outside city limits and is solely single-family detached housing
- Plattsburgh's older housing stock means costs are relative low but so are incomes. Lower incomes and older housing stock can mean delayed repairs which only lowers the value of housing further.
- All of the new housing units were in single-family configurations, resulting in fewer rental options for new residents.
- Single-family residential construction activity peaked in 2002 for Plattsburgh but much of the decade's construction activity took place outside city limits.
- Plattsburgh has a number of vacant units that will likely never be occupied creating a falsely high vacancy rate. In actuality the need for quality housing, especially rental housing at all price points is high.
- New rental construction at prices that market rate construction can build are needed to relieve the pressure on lower price point rental units.

OVERALL HOUSING CHARACTERISTICS

HOUSING OCCUPANCY AND VACANCY

Tables 11 and 12 (see page 14) display occupancy and vacancy changes in Plattsburgh's housing stock between 1990 and 2016. The tables indicate that:

- The city has gained units despite population loss. However, most of this growth occurred in the 1990s when the city's population was growing and more households were being formed.
- Most of the growth occurred in the number of rental units. A common trend over the past 10 years.
- The overall vacancy rate has grown significantly in the last 20 years. Table 12 offers a closer look at the vacancy rate.
 - The majority of the increase in vacant units has occurred among those categorized as "other vacancy." These are the units that are uninhabitable, being used for storage, or are just not available for various reasons (for example, mom's been moved to skilled nursing but her home has not been occupied).
 - Most of these units are unlikely to come to the market or would be desirable. When they are removed from the estimates, the city's real vacancy rate may be closer to 6%.



TABLE 11: Housing Units and Occupancy, Plattsmouth, 1990-2000

	1990	2000	2010	2016	Net Change
Total Units	2,495	2,805	2,802	2,865	370
Total Occupied Units	2,328	2,618	2,527	2,486	158
Owner-Occupied Units	1,580	1,756	1,766	1,626	46
<i>(% of Occupied Units)</i>	68%	67%	70%	65%	
Renter-Occupied Units	748	862	761	860	112
<i>(% of Occupied Units)</i>	32%	33%	30%	35%	
Vacant	163	187	275	379	212
Vacancy Rate	7%	6.7%	10%	13%/6%	

Source: U.S. Bureau of the Census; RDG Planning & Design

TABLE 12: Analysis of Vacancy, Plattsmouth

	1990	2000	2016	Change	%Change
Vacant Units	167	187	379	212	127%
For Sale	38	31	81	43	113%
For Rent	57	101	104	47	82%
Occasional Use	3	7	0	-3	-100%
Other Vacant	69	48	194	125	181%
For-sale Vacancy Rate	23%	17%	21%		
Rental Vacancy Rate	34%	54%	27%		

Source: U.S. Bureau of the Census; RDG Planning & Design

TABLE 13: Residential Permit Activity

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Single Family	15	4	1	2	3	0	1	4	4	6	2	42
Two-Family/Duplex												0
Multi-Family												0
Total	15	4	1	2	3	0	1	4	4	6	2	42

Source: City of Plattsmouth

- The lower vacancy rate is likely supported by peoples experience with trying to find quality units, both for sale and for rent.

Table 13 reviews the city’s construction activity over the past ten years. The city’s lack of multi-family construction over the past nine years combined with the downturn in the housing market has likely left the city with significant rental housing needs. This is a broader issue beyond something that occurs only within the city limits. The city issued 42 residential building permits within the jurisdiction since 2011, all of which were single-family homes.

HOUSING VALUES AND COST

Tables 14 and 15 show changes in housing prices and rents for Plattsmouth and surrounding communities. From 1990 to 2000 Plattsmouth experienced the smallest appreciation in value among Omaha area communities. Over the past 16 to 18 years the city’s appreciation rate has increased at a higher rate but still lower than surrounding communities. The lack of new construction in both Plattsmouth and Glenwood results in a much older rental housing stock and thus rental rates much lower than Papillion, Gretna, and Bellevue. While this may appear to indicate that renters should be attracted to Plattsmouth for its affordable units, the age and quality of those units keep many people, including young professionals, from finding desirable units. The tighter lending requirements following 2008 and higher debt to income ratios are resulting in more people staying in rentals longer and willing to pay more for quality units close to amenities.

Table 14: Median Contract Rent 1990-2000, Plattsmouth and Surrounding Communities

	1990	2000	2010	2016	% Change 1990-2016
Plattsmouth	351	416	475	516	47%
Blair	322	432	571	586	82%
Omaha	386	471	678	678	76%
Papillion	498	569	709	709	42%
Gretna	317	474	649	763	141%
Bellevue	445	507	636	731	64%
Glenwood	317	371	481	514	62%

TABLE 15: Median Value of Owner-Occupied Housing, 1990-2009, Plattsmouth and Surrounding Communities

	1990	2000	2010	2016	% Change in Value	% Change in Income*	Median Year of Construction
Plattsmouth	\$76,100	\$83,900	\$101,600	109,900	44%	21.5%	1957
Blair	56,600	101,900	141,000	142,900	152%	16.4%	1977
Omaha	54,100	94,200	139,800	139,800	158%	27.0%	1968
Papillion	76,100	126,100	167,200	167,200	120%	20.9%	1984
Gretna	54,100	102,000	166,400	170,200	215%	33.5%	1997
Bellevue	61,800	97,800	137,800	138,400	124%	23.0%	1975
Glenwood	51,500	91,900	142,800	134,600	161%	44.0%	1969

* See Table 7;
Source: U.S. Bureau of the Census; Claritas, Inc.; RDG Planning & Design

PROJECTED HOUSING NEEDS

Population, household, and vacancy information can be used to estimate the number of new housing units that will be required by a community in the future. The forecast can be compared to current development activity and available land for future development to set priorities for the types and locations of housing development that should be encouraged. The Affordability Analysis then compares the income distribution of Plattsburgh's population with the price of housing to determine where specific housing needs occur.

The housing demand projections were based on 2016 American Community Survey estimates, and an ability to capture regional growth, and the following assumptions:

- The household size in Plattsburgh will remain constant. There is some chance that the number could

begin to increase as Millennials begin to have families but the city must first attract these individuals back to Plattsburgh.

- The city's non-household population (people in institutions, group quarters, or nursing homes) does not produce a demand for conventional housing units, and will make up the same proportion of the population in the future as in 2016.
- Plattsburgh's 2016 adjusted vacancy rate (see Table 11) of 6.7% will remain constant providing a variety in the market and supporting the removal of the most deteriorated structures.
- The projection model assumes a replacement need of five units per year, reflecting demolition of standard units, including mobile home units, and conversion of some residences to non-residential uses. This rate reflects the needs identified in the housing conditions survey and align with residents concern over housing quality.

TABLE 16: Projected Housing Development Demand

	2016	2021	2028	Total
Population at the End of Period	6,476	6,806	7,299	
Household Population at End of Period	6,246	6,565	7,040	
Average People/ Household	2.51	2.51	2.51	
Household demand at End of Period	2,488	2,615	2,805	
Projected Vacancy Rate	6.46%	6.46%	6.46%	
Unit Needs at End of Period	2,660	2,796	2,999	
Replacement Need		25	35	60
Cumulative Need		161	238	398
Average Annual Construction		32	34	33

Source: RDG Planning & Design

The demand analysis in Table 16 shows a need for an additional 398 units in the city between 2016 and 2028, or an average annual increase of 33 units. While we cannot go back in time and construct units not built in 2016 to 2018, these units are still needed and may mean the city will need to construct more than 33 units annually; this rate is higher than the peak years of 2000 and 2002. It should also be noted that these reflect all unit types, including single-family detached, attached, and multi-family units. Greater variety, which can be provided in the city, is important to meeting this demand.

AFFORDABILITY ANALYSIS

The following analysis matches housing supply by price bracket to household incomes. The pricing of a community's housing supply in relation to the income of its residents helps show whether the city's housing is truly affordable for its citizens. A household budget must be divided among basic housing costs, other essential needs, and costs to maintain a home. Those households that must spend a disproportionately large share of their income for basic housing have less money for other essentials, and fewer resources to maintain their homes.

Monthly costs for owner units are generally considered affordable if the overall housing unit costs two- to two-and-a half-times the household's yearly income. This ratio

covers all housing costs, including taxes, insurance and utilities. Affordable rental units (including utilities) are considered to have monthly rents less than 30% of the

household's monthly gross income.

Plattsmouth's housing supply is heavily weighted toward less expensive units. Table 17 evaluates the availability of affordable housing in Plattsmouth, while Table 18 compares Plattsmouth's level of affordability with other communities.

Table 16 compares the quantity of housing provided in Plattsmouth that is affordable to each income group. A positive balance indicates a surplus of housing within the affordability range of each respective income group, while a negative balance indicates a shortage. This analysis indicates:

- In 2016 Plattsmouth's greatest shortage of housing is for households earning more than \$100,000 a year.
 - Since higher price rentals and owner-occupied units are not available, these individuals are living in units that are at the limits of what lower income households can afford.
- There would appear to be a surplus of units in what most would consider a more affordable price point. However, with many people competing for these units or living in them while they can afford more, the supply is often functionally short.

- The lack of rental units priced above \$800 reflects the city's older rental housing and makes it hard to attract higher wage earners. Rentals are often a first step into a community where owner-occupancy is later achieved.

A shortage of housing in the upper ranges makes it more difficult for Plattsmouth to attract residents earning above the median household income, and indicates a lack of opportunities for higher-income households to move to higher value housing. Generally, the market adequately serves the demand for higher-cost housing without public intervention. However, for Plattsmouth much of this demand has been met outside the city limits, within the county. Several factors may contribute to this situation:

- A lack of builders and subdivision developers providing improved urban lots and housing at a variety of price levels.
- The perception created by housing in poor condition means that others are unwilling to invest amid concern about marketability and appreciation.

Although the cities have limited control over the demand lake and acreage developments they do have policy options for addressing higher-earning households living in lower-valued houses. These include:

TABLE 17: Housing Affordability Analysis, Plattsmouth, 2000

Income Range	Households in Range	Affordable Range for Owner Units	# of Owner Units	Affordable Range of Rental Units	# of Rental Units	Total Affordable Units	Balance
\$0-24,999	437	\$0-50,000	90	\$0-400	207	297	-140
\$25,000-49,999	691	\$50,000-99,999	569	\$400-800	531	1100	409
\$50,000-74,999	408	\$100,000-149,999	613	\$800-1,250	77	690	282
\$75,000-99,999	246	\$150,000-200,000	268	\$1,250-1,500	0	268	22
\$100,000-149,999	539	\$200-\$300,000	86	\$1500-2000	9	95	-444
\$150,000+	165	\$300,000+	0	\$2000+	36	36	-129
Median Household Income	\$47,178						

Sources: U.S. Census Bureau, RDG Planning & Design

CHAPTER TWO Housing Trends

- Direct production of moderately-priced housing to provide new housing stock for underserved populations.
- Encouraging higher-value housing developments that provide realistic “move-up” options to higher-earning households.
- Creating alternative housing settings, such as independent living units, for older adults, downtown housing both above businesses and on infill lots around the downtown. These can free up some of the supply of sound affordable housing.



TABLE 18: Value to Income Ratio, 2016

	2016 Estimated Median Household Income	2016 Estimated Median House Value	Value to Income Ratio
Plattsmouth	47,178	109,900	2.33
State of Nebraska	54,384	137,300	2.52
Omaha	50,827	139,800	2.75
Papillion	77,339	167,200	2.16
Gretna	66,890	170,200	2.54
Bellevue	58,053	138,400	2.38
Blair	47,980	142,900	2.98
Glenwood	57,148	134,600	2.36

Source: Claritas, Inc. 2010; RDG Planning & Design

TABLE 19: Housing Development Program, Plattsmouth

	2018-2021	2021-2028	Total
Total Need	161	238	398
Total Owner Occupied	80	119	199
Affordable Low: \$60,000-100,000	5	7	12
Affordable Moderate: \$100,000-130,000	10	14	24
Moderate Market: \$130,000-200,000	8	12	20
High Market: Over \$200,000	58	85	143
Total Renter Occupied	80	119	199
Low: Less than \$450	33	49	83
Affordable: \$450-700	21	31	51
Market: Over \$700	26	39	65

Source: U.S. Bureau of the Census; Claritas Inc., RDG Planning & Design

In general, Plattsburgh's housing costs to income (Table 18) remain fairly moderate for the region. Of note is the change in values compared to the change in incomes since 2009. In 2009 the city's median home value was \$99,726 compared to \$109,900 in 2016, a 1.4% annual growth rate. However, as noted page 10, the city's income grew by less than a half percent over this same time period. This is a significant problem across the region, stagnant wage growth has not kept pace with the increasing costs to construct and maintain quality housing.

HOUSING DEMAND BY COST RANGE

With the challenges identified above in mind, the need to provide housing at a variety of price points is growing ever more important. Table 19 presents a 10-year development and pricing program for Plattsburgh. The program provides production targets for various types of rental and owner-occupied units based on the following assumptions:

- New development in Plattsburgh should meet the pent-up demand for rental housing and a much higher percentage of rental housing needs to be constructed in the next ten years than has been built in the past 25 years.
- Owner-occupied units will be distributed roughly in proportion to the income distribution of households for whom owner-occupancy is an appropriate strategy. Most low-income residents will be accommodated in rental units.

This study projects demand for 398 new units by 2028. Based on 2016 estimated income distributions provided by the American Community Survey, about 18% of all owner-occupied units, or 36 units, should ideally be priced below \$130,000 (current dollars). Some of these units may be produced indirectly by developing higher-cost housing that serves the "move-up" market of owners that now occupy the lower-value homes. Affordability ranges are also influenced by interest rates – people can afford more expensive homes when interest rates are low. Increases in residential interest rates may reduce the list of affordable "workforce housing." About 67% of the rental market falls within moderate cost ranges, generally below \$700.



SENIOR HOUSING DEMANDS

This section examines population characteristics and trends in the county to better understand the demand for retiree housing. It focuses on such issues as the population’s age characteristics and changes in the population of people over age 65. These households are the primary market for targeted new residential products, including maintenance-provided ownership settings, senior independent living, and assisted living.

Over the past two decades Plattsouth has been successful at attracting retiring seniors. They have been attracted to products like the town homes off of 1st Street and the small community atmosphere close to metro services. Seniors often choose to leave behind their long-time residences to be closer to family and the support they can provide. Finally, older adults have certain housing preferences, and will move elsewhere to find appropriate settings.

TABLE 20: Study Area Estimated Senior Population Change, 2000-2010

	2000	2010	2016	% Change
Total Population	24,334	25,241	25,463	5%
Total Population by Age				
55-64	2,282	3,516	3,827	68%
65 and Over	3,000	3,603	4,073	36%
Population Cohorts				
65-69	865	1,153	1,446	67%
70-74	736	832	928	26%
75-79	563	633	785	39%
80-84	417	454	452	8%
85 and Over	419	531	462	10%

Source: U.S. Bureau of the Census; RDG Planning & Design

SENIOR POPULATION CHANGE

Table 20 displays population changes in the study area for various age groups. Those between the ages of 55 and 64 are often considered the “sandwich” years, as they are possibly supporting older children attending college and beginning careers, while also taking an active role in their aging parents lives. This can create unusual housing needs.

To determine how older adults moved into and out of the city, the population over age 55 predicted by natural population change (based on survival factors determined by the Bureau of the Census) is compared with the city’s 2016 estimated population. The difference between the estimate and the cohort survival projection shows the probable amount of net migration.

As a whole, Plattsouth is estimated to have attracted a very small number of older adults. The comparisons in Table 21 show that the city likely experienced some out-migration among those over 65. The small in-migration experienced by those 55-64 does not compensate for the loss.

Projecting the city’s senior population based on a 2016 estimate can be difficult but there is one important assumption that can be made. In 2000 the city’s population between the ages of 45 and 64 accounted for nearly 19% of the city’s total population, while those between 65 and 84 were only 11%. By 2020 those residents that had been 45 and over in 2000 will be a much larger senior population than existed 20 years prior.

TABLE 21: Population Ages 55 and Over, Predicted versus Actual

	2016 Predicted	2016 Estimate	Difference	% Difference
Population 55-64	3,787	3,827	40	1%
Population 65-74	2,461	2,374	-87	-4%
Population 75 and Over	1,713	1,699	-14	-1%
Total 55 and Over	7,960	7,900	-60	-1%

Source: U.S. Bureau of the Census; RDG Planning & Design

Chapter 3

HOUSING CONDITIONS & NEIGHBORHOOD OPPORTUNITIES

The city’s housing stock is its largest single capital investment and residents generally form their image of a community on the quality of its neighborhoods. The previous chapters of this plan considered existing and projected housing conditions and trends. This chapter summarizes housing conditions on a neighborhood level and facilitates the identification of specific geographic areas for focused neighborhood-oriented housing strategies.

An Analysis of Plattsmouth’s Neighborhoods

Plattsmouth’s neighborhood development patterns are unique among many comparably sized cities in Nebraska. Each of its neighborhoods has a mixture of housing sizes and values, and other characteristics. This pattern is partly the result of Plattsmouth’s topography and its riverfront origins. Over the years, larger houses were built on ridges to take advantage of dry ground and good views. These ridges, crossing the community at angles, ignored neighborhood boundaries. More modest housing often filled in the lower properties between the ridges, and the drainageways became major arterials and centers for commerce. Plattsmouth’s neighborhoods are however somewhat homogenous in relation to housing age and density and the city’s neighborhoods can be identified as distinct districts.

This section examines Plattsmouth’s housing on the neighborhood level and provides the basis for neighborhood conservation and improvement policies. The concept of neighborhood planning is not new to Plattsmouth and the neighborhood districts identified in this section are similar to those used in the 1991 Plattsmouth Comprehensive Plan. As noted in that plan, a good city is formed by a network of healthy parts and their boundaries are fluid as people travel and conduct daily business throughout the

community. A key priority should be elevating the quality of strategic neighborhoods, there by elevating the quality of life for the entire community.

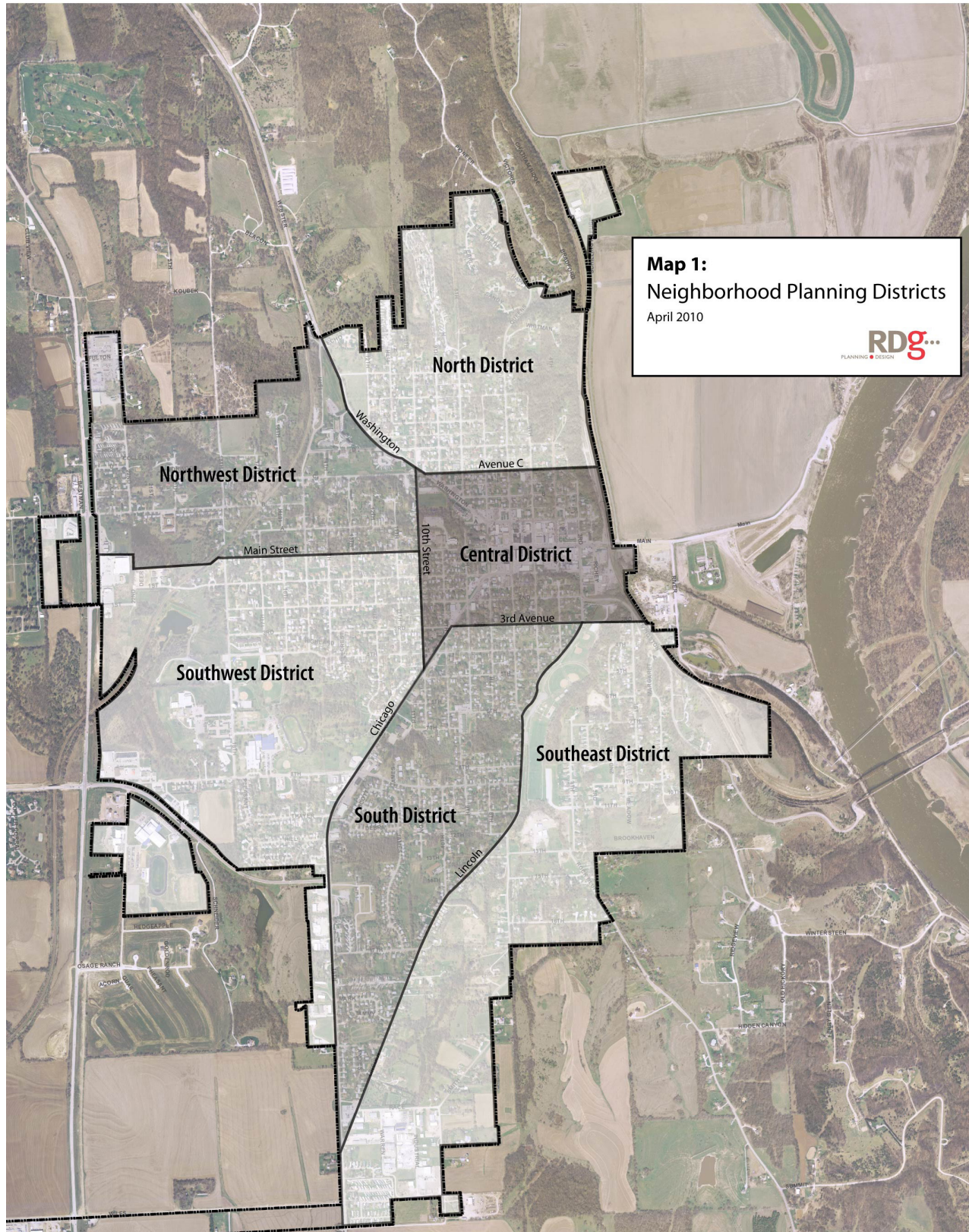
The six Plattsmouth neighborhood planning districts (see Map 1), their approximate boundaries and their general characteristics are as follows:

North Plattsmouth: Contains much of the oldest and most historic housing of the city, as well as recently platted subdivisions. Boundaries are Webster/Washington Boulevard on the west, Avenue C on the South and the Burlington Northern railroad on the east, and the city limits on the north.

Northwest Plattsmouth. An extremely mixed residential community in terms of age, price range, and density of housing. Boundaries are Webster and Washington on the east, Main Street on the southwest of 10th Street.

Southeast Plattsmouth. Dominated by single-family dwellings, this neighborhood contains older developed areas and large vacant areas with “paper plats.” Boundaries are Rhylander Park and Smith/Lincoln Avenue on the west, the city limits on the south, and Burlington North tracks on the east and northeast.

South Plattsmouth. A newer, mixed-density neighbor-



hood with substantial tracts of vacant, unplatted property. Boundaries are 3rd Avenue south between Chicago and Lincoln Avenues.

Southwest. A newer neighborhood with large vacant tracts of land abutting suburban scale commercial development along Highway 75. Boundaries are 10th Street and Chicago Avenue on the east, Main Street on the north and the city limits on the south and west.

Central. With older, predominately single-family housing, this neighborhood encompasses the downtown and is completely surrounded by urban development. Boundaries are Avenue C on the north, 3rd and Chicago Avenues on the south, 10th Street on the west and the city limits on the east.

HOUSING CONDITIONS

Table 21 summarizes the results of a citywide housing conditions survey conducted in April of 2010. The assessment is based on a “windshield survey” approach or observation of the residential structures from the street. Structures were rated:

1. Excellent: no rehab or maintenance needs evident; new, recently restored, or otherwise excellent
2. Good: sound conditions, little evidence of repair or maintenance needs, deficiencies would be minor and non-structural

3. Fair: structurally sound, but approximately three or more minor non-structural deficiencies exist
4. Poor: major rehabilitation is needed for non-structural and possibly one structural deficiency
5. Demolish: deteriorated beyond saving with noted structural deficiencies

The survey included an assessment of the city’s mobile home parks. The condition assessment was done for the entire mobile home park and not on each individual unit.

The survey found:

- 9% of the city’s housing stock is in poor condition or should be demolished.
- Another 28% are in fair condition with notable non-structural deficiencies.
- The city’s single-family housing stock is fairly old. Table 13 also indicated that the median year of construction was 1966, one of the oldest in the region.
- With only 9% of the city’s housing units in traditional apartment settings, the city is heavily dependent on single-family units (both traditional single family structures and mobile home units) to meet the city’s rental demand.
- While mobile homes provide an important source of affordable housing, a significant number were constructed before the modern HUD requirements. Many of these units have reached their design life and will need to be replaced.

Table 21: Plattsmouth Housing Conditions

	excellent	good	fair	poor	demolish	total units
Single Family	78	1,090	427	73	4	1,672
2-4 Family	0	46	3	0	0	49
Apartment Buildings		12 (146 units)	5 (44 units)			190
Mobile Home Park		1(24 units)	6 (143 units)	2 (104 units)	1 (17 units)	288
Total Units	78	1,282	602	177	21	2,160
					Units	Percent of total:
Pre –World War II (single family)					756	45%
Post-World War II (single family)					916	55%



North Plattsmouth

North Plattsmouth includes much of the historic town as well as new growth areas in the hills on the northern edge

of the city. Table 22 summarizes the housing make-up and conditions in North Plattsmouth.

Housing Characteristics and Conditions

- The area includes some of the city’s newest and oldest housing stock. Over the past twenty years new construction has been occurring in the hills north of the city’s historic housing stock.
- Generally, the area includes a large number of older homes in good condition and well maintained.
- North Plattsmouth has two of the city’s larger mobile home parks. The parks are in fair to poor condition with a number of units that should be removed.

Northwest Plattsmouth

Northwest Plattsmouth is a larger geographical area but has the second smallest number of housing units. The area also contains the Masonic Home and the Plattsmouth Housing Authority tower. New growth along the west-

Table 22: North Plattsmouth

	excellent	good	fair	poor	demolish	total units
Single Family	23	203	26	3		255
2-4 Family		12				12
Apartment Buildings		1 (5 units)				5
Mobile Home Park			1 (33 units)	1 (73 units)		106 (2 Parks)
Total Units	23	220	59	76		378
					Units	Percent of total:
Pre –World War II (single family)					135	53%
Post-World War II (single family)					120	47%

ern edge of the neighborhood has been oriented toward commercial development with residential development occurring west of Highway 75, outside city limits. Table 23 summarizes the housing make-up and conditions in Northwest Plattsmouth.

Housing Characteristics and Conditions

- The area contains about 10% of the city’s single-family housing stock.
- Approximately 33% of the areas housing stock needs substantial repair work.
- Many of the units in fair to poor condition also have site problems, including outdoor storage of materials.
- The area’s mobile home parks have a substantial number of deteriorated units, including a number of va-

cant and abandoned units that should be demolished.

Southeast Plattsmouth

Southeast Plattsmouth is located along the bluffs overlooking Rhylander Park. Since the 1990s the area has had a number of new units constructed and has the largest number of platted lots available for development. At 419 acres, the Southeast district is the second largest district with the lowest density at 0.80 units per acre. Table 24 summarizes the housing make-up and conditions in Southeast Plattsmouth.

Housing Characteristics and Conditions

- Southeast Plattsmouth’s single-family housing stock is in very good condition.

Table 23: Northwest Plattsmouth

	excellent	good	fair	poor	demolish	total units
Single Family	2	119	41	6	0	168
2-4 Family		4	3			7
Apartment Buildings		4 (64 units)	1 (3 units)			67
Mobile Home Park			1 (24 units)		1 (17 units)	41
Total Units	2	187	71	6	17	283
					Units	Percent of total:
Pre –World War II (single family)					73	43%
Post World War II (single family)					95	57%

Table 24: Southeast Plattsmouth

	excellent	good	fair	poor	demolish	total units
Single Family	46	70	22	7	0	145
2-4 Family						
Apartment Buildings		1 (5 units)				5
Mobile Home Park			1 (86 units)			86
Total Units	46	75	108	7	0	335
					Units	Percent of total:
Pre –World War II (single family)					86	59%
Post-World War II (single family)					59	41%

- The area’s one mobile home park is in fair condition with a mixture of units in good to poor condition.
- Although a number of the single-family units were built before World War II, new development opportunities will likely shift the age make-up over time.
- The area’s older units on the far northern and southern edges of the neighborhood need significant rehabilitation.

South Plattsmouth

South Plattsmouth was the city’s largest Post-War development area. The area has a limited number of vacant lots but several large, unplatted areas that could still develop. Ownership and access will likely limit the development of these areas in the short term. Despite these undeveloped areas, the South district is dominated by residential units and has the highest total number of housing units. With 653 units on 273 acres, the South neighborhood has the highest density at 2.39 units per acre. Table 25 summarizes the housing make-up and conditions in South Plattsmouth.

Housing Characteristics and Conditions

- The South Plattsmouth area has a wide variety of housing types including apartments and mobile home units. The area includes a newer manufactured home subdivision that is in very good condition. Some of the older mobile homes in the area will need to be replaced.
- A significant number of single-family housing units in the area are 30 or more years old and are beginning to need non-structural deficiencies addressed.



- Central portions of the district have very low housing densities with some units on acreages in more rural residential patterns.

Southwest Plattsmouth

Geographically, Southwest Plattsmouth is the largest of the six neighborhoods. The area is one of the city’s newer development areas including newer commercial development along Highway 75. The southern edge of the area includes the High School and is adjacent to Osage Ranch, a large new subdivision just outside the city. Table 26 summarizes the housing make-up and conditions in Southwest Plattsmouth.

Housing Characteristics and Conditions

Table 25: South Plattsmouth						
	excellent	good	fair	poor	demolish	total units
Single Family		374	178	23	3	578
2-4 Family		4				4
Apartment Buildings		1 (11units)	1 (5 units)			16
Mobile Home Park		1 (24 units)		1 (31 units)		55
Total Units		413	183	54	3	653
					Units	Percent of total:
Pre –World War II (single family)					207	36%
Post-World War II (single family)					371	64%

- Southwest Plattsmouth has the highest percentage of post-war single-family construction.
- The housing stock is generally in good condition.
- The district has the largest number and newest apartment units in the city. These structures are all now over 10 years old and need non-structural improvements.
- About 5% of the neighborhoods single-family housing stock is in need of major rehabilitation.

Central Plattsmouth

Central Plattsmouth includes the downtown and the bluffs overlooking the downtown area. The steep slopes rising out of the downtown created a somewhat piecemeal pattern of development, especially in the southern portion of the district. While the downtown does provide some resi-

dential units, those units above existing businesses were not included in the inventory. Table 27 summarizes the housing make-up and conditions in Central Plattsmouth.

Housing Characteristics and Conditions

- The Central neighborhood is the oldest in the city, with nearly 90% of the units built before World War II. Many of the units in this area are some of the original homes constructed in Plattsmouth.
- Reinvestment in some of the area’s oldest homes has improved the quality of housing in the area but approximately 35% still remain in fair to poor condition.
- Those homes with significant deficiencies are generally scattered throughout the neighborhood, with no single area having a noticeable concentration.

Table 26: Southwest Plattsmouth

	excellent	good	fair	poor	demolish	total units
Single Family	3	190	99	16	1	309
2-4 Family		26				26
Apartment Buildings		4 (56 units)	3 (36 units)			92
Mobile Home Park						
Total Units	3	272	135	16	1	427
					Units	Percent of total:
Pre –World War II (single family)					62	20%
Post-World War II (single family)					247	80%

Table 27: Central Plattsmouth

	excellent	good	fair	poor	demolish	total units
Single Family	4	134	61	18		217
2-4 Family						
Apartment Buildings		1 (5 units)				5
Mobile Home Park						
Total Units	4	139	61	18		222
					Units	Percent of total:
Pre –World War II (single family)					193	89%
Post-World War II (single family)					24	11%



- The area also has some site issues, related to both residential and non-residential developments. Recent enforcement efforts have addressed the worst properties but site issues, especially outdoor storage, remain an issue.

Housing and Neighborhood Opportunity Areas

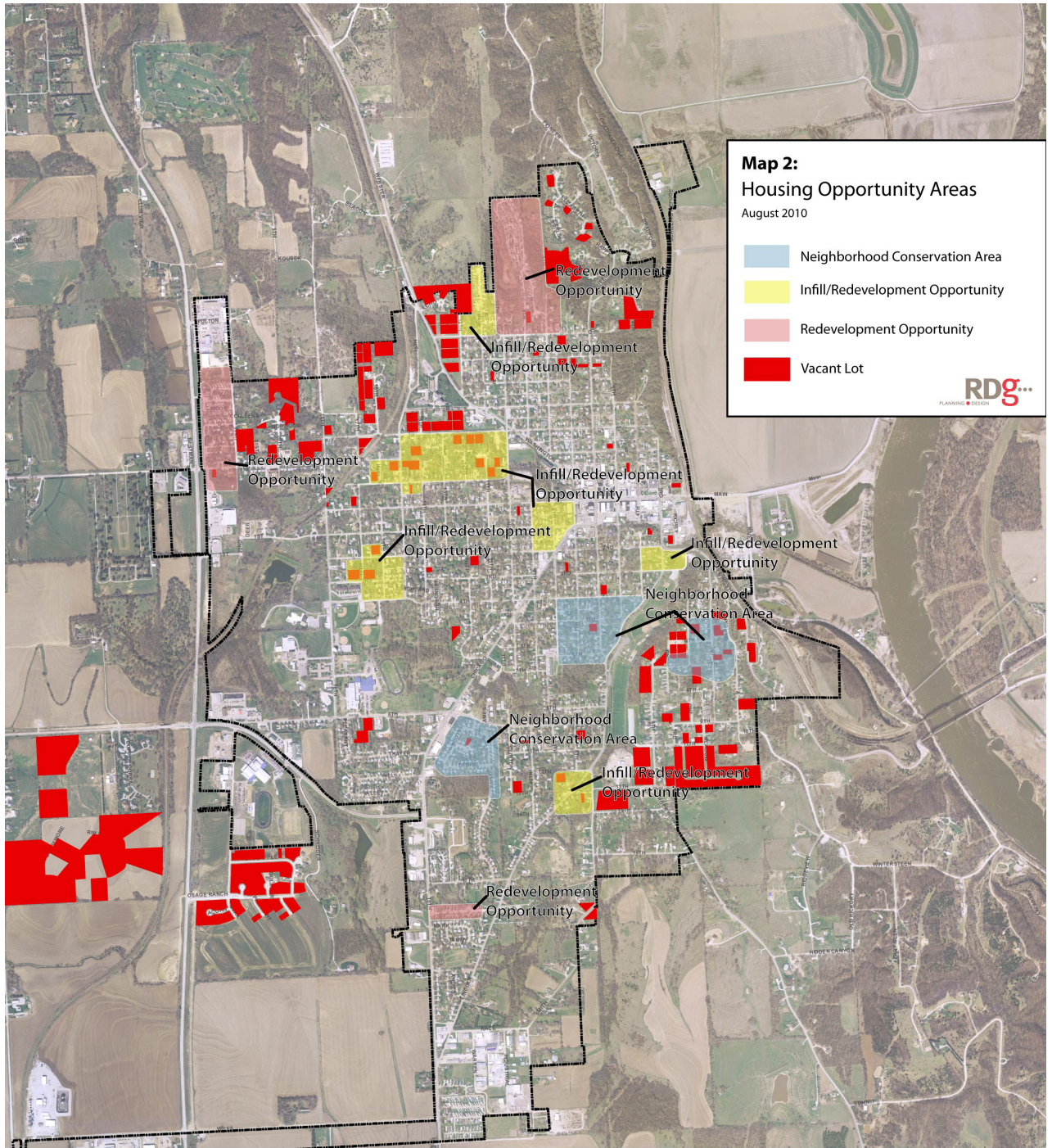
Based on the housing assessment and an analysis of available lots, a diagram of the community's opportunity areas begins to develop. Map 2 identifies:

- **Neighborhood Conservation Areas.** These are areas where the existing housing stock has a cluster of housing in fair condition. Policies for this area should be to conserve the existing housing stock with a coordinated rehabilitation strategy.
- **Infill/Redevelopment Areas.** These areas have more serious housing deficiencies and vacant lots. These sites are large enough and clustered enough that a

target program to remove deteriorated structures and develop vacant lots will have a major impact.

- **Redevelopment Areas.** These areas are focused on the mobile home parks with the most deteriorated structures. Infrastructure improvements and removal of deteriorated structures should create safe affordable housing and stronger neighborhoods. Infrastructure improvements should address stormwater drainage, urban street standards and any water and sewer infrastructure.
- **Vacant Lots.** These sites are platted but undeveloped lots are still available within and adjacent to the city.

Specific strategies related to these opportunity areas are identified in Chapter 4.



Chapter Four

POLICY FOCUSES & RECOMMENDATIONS

This chapter identifies strategies and directions for Plattsmouth’s community housing program. It includes an overall assessment of resources and challenges that affect housing policy in Plattsmouth, based on statistical and demographic analysis and stakeholder group interviews presented earlier in the study. It then presents strategic goals for Plattsmouth’s program, and proposes policies and actions designed to meet these goals.

Community Input

While objective factors such as demographic assessments and housing inventories are vital inputs into community housing policy, strategies are also derived from the insights of community residents and stakeholders. The process of developing the Plattsmouth Housing Market Study provided opportunities for community input, including a web-based survey and a series of interviews with residents and stakeholders. General conclusions included the following.

- The city has a large supply of homes priced below \$125,000. Higher end houses are generally located outside city limits on larger lots.
- Property maintenance is a significant concern for many residents, and affects the image of the entire community.
- Additional buildable lots within the city limits are needed.
- Since 2010 some activity has started to occur, projects like Meadow Heights are being developed and Osage Ranch has experience revived interest.
 - Momentum from these projects should be captured to encourage reinvestment in existing housing and propel construction of new units.
- The city’s most recent rental units were built in 2000. As a result, contemporary rental units are scarce and poorer quality units remain in a largely non-competitive market.



- Plattsmouth lacks independent senior living options, especially for market rate housing.

Housing Resources and Assets

Like many communities, Plattsmouth residents can become frustrated by the housing challenges they face. However, Plattsmouth has many positive resources and assets with which to build a successful housing program. These include:

Stable Employment

Plattsmouth, in common with the rest of the Omaha metropolitan region, has experienced stable employment through the "Great Recession." The Omaha region is generally regarded as one of the nation's most stable urban employment markets during this period. While Plattsmouth lacks large employers within its municipal limits, it is near Offutt Air Force Base and has easy access to major metropolitan job centers, including Downtown Omaha. The variety of job opportunities with 20 to 30 minutes of Plattsmouth creates a potential demand for both workforce housing and upper income housing. In the past, though, the city has struggled to attract top professionals.

Affordable Housing Supply

A sizeable share of Plattsmouth's housing stock is made up of homes valued below \$125,000, producing choice in the entry level housing market. This helps attract young families and first time home buyers to the city. However, in the future, Plattsmouth must successfully retain these households as they look for move-up housing.

Stable Population

Plattsmouth population has remained generally stable over the past fifty years and experienced steady population growth during the past 20 to 30 years. The city has not achieved the rapid growth rates of Bellevue, Papillion, and La Vista, but also has escaped the population losses of many other older Nebraska towns. This stability has encouraged reinvestment in Plattsmouth's historic older housing stock and gives owners a reasonable expectation that their homes will maintain their value.

Environmental Quality.

The city's dramatic hills and extensive tree canopy create a distinctive environment. Because of the bluffs landscape, places near the center of the city also have a sense of

refuge. Hilltop residences also offer views of the Missouri River valley and historic Downtown Plattsmouth. While not always marketed to the larger region, these features create substantial development opportunities within the city.

Family Friendliness

Plattsmouth's quality school system, small town atmosphere, manageable size, parks, new community center, historic downtown, and other features create a welcoming family environment. This makes it a logical choice for households seeking a small town setting within easy reach of a wide variety of job and business options provided by a larger metropolitan area.

Downtown Investment

Plattsmouth is making significant investments in its downtown, including infrastructure and streetscape amenities. The district, listed on the National Register of Historic Places, enjoys a stable business environment and excellent examples of late 19th and early 20th century commercial architecture, making it an important regional draw. Public realm investment creates an increased sense of confidence in the community, creating conditions for a substantial private investment response.

Stable Housing Values

Housing values in Plattsmouth have grown gradually since 2000, and have remained relatively stable during the last two years of the recession. While foreclosures have increased dramatically in other parts of the county, Plattsmouth and the Omaha metro region have experienced only moderate increases. Proportionate housing value appreciation in the Plattsmouth market is similar to that of other parts of the Omaha metropolitan areas, but its median home value remains slightly below that of other metro area cities.

Access

Residents of Plattsmouth enjoy quick access to major job centers, including the new Bellevue medical center, Offutt Air Force Base, and Downtown Omaha, making it a convenient home for commuters. Using Highway 75 and the Kennedy Expressway, Plattsmouth commuters reach their jobs faster than many residents of Omaha's western fringe.

Housing Issues & Challenges

Although Plattsmouth has numerous assets, the city does have some clear challenges that it must face to ensure a housing market that meets market demands. These include:

Gateway Housing

While Plattsmouth has a relatively large supply of existing, moderately-priced housing, the metropolitan area has a significant and ongoing market for new, affordable development. Plattsmouth lacks a mechanism capable of delivering this “gateway” housing for new owners, providing an opportunity for young or moderate-income households to gain equity in the city. Currently the city lacks an organization that develops new housing, manages programs to assist households seeking to enter the ownership market, and helping them build equity (and a long-term commitment) in the city.

Housing and Neighborhood Revitalization

Plattsmouth has one of the oldest housing inventories in the state, offering classic and grand residential structures but also a significant number of homes that need repair. Of the 1,672 single-family units inventoried 30% are rated in fair to poor condition. These structures can create the “one bad house syndrome,” where one deteriorated structure on an otherwise strong block affects the value of the other properties, discouraging investment in them. Also, the size, condition, finishes, and interior configuration of older homes often does not appeal to younger homebuyers. Opportunity areas identified in Map 2 focus on sites large enough and clustered enough to make a major impact if redeveloped. Conservation of existing housing is an important priority, especially when new housing costs tend to increase faster than residents’ buying power.

Senior Housing

In 2008, an estimated 13% of Plattsmouth’s population was over the age of 65. The city could be attractive to an older adult market because of:

- Its character as a high-quality town close to the city.
- NMC’s new Sarpy County medical facility within 15 minutes of town.
- Adjacency to both Omaha and new commercial resources in Sarpy County.



- An active and distinctive historic downtown.

Units like those in Castaway Pointe which provide economical, common area maintenance are attractive to empty nesters and young retirees. These types of units are scarce in Plattsmouth and demand for them is likely to grow as baby boomers enter their retirement years. The city also lacks assisted and independent living settings that can attract older adults. Availability of these units can encourage senior residents of the city to stay in town, while transitioning their former house to a new family.

Rental Demand and Development

Residents often reported difficulty finding acceptable rental units at all income levels. Market projections and community input both identified a demand for market-rate rental property in Plattsmouth. In Plattsmouth and other places, subprime mortgages, balloons, very lenient underwriting, and other unstable financing instruments made the cost of homeownership appear artificially low, and discouraged new, market-rate rental construction. Changes in the mortgage financing environment will make “homeownership” less universally available, increasing demand for quality rentals. In light of increasing demand, a lack of construction also results in high occupancy of otherwise uncompetitive, substandard units, which then remain in the market instead of being repaired or demolished.

Affordable Move-Up Housing

Plattsmouth’s market consists of a large number of homes priced below \$120,000 and homes surrounding the city priced over \$250,000. This leaves few in-town options for the area’s many middle income buyers. This market is also important to attracting residents from the larger region. Identifying development areas and a strong infill program will be essential to addressing this need.



Lot Supply

Plattsmouth has a limited supply of new buildable lots within city limits. Challenged by steep terrain, many vacant lots in the older portions of the city are difficult to build on. The most significant concentration of lots is located in Meadow Heights and just outside the city limits in Osage Ranch and Castaway Pointe. Sites in Cass County around the city have historically been very attractive to acreage developments; however, the city cannot annex many of these areas nor feasibility provide them with municipal services. Plattsmouth should make itself more competitive with very-low density acreages by providing quality housing environments within the city, and served by urban infrastructure.

Osage Ranch Build Out

The Osage Ranch development was platted with hopes of providing a contemporary subdivision adjacent to and eventually annexable by the city. However, in 2010 the subdivision struggled to compete in the regional market, further depressed by the recession. Osage Ranch's lot costs, SID debt liability, and inability to distinguish itself from other subdivisions in the metropolitan area were particularly challenging issues. However, in the last few years development has begun to pick up. This renewed energy demonstrates that Plattsmouth is a marketable community, and should be used to encourage other developers to enter the market. In 2010, alternatives for this development were proposed, but patience in the overall market appears to be proving out.

Plattsmouth Housing Directions

STRATEGIC GOALS

At the beginning of this decade, Plattsmouth appeared poised to grow at a record pace, with both vigorous single-family construction and a peak of multi-family development. Since then, the pace of growth has slowed, along with the overall housing economy. Yet, a strong community future depends on the ability of the city to maintain a sustainable level of growth. Analysis of both the city's assets and issues suggests a housing and community development strategy for Plattsmouth that:

1. *Improves overall housing quality.* By improving the quality of its housing, a city serves the interests of all Plattsmouth residents from the perspectives of physical and economic wellbeing. Upgrading housing quality creates market security and increases values and marketability across the city. Conversely, deteriorating housing also inevitably produces deteriorating housing values.
2. *Increase the number of quality market rate rentals.* During the early part of the decade low interest rates and easy financing reduced the short-term costs of home ownership and discouraged rental development and occupancy. Consequently, few rental units (outside of tax-credit assisted developments) were built in many communities. With the crash of the subprime market in 2007-08, mortgage financing standards became more rigorous and new demand has re-emerged for rental housing. Plattsmouth has a number of affordable rental options but many residents said the community lacked good quality market rate rentals for families and young professionals.
3. *Increase the building opportunities and demand in Plattsmouth.* New development (and especially higher-income development) around the periphery of the metropolitan area tends to locate on large rural lots in rural areas rather than in towns. This pattern is evident in Washington County and is also evident in Cass County as well. A limited supply of lots within the city reinforces this trend, as do lower perceived development cost and ability to finance projects through SID's. Urban projects also must have distinctive features and amenities to compete with other developments in the Omaha metropolitan region. Replicating conventional West Omaha developments neutralizes one of the as-



sets of towns like Plattsmouth and Blair – their civic and community quality.

A program capable of realizing these overall goals should:

- Develop moderately-priced, market-rate housing for both owners and renters.
- Increase availability of buildable lots in and near the city.
- Conserve existing housing stock and use available land that is already served by infrastructure.
- Define a distinctive niche and community marketing program to take advantage of existing markets.

COMPONENTS OF A PLATTSMOUTH COMMUNITY HOUSING PROGRAM

Plattsmouth’s housing strategy should include five primary elements:

1. A Housing Development Partnership
2. Program Focuses
3. Redevelopment Initiatives
4. Rehabilitation and Property Maintenance Program
5. Lot Development

1. HOUSING DEVELOPMENT PARTNERSHIP

Plattsmouth should develop a partnership with the flexible capability to address its specific housing needs.

An effective community housing partnership should provide project development, financing, and marketing capabilities. The components of a Plattsmouth Housing Partnership should include:

- A Plattsmouth Community Housing Development Corporation
- A Lenders Consortium
- The City of Plattsmouth
- Current and prospective homebuilders
- A flexible seed capital source such as a Housing Trust Fund

Community Housing Development Corporation

A Community Housing Development Corporation is a nonprofit developer governed by a Board of Directors and operating in the same entrepreneurial way as a conventional developer. They often grow out of established organizations that have identified housing as vital to their work, or of other community organizations (such as churches, human services groups, or community action agencies) that identify housing as a critical need. Several of these organizations exist in the Omaha area and could provide the existing infrastructure and capacity to assist Plattsmouth.

Economic development corporations can also be a vital resource for building partnerships. Such organizations in the past typically developed industrial parks and speculative buildings, and offered incentives to recruit employers. Increasingly, though, housing development has become vital to economic development.

A community housing development corporation could be organized as a “community development housing organization,” or CDHO. CDHOs require majority community board representation, in return, they enjoy a special allocation of tax credits for affordable housing financing through the Nebraska Investment Finance Authority (NIFA). The key roles of the CHDO in the housing partnership will be such programs as rehab/resale projects and construction on infill sites as described below under the program component Project Focuses.

Lending Consortium

A community development corporation must have a source of financing to do its work. Such a financing program should be designed for maximum leverage (in the language of community development, “leverage” is the ability of program dollars to generate private investment in response); shared risk; and quick turnover rather than long-term financing. The Housing Partnership should include a “lenders consortium,” a cooperative venture among lending institutions active in the Plattsmouth market that spread individual exposure. In addition, these cooperative ventures can attract the support of other agencies such as the Nebraska Investment Finance Authority (NIFA) and the Federal Home Loan Bank.

A lending consortium is an ideal instrument to provide short-term financing for a modest but adequate inventory of moderately-priced, owner-occupied houses, and to provide interim financing for projects developed by the CHDC and City.

The City of Plattsmouth

Cities generally have the responsibilities of providing and maintaining urban infrastructure and municipal services, and, under the Nebraska Community Development Law, have the ability to act as community redevelopment authorities. Consistent with these powers, the city should finance capital improvements using techniques that reduce and/or defer the front-end cost of lots, assembles or acquires property for development or redevelopment as needed, and acts to promote other projects or remove obstacles to desirable development. The City of Plattsmouth’s roles in the housing partnership could include:

- Acquisition and site preparation of infill redevelopment sites
- Financing assistance through CDBG, TIF and other programs
- Subdivision development with infrastructure
- Annexation and restructuring of debt

Builders and Realtors

While some Community Development Corporations (CDC) have established their own construction and marketing capacities, there is no reason for a Plattsmouth corporation to move in this direction. The private sector of builders and Realtors, working in concert with the other partners, will be the primary delivery mechanism for new products.



Housing Trust Fund

A Housing Trust Fund provides a source of seed capital, unconstrained by program regulations, for a city or development corporation to use for the purpose of developing needed housing types. Trust funds can be generated in several ways, including dedication of a specific share of local option sales taxes, fees, local revenue bond issues, or grants and charitable contributions.

2. PROGRAM FOCUSES

Three special project focuses appear most appropriate in Plattsmouth given housing demand and economic character: affordable equity housing, rental housing development, and rent-to-own projects.

Affordable Equity Housing

New owner-occupied housing can upgrade the city’s housing stock by attracting new target households looking to build equity in the city. New housing may be built in either contiguous developments or on infill lots within built-up areas. New developments should take advantage of Plattsmouth’s environmental features and in configurations that make them unique from other standard subdivisions. Infill sites should be clustered in redevelopment areas, discussed below. In either case, a housing trust fund may provide recoverable, front-end funding for such items as project design; the city may acquire property or develop infrastructure through TIF or revenue bonds; the CDC is the master developer and contracts with private build-

ers for home construction; and the lenders consortium provides interim financing for the CDC. Realtors may also participate by reducing commissions on selected projects. Potential target markets for new affordable units may include younger households, people with stable incomes, and downsizing empty-nesters.

Another proven affordable ownership development technique is an acquisition/rehab/resale program. Here, the CDC acquires houses that are then rehabilitated and resold on a “turnkey” basis to new owner-occupants. The lending community may participate cooperatively in this effort by providing interim financing. Mortgage financing for low and moderate income buyers may be assisted by CDBG or HOME “soft-second” loans. This approach recognizes the limited number of prospective buyers who want to carry out a major home rehabilitation project. It works best when candidate houses can be purchased at relatively low cost – a common condition in some parts of Plattsmouth.

Several organizations in the Omaha area have extensive experience with these program types, and Plattsmouth should take advantage of this experience in structuring its own program. These organizations include the Holy name Housing Corporation, Omaha Economic Development Corporation, and New Community Development Corporation.

Rental Housing

Demand for rental housing in Plattsmouth crosses several income ranges. New rental housing should include market-rate rentals for professionals, workforce housing, and housing for people with urgent needs. Funding sources such as the lending consortium and housing trust fund can be used to develop new inventory, and tax credits may be employed to address the needs of lower income households. Tax Increment Financing, CDBG/HOME funds, and tax credits can also help create affordable multi-family housing. The housing partnership and lending consortium should be active participants in multi-family housing finance by distributing the risk of projects across several lenders.

Rent-to-Own (CROWN)

CROWN projects provide a middle-ground approach between ownership and rental occupancy, giving new residents who cannot afford homeownership at present an avenue to build equity in the city. In the rent-to-own pro-

gram, the development corporation may build houses using the Low Income Housing Tax Credit. A portion of the family’s rent is placed in an escrow account for a future downpayment. At the end of a specific period, the residents can then use the accumulated downpayment escrow to purchase either a new house or an existing unit. Rent-to-own programs have the advantage of providing rental housing to residents, while incorporating aspects of owner-occupancy.

The rent-to-own approach gives young families the opportunity to try out the city as well as building equity and wealth. It provides a transitional opportunity by which young households can build equity and become integrated into the larger community. In Nebraska, some rent-to-own units are also being developed by private parties. Successful examples can be seen in communities close to Plattsmouth, including Omaha and Nebraska City.

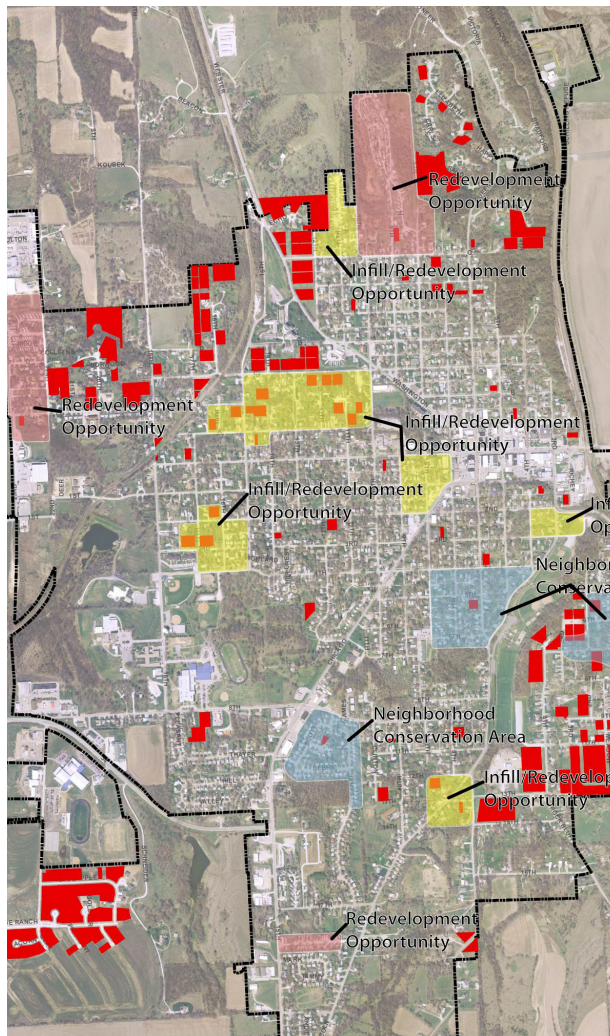
3. REDEVELOPMENT INITIATIVES

The city should encourage and help finance one or more significant housing redevelopment projects in areas identified through the housing inventory (Map 2).

The city should identify a targeted housing redevelopment area that provides a critical mass necessary for success. In many cases, vacant lots or obsolete houses are scattered so that their redevelopment can stabilize an entire block. In other cases, a cluster of lots is needed to create a “tipping point” that can successfully change a neighborhood and provide buyers with the security necessary to sustain market values. While the more scattered approach would work in many areas of Plattsburgh, Map 2 identifies larger areas that could have a significant impact on housing quality and equity. These include relatively substandard or obsolete mobile home developments, and:

- An area north and west of A Avenue and 10th Street
- The neighborhood west of downtown, east of 9th Street and south of Main Street
- The blocks coming out of downtown along 3rd Street south of 2nd Avenue
- The Lincoln Avenue area south of 12th Avenue

The first step in target area development is preparation of redevelopment plan to guide implementation. The plan identifies areas for land acquisition, project phasing, relocation and housing options, and funding arrangements. Buildable vacant lots can be acquired through demolition of vacant or seriously deteriorated units, tax sales, and negotiated purchases. Housing development for the infill projects may be accomplished by the CHDC and/or private builders and financed by the Lenders Consortium. When private developers own infill lots, the city should work creatively with them, encouraging innovative project designs and planned unit developments that may require different standards from conventional development. This flexibility will be especially important given Plattsburgh’s topography.



4. REHABILITATION AND PROPERTY MAINTENANCE PROGRAMS

The city should implement a comprehensive approach to rehabilitation that broadens the reach and effectiveness of rehabilitation efforts, and reduces the amount of substandard housing in the city.

Plattsburgh’s rehabilitation program focuses should include:

Owner Assistance

A majority of Plattsburgh’s housing units require at least moderate repairs or rehabilitation. A coordinated rehabilitation strategy, operating on a reliable, multi-year basis, is vital to ensure preservation of the area’s critical sup-

ply of existing housing. A comprehensive rehabilitation program, appropriate to the respective needs of individual residential areas, should include five program types. These include

1. *Emergency repair program.* For very low income residents an emergency repair program should be established. This type of program is usually funded through Community Development Block Grant (CDBG) funds in the form of grants or forgivable loans. The loans are recaptured over time but additional funding from both private sources and grants should be added to expand the program. Emergency repair programs are designed to meet critical individual needs, but also to keep viable housing from deteriorating further. Thus, when funds are limited, assistance should be focused on fundamentally sound structures.
2. *Direct rehabilitation loan programs.* This program would make direct forgivable loans and grants to homeowners from CDBG funds. The program is most appropriate to homeowners with low incomes who are not otherwise bankable. These efforts should generally be focused in strategic areas where loans support other areawide investments, such as substantial infill development.
3. *A leveraged rehabilitation loan program.* This approach leverages private loan funds (often through the FHA Title I Home Improvement Loan program) by combining private loans with CDBG or other public funds to produce a below market interest rate for homeowners. The program works most effectively in moderate income neighborhoods with minor rehabilitation needs and some demand for home improvements. Target areas for Plattsmouth would include those areas identified for Neighborhood Conservation in Map 2. The program is effective in expanding the amount of improvements completed by a fixed amount of public funding. Loans in a leveraged loan program can be originated through individual lenders or through the proposed lenders' consortium.
4. *Acquisition/rehab/resale programs.* An acquisition/rehabilitation/resale program is particularly useful in adapting older houses to the preferences of contemporary, moderate income buyers.
5. *Energy efficiency loans.* Funding may be leveraged through OPPD to provide loans that improve the ener-

gy efficiency of older homes. These low-interest or no-interest loans can be used to replace windows, heating and cooling systems, or any other upgrades that improve the energy efficiency of the home.

Primary funding for these rehabilitation activities may include Community Development Block Grant (CDBG) or HOME funds, administered by the Nebraska Department of Economic Development.

Rental Rehabilitation

The city should also consider a rehabilitation program focused on rental properties that provides leveraged loans combined with code enforcement. While the city's large multi-family structures are in good to fair condition, a number of single-family rental houses are in poor condition. This program provides financing for the improvement of sound rental properties in need of rehabilitation.

Rental rehabilitation must include effective housing code enforcement to require that units meet minimum housing standards. But the reluctance of tenants to file complaints can seriously hamper effective life safety enforcement. Some communities have instituted rental registration or licensing programs. Here, all rental units must register to be certified for occupancy. Registration requires a life safety inspection and compliance with minimum standards. These programs can be effective, but are staff-intensive and must be administered to avoid displacing low-income households. However, the potential of loss of revenue, combined with available financing, can induce participation by property owners in this kind of program.

Mechanically, the foundation of a rental rehabilitation program should be private financing. An individual institution or the CDC, acting as a referral agency, may take a leading role in marketing the availability of rehabilitation loans to small rental property owners. A reservation of HOME funds could be utilized by the city to provide blended loans when some form of subsidy is needed.

Property Maintenance Program

The best housing and neighborhood conservation programs combine awareness of the need for reinvestment with the tools to finance home repairs and rehabilitation. The strategy begins with a Property Maintenance Standards Program, an effort that encourages voluntary compliance with community standards while also establishing a legal basis for code enforcement. Since the completion of the 2004 Comprehensive Plan, Plattsmouth has

made significant strides in this area combining the efforts of a Code Enforcement Officer and Police staff. The city should consider expanding its current efforts to include:

- *Preparing and distributing a Property Standards Manual.* This should be a friendly and clear document that sets out the expectations that Plattsmouth as a community has for individual building and property maintenance. It can also help to provide useful information, such as sites to dispose of or recycle unwanted household items.
- *Organizing voluntary efforts through church and civic groups* to assist seniors and disabled people with property maintenance, including fix-up items, painting, routine repairs, and disposal of trash and other items.
- *Review and modify the city's current Property Maintenance Ordinance,* assuring that the ordinance clearly addresses those items that have the greatest impact on life safety, visual quality, and preservation of community maintenance standards. This review should be done in light of recent efforts to identify those areas that remain a concern or continual issue.
- *Holding neighborhood focus meetings.* City staff and community organizations should set up periodic neighborhood meetings to explain the city's property maintenance standards and to answer any questions. These should be done at locations within each neighborhood and focused to the needs of each area.
- *Backing up the property maintenance standards program with rehabilitation financing.* Possible funding sources are discussed above.

5. LOT DEVELOPMENT

Plattsmouth should institute a program to develop buildable lots within or adjacent to the existing city limits.

Components should include:

- Innovative direct land development through the development partnership
- Special assessments or financing partnerships
- Infrastructure bank
- Tax increment financing
- Osage Ranch restructuring

Land Development

In addition to assembling infill lots the city may partner with a private developer or CHDC to complete a specific



project. Such a development should produce a distinctive environment that differentiates itself in the market by expressing the traditional character of Plattsmouth. The project could use the lending consortium's interim financing pool, allowing construction of a critical mass of moderately-priced homes that would otherwise be impossible for a small-scale homebuilder in the Plattsmouth market.

Financing Partnerships

Financing techniques that avoid burdening moderate income homebuyers with land and infrastructure development costs can be extremely important, and can give Plattsmouth competitive parity with land in other parts of the region or on surrounding rural sites. In many communities, special assessments are used to finance infrastructure. While assessments reduce the initial purchase price of the house, they are retired through monthly payments, and so add to the monthly or overall cost of housing. Other devices include:

- *Infrastructure Bank.* In a new subdivision targeted specifically to affordable ownership housing, Plattsmouth should consider an "Infrastructure Bank" approach. Here, the city finances the infrastructure as a "participatory" deferred loan. The infrastructure loan comes due when the house is sold by the original owner. The city may choose to forego interest, may establish an annual simple interest rate, or may participate in the appreciation (or depreciation) of the property. In a participation alternative the repayment represents the same percentage of the sale proceeds that the initial infrastructure loan made up of the original price. Table 28 below provides an example of such a scenario. In this scenario the cost of infrastructure related to the

price of the house is 10%. When this same portion is applied to the final sale price of the house (\$125,000) the city earns \$2,500 that can be put towards new housing projects. In addition, the property taxes generated by a house that might otherwise not be built must also factor into the equation. Grants from the Federal Home Loan Bank, TIF, NIFA, or state-administered Federal programs such as CDBG or HOME can also help with infrastructure financing.

- *Tax Increment Financing (TIF)*. In redevelopment areas, TIF can be a significant tool for land acquisition and development financing. TIF uses the added tax revenue created by the redevelopment to finance project-related costs like land acquisition and public improvements. Use of TIF requires designation of an area as “blighted” according to the criteria established by state law and preparation of a redevelopment plan for the area. Because incremental taxes can only be used for fifteen years after approval of a redevelopment plan, subdivisions using the technique should be phased, with development phases tightly following market demand. New phases can be added by amending the overall redevelopment plan.

The following is an example of how TIF can be applied to a residential subdivision.

- The city master plans a 50 lot project in an area that is included in a “blight” declaration. The project is divided into five 10 lot phases, with services improved when each successive phase is opened. Each phase requires an amendment to the redevelopment plan that establishes the use of TIF for that phase.



- Assuming that each house increases the value of each parcel by \$100,000. Added tax revenues may support up to \$12,000 to \$15,000 in debt, essentially paying back the cost of public improvements. The front-end cost may be loaned by the finance consortium, or even potentially by the city.

Table 28: Sample Return Scenario on Deferred Infrastructure Loan

	Initial Price	Price at Sale
Sale Price	100,000	125,000
Infrastructure Cost (deferred in Initial Price)	10,200	
Infrastructure/Price Ratio	.10	.10
Amount of Repayment (based on initial infrastructure/price ratio)	---	12,500
Equivalent Interest Rates		
5-Year Resale		4.56
7-Year Resale		3.24
10-Year Resale		2.26

Source: RDG Planning & Design