

Table of Contents

Acknowledgements.....	iii
Data Sources.....	iv
Public Input Process.....	v
Executive Summary.....	1
Introduction.....	3
Market Area.....	4
Demographics.....	5
Table 1.1: Comparable Population Changes.....	5
Table 1.2: Population History.....	6
Table 1.3: Population Projections.....	6
Economy.....	9
Table 1.4: Household Income.....	10
Housing Market Conditions.....	12
Table 1.5: Year Housing Unit Built.....	12
Table 1.6: Vacancy Status.....	13
Table 1.7: Exterior Analysis Percentage Ratings.....	15
Table 1.8: Persons per Household.....	19
Table 1.9: Gross Rent.....	20
Table 1.10: Housing Values, Owner-Occupied Units.....	21
Table 1.11: Housing Affordability Analysis, Owner-Occupied Units.....	22
Housing Market Needs & Opportunities.....	24
Table 1.12: Market Supply/Demand Analysis, -0.31% Annual Growth Rate.....	25
Table 1.13: Market Supply/Demand Analysis, 0.50% Annual Growth Rate.....	25
Homeownership vs. Rental Units.....	26
Residential Site Analysis.....	27
Housing Objectives.....	30

This page was intentionally left blank.

Acknowledgments

The City of Neligh would like to thank all of the residents, property owners, and business owners who participated in the development of Neligh's Housing Market Study. The City would also like to acknowledge Nebraska Investment Finance Authority (NIFA) for partially funding this planning project that included the completion of the Housing Market Study. The City of Neligh and Neligh Economic Development Office were extremely crucial to the success of Neligh's Housing Market Study. To everyone who offered their time and input throughout this process, we are truly thankful because it is so important to the successful development of the Housing Market Study.

Consultant & Planner
Miller & Associates
Consulting Engineers, P.C.
1111 Central Avenue
Kearney, Nebraska 68847
Telephone: 308-234-6456
Web: www.miller-engineers.com

Data Sources

2010 Census (short form)

This is the form that every household should have received in 2010. It reports basic gender, age, and race population, but there is not enough data reported to elaborate on Neligh's demographic, housing, or economic standings.

American Community Survey (ACS)

This survey is conducted by the U.S. Census Bureau in replacement of the Decennial Census Long Form. The ACS provides a lot of different data such as household income, commute time to work, year of household, etc. The survey is spread over five years (2008-2012) and it uses a much smaller sample population than the Decennial Census Long Form did. Every year a small portion of surveys are sent out to people; the Census Bureau then makes estimates based on those numbers that were gathered over the five-year time span. The ACS reports the data as an estimate with a margin of error. The ACS states there is a 90 percent chance of accuracy within the margin of error reported on either side of the original estimate.

Environmental Systems Research Institute, Inc. (ESRI)

ESRI reports data on Nebraska's Location One Information System (LOIS) website. ESRI reports data similar to the Census Bureau's data, and LOIS allows each community to enter additional information regarding commercial properties, including vacant lots and buildings, to market and promote economic development in each community and for the State of Nebraska.

Site Reconnaissance

A site reconnaissance/windshield survey was completed in the summer of 2014. Data was collected regarding the current housing stock's existing conditions. Only exterior elements were evaluated for the housing stock and approximately one-fourth of the City's housing stock was randomly evaluated.

Public Input Process

Throughout the planning process, resident and citizen stakeholder input was sought out to better understand the local needs as well as the day-to-day happenings dealing with the housing market in Neligh. The following steps were taken to encourage, promote, and receive public input from a variety of sources.

Community-wide Needs Assessment Survey

A Community Needs Assessment Survey was sent to every household in the community. Approximately 32 percent of all occupied households responded to the survey offering their input and opinions.

Employer/Employee Housing Surveys

Both employer and employee surveys were dropped off at some of the larger employers in the community. The two surveys were slightly different with the employer survey asking questions regarding to the relationship of their business and the local housing market and how the housing market can affect their business. The employee survey asked questions regarding the employee's current housing situation and what future needs may exist.

Phone Interviews

Phone interviews were conducted with Golden Living Center, Pioneer Homes, and the Neligh Housing Authority to find out the current needs and uses of each facility.

Public Input Meetings

Meetings were held with the public as well as a specific meeting with housing stakeholders including bankers, realtors, etc. Discussions were held and input was gathered to assist with the Housing Market Study.

This page was intentionally left blank.

Executive Summary

Housing is a crucial piece to the prosperity of Neligh. Whether it is identifying needs for new market-rate housing or ways to encourage development of affordable housing options, Neligh must work to constantly assess and improve its housing market. In order to attract more people to the community, there has to be a supply of well-maintained, available, affordable, and safe housing. Projecting for future demand is an important, but sometimes difficult task when trying to promote growth in any community. Addressing the issues of old housing stock that does not meet the needs of today's renters and buyers is also another challenge that faces City leaders. Community growth and revitalization can be made possible through the identification of housing needs in Neligh. When considered in conjunction with population data, housing information analysis will enable Neligh to identify housing developments that are most appropriate for its success.

The City of Neligh has seen a decrease in population based on recent decennial census results. However, housing professionals and City leaders have noticed a recent increase in families moving into the community. It will be important for City officials to continue to monitor changes in the annual report of the American Community Survey data to determine if the attitude of these professionals is showing true in data results.

A large majority of the City of Neligh's housing stock was constructed in 1939 or earlier; however, the City has experienced some recent construction with two building permits issued in 2011, one building permit issued in 2012, and one building permit issued in 2013. There have also been seven lots sold in Country Side Acres Subdivision in 2014; therefore, the City should see an increase in building permit applications in the coming months.

The overall condition of the housing stock was rated 'average' at 3.57, on a scale of 1 to 5 with 5 being the highest. This rating was based on an exterior analysis of the City's housing stock. Housing professionals shared that interior updates need to be made in order to provide potential buyers/renters with modern amenities.

Approximately 70 percent of all occupied homes are owner-occupied and 30 percent of all homes are renter-occupied. Neligh needs to continue future housing development to fit the same 70/30 ratio for potential homebuyers and renters.

Housing professionals shared that buyers are looking for homes valued between \$50,000 and \$100,000 with some buyers looking at homes valued over \$100,000. It was shared that mid-level housing valued between \$120,000 and \$130,000 is a target range for many mature families looking to purchase homes. The median home value in Neligh is \$67,400 ($\pm 5,606$) based on 2008-2012 ACS data.

The median rent for units in Neligh is \$559 ($\pm \61) based on 2008-2012 ACS data; however, the local housing professionals believed most units were rented in the \$300 to \$400 price range. Most residents believe that the rent is too high in comparison to the condition and suitability of the rental units.

It is estimated that the City has approximately 38 existing structures that are deteriorated and not suitable for residence; therefore, they should be demolished. It is also assumed that approximately one percent of all housing structures will “fall off the market” each year due to aging structures and conditions. The City must not only work on constructing new housing units but also demolishing and replacing the structures that “fall off the market”.

After all of the data analysis was completed, it was determined that the City will need to construct 36 additional housing units (25 for purchase and 11 for rent) by the year 2025 in order to provide housing stock for existing and potential residents. That number was based off of a -0.31 percent annual growth rate matching the historic trend of population growth between 2000 and 2010. If the City grows at their desired target rate of one half percent each year, then 127 additional housing units (89 for purchase and 38 for rent) by the year 2025 would need to be constructed.

By the year 2025, new homes will need to be constructed, regardless of population growth, in order to replace the number of vacant, dilapidated structures.

Increasing the number of units and variety of rental housing stock as well as improving the current rental stock is essential to the growth of the City of Neligh. However, it will also be important to provide mid-level housing for purchase to residents needing a larger, move-in ready home.

The City should follow these objectives to improve the housing market in Neligh: clean-up vacant out lots and uninhabitable properties; work with local businesses to determine housing needs for employees; create Investment Group to develop spec homes; promote infill development; create City-funded home-owner rehabilitation revolving loan fund; encourage property upkeep; and, locate areas for future residential development.



Introduction

The City of Neligh is situated in central Antelope County on United States Highway 275 and Nebraska Highway 14. Neligh is the County Seat of Antelope County. According to the 2010 Census, Neligh's population was 1,599 which was a three percent decrease from the 2000 population reported by the decennial Census. Neligh is home to several different industries, a wonderful school district, great healthcare options, senior housing and services, restaurants, stores, enjoyable recreational facilities, and multiple annual festivals including the Antelope County Fair, Old Mill Days, and Bread and Jam Festival. With many new additions in the community including a new residential subdivision, downtown businesses, a new Economic Development Director position, and several other notable projects completed in recent years, the City trying to capitalize on growth by increasing the population with improvements to the quality of life for residents and creating a lucrative community for business owners.

Market Area

The Effective Market Area for Neligh, Nebraska is broken into three different sections; it is the area that is most likely to influence the economic climate for Neligh. The primary market area is defined as an area covering a radius up to ten miles from Neligh covering a majority of central Antelope County. The secondary market area is defined as an area covering a radius from ten to fifteen miles from Neligh covering all of southern Antelope County stretching into the western edges of Madison and Pierce Counties. The tertiary market area is defined as an area covering a radius from fifteen to twenty miles from Neligh covering a majority of Antelope County and also including parts of eastern Holt, northeastern Wheeler, northern Boone, and western Madison and Pierce Counties.



Population movement in a geographic area occurs for multiple reasons. Residential mobility or short-distance residential changes, and the spatial and temporal movement patterns they represent fall within the Effective Market Area for Neligh. Residential mobility and commuting patterns can explain the activities of the area population as they relate to housing. Data about area movement provides a relaxed perspective of geographical areas as opposed to rigid pre-imposed boundaries (i.e. City limits, county/state lines, natural barriers such as rivers, etc.).

Demographics

Housing is directly tied to the population of the community. The make-up of the City's population affects the housing demand in the community based on the type of housing desired, what is affordable, and the ability to attract new people to the community by providing what they are looking for. The City of Neligh experienced almost a three percent decrease in population between 2000 and 2010. **Table 1.1** shows a comparison of Neligh's population changes between 2000 and 2010 with surrounding communities that have similar characteristics to Neligh. Of the six communities four saw a decrease in population and only two showed an increase in total population in the region. All of these communities have many of the same challenges that Neligh faces with growth, development, and trying to attract residents to their communities. Two of the communities saw an eight percent decrease in population in the ten-year span while Neligh experienced a three percent decrease. This data shows City leaders that regardless of a community's size and location, they are still liable to population loss; proving that cities must continually work to retain the existing population and attract new residents.

**Table 1.1 Comparable Population Changes,
Neligh, 2000-2010**

Community	2000	2010	Difference	% of Change
Neligh	1,651	1,599	-52	-3.1%
O'Neill	3,733	3,705	-28	-0.8%
Atkinson	1,244	1,245	1	0.1%
Albion	1,797	1,650	-147	-8.2%
Madison	2,367	2,438	71	3.0%
Plainview	1,353	1,246	-107	-7.9%

Source: US Census Bureau

The median age for all of Neligh's residents is 47.1. This is slightly higher than the County's median age of 46.6 and both numbers are higher than the State's median ages of 36.2. Neligh's median age in 2000 was 43.7 which was still slightly higher than Antelope County's 2000 median age of 40.6. The decennial census data provides historical data to utilize; but the American Community Survey shows more recent data on an annual basis from 2009. Each year has an estimate with margin of error reported. Neligh's ACS reported median ages are 49.2 (± 7.1) for 2009, 44.7 (± 3.6) for 2010, 45 (± 4.7) for 2011, and 43.1 (± 5.2) for 2012.

The reported ACS data shows a steady decrease in median age for Neligh’s residents since 2010 supporting the theory of Neligh tapping into the ‘Legacy Migration’ phase that has been taking place in communities across the Great Plains region. ‘Legacy Migration’ is a phrase being used to describe the influx of the younger generation heading back to their hometowns or their “legacy”. Neligh’s residents believe the City has seen an influx of younger generation residents moving to or back to the community. The annual release of the ACS data supports this theory showing a decrease in median age from 2009 to 2012. Age and gender differences can affect housing, recreation, community services, and businesses that will be desired in Neligh because of the differences in wants and expectations for amenities between men and women as well as between the differing ages. Therefore, it is important to monitor and understand the changes in the community and how that affects the overall needs for the future of the City.

Table 1.2 shows the history of Neligh’s population which has fluctuated between each decennial census; however, Neligh has not seen a dramatic increase or decrease in population when looking at the difference between 1930 and 2010. Between 1930 and 2010, Neligh experienced a three percent decrease in population, with the City’s largest population in 1980 at 1,893. Between 1980 and 2010, the City has seen a decrease in population by 15.5 percent but the recent data proved there was a slower rate of decline in total residents. Most rural communities in Nebraska are experiencing an overall decline in population, and a previous table shows many communities near Neligh are experiencing large declines. Neligh has experienced fluctuation in total population reported during the decennial census, making projecting future populations more complicated when using a historical analysis method because of the variability. Neligh is a progressive community with proactive City leaders and community stakeholders. The City has a lot to offer to residents including a variety of job opportunities through a myriad of different industries. It is important for Neligh to stay ahead of the curve as a progressive, proactive community in order to continually attract new people and families to town, and to continually take advantage of the Legacy Migration that is taking shape in the Great Plains Region.

Table 1.2 Population History, Neligh, 1930-2010									
Year	1930	1940	1950	1960	1970	1980	1990	2000	2010
Population	1,649	1,796	1,822	1,776	1,764	1,893	1,742	1,651	1,599

Source: Nebraska Department of Economic Development, Census Bureau

The history and apparent trends in Neligh’s history are important aspects in making projections for the community’s future population. Projecting Neligh’s population is key to understanding the future demographic character of the community. These projections help to determine the City’s future land use and community service needs and policies. **Table 1.3** shows the different population growth scenarios for Neligh until 2025.

Table 1.3 Population Projections, Neligh, 2010-2025				
Annual Growth Rate Percentages	2010	2015	2020	2025
Trend 1 (-0.03%)	1,599	1,597	1,594	1,592
Trend 2 (1.45%)	1,599	1,718	1,847	1,984
Trend 3 (-0.68%)	1,599	1,545	1,494	1,443
Trend 4 (-0.31%)	1,599	1,574	1,550	1,526
Trend 5 (0.50%)	1,599	1,639	1,681	1,723

Source: Census Bureau, M&A

The first four trends are annual growth rate percentages coming from historic trends depicted by historic decennial Census data. Trend 1 is the overall historic population trend from 1930 to 2010, which was a three percent decrease over the 80-year period, was projected for future populations at the years 2015, 2020, and 2025. If the community was going to experience the overall rate of population change that it experienced over the past eight decades then Trend 1 would be the approximate population figures for Neligh in the future. Trend 2 is the historic trend difference between 1940 and 1950, a 1.45 percent decrease over the ten-year period, that was forecasted to the same three time periods of 2015, 2020, and 2025. This scenario shows a steady increase in population over the projected years. Trend 3 shows the projected population based on the slight decline between 1960 and 1970. Trend 4 shows the decrease of population Neligh experienced between 2000 and 2010 and what the City's population would look like in 2015, 2020, and 2025 if they experienced the same rate of decline. Trend 5 is not based on historic trends; however, it could be considered relative to some historic trends that have occurred. This growth rate percentage was determined by community members during a public input session to be a goal for the City to work to achieve an annual half percent growth rate. This is a feasible growth rate for the City to work to achieve, and several initiatives outlined in this Comprehensive Plan will provide community stakeholders with a strategies to complete in order to attract people to the community. Of course, populations do not change at a constant rate every year; however, these numbers give an example of what the population could look like at the five different projected time intervals.

Environmental Systems Research Institute, Inc. (ESRI) created a Tapestry Segmentation system which divides U.S. residential areas into 65 distinctive segments based on socioeconomic and demographic characteristics to provide an accurate, detailed description of U.S. neighborhoods. Neligh falls into two different Tapestry Segmentations: Heartland Communities and Prairie Living with the majority of Antelope County consisting of Prairie Living designation. Tapestry Segmentation can help people identify the best markets, find the most profitable consumer types, tailor marketing messages to fit the audience, and to define product and service preferences. The following description summarizes the Heartland Communities and Prairie Living segmentations and is relatable to a majority of Neligh's population. It is important to remember these are generalities made for all Heartland Communities and Prairie Living and do not necessarily depict the true story for the City of Neligh and all of the City's residents. However, many of these generalities about the City of Neligh could be considered accurate for most residents.

Heartland Communities:

Demographic & Socioeconomic: Settled and close-knit with a median household income of \$35,160. Approximately 40 percent of people are employed in service industries. Employed residents work in occupations ranging from management positions to unskilled labor jobs.

Residential: Low-density neighborhoods dominate small-towns, with older homes in rural, non-farm areas. More than half of the housing units were built before 1969. Home ownership is at 71 percent; more than three-fourths of the housing is single-family dwellings.

Preferences: Heartland Community's residents invest time and money in their cherished homes and communities. They take pride in their gardening skills and in growing their own vegetables. Many homes own a riding lawn mower to keep up their relatively large lots. Residents tackle home improvement projects such as exterior painting and faucet replacement. They shop at Wal-Mart or Kmart and buy groceries at Wal-Mart Supercenters. Heartland Community's residents have a distinctly country lifestyle. They go hunting and fishing. They also read gardening, fishing, and hunting magazines and listen to country music. Reading two or more Sunday newspapers is important to them. Some join fraternal orders or religious clubs and even get involved with local politics.

Prairie Living:

Demographic & Socioeconomic: Small, family-owned farms dominate this stable market. Two-thirds of the households are composed of married couples with or without children and residents are slightly older with little diversity within the community. More than 67 percent of the residents are in the labor force and unemployment is low. One in four residents who work are self-employed. The median household income is \$42,830 and approximately 40 percent of residents work in white-collar jobs.

Residential: These tend to be Midwestern neighborhoods where 79 percent of residents own their homes and the median home value is \$103,090. Most housing is single-family and approximately 36 percent of the housing was built before 1940. Multiple vehicles are necessary to cover these rural areas; approximately three-quarters of the households own two or more vehicles.

Preferences: Prairie Living residents' purchasing preferences include work boots and hunting clothes. They own tools to service their vehicles and make home repairs. They will tackle home improvement projects such as kitchen remodeling. They are pet owners. Many own satellite dishes because cable TV is not always available in rural communities. Prairie Living residents are loyal country music fans and tune in to the radio and television for their favorite music. They enjoy hunting, fishing, horseback riding, and target shooting. They tend to be political conservatives and prefer domestic vehicles, especially trucks. Civic-minded Prairie Living residents serve on church boards, speak at public meetings, volunteer for charitable organizations, and help with fund-raising.



Economy

The City of Neligh is the largest community in Antelope County providing basic necessities to the City's residents as well as residents from the surrounding area. However, Neligh is also situated 35 miles from Norfolk. Norfolk has a larger economic market area with more amenities and services to offer residents. There are pros and cons to Neligh's distance and proximity to larger communities, it is challenging for rural communities to be sustainable places for retail, dining, and service businesses when in close proximity to a larger market yet it is beneficial to the workforce when there are more options for employment other than just one community.

Proximity to employment opportunities is very important for residents and potential residents of any community. Labor force and housing are complementary forces that are essential to the self-sustainability of each community. Residents 16 and older are considered to be of working age; therefore, in order to study the workforce population we only consider those that are 16 and older. The 2008-2012 ACS reported 1,241 (± 114) people are 16 or older and 800 (± 89) persons are in the labor force. The other 441 (± 81) people are not considered to be a part of the labor force because they are neither employed nor officially classified as unemployed. This classification could be a variety of reasons such as full-time students, retired persons, volunteers, stay-at-home parents, persons unable to work due to a disability, etc.

As stated above, the ACS estimated 1,241 (± 114) of Neligh's residents to be in the labor force. The ACS also reported of that 1,241 people in the labor force, 791 (± 86) were employed while 9 (± 9) people were unemployed. Based on the ACS, only 0.7 (± 0.7) percent of Neligh's residents were unemployed which is starkly different than the U.S. Bureau of Labor Statistics (BLS) 2012 national unemployment rate of 7.9 percent.

There are several different job opportunities in the City of Neligh including the medical and educational systems, retail and service sector businesses, and many different types of agricultural and manufacturing businesses. Although there are many job opportunities in Neligh for their residents, some of them commute to work in other communities. This is fairly typical in the smaller communities across the United States including Neligh. Based on the Employee Housing Survey many employees also commute to Neligh for work. Commuting patterns for Neligh's residents include a mean travel time to work of 14.4 (± 2.3) minutes. Approximately 665 (± 82) people drive to work alone while 57 (± 20) or 7.5 percent of Neligh's residents carpool. Approximately 21 (± 13) of Neligh's total workforce, works from home. Based on 2011 U.S. Census Bureau, Center for Economic Studies, 628 people commute into Neligh for work while 448 of Neligh's residents commute to areas outside of the corporate limits for work with the majority of commuters traveling east and southeast for work.

Table 1.4 shows the household income for Neligh in 2010. Household income is defined by the Census Bureau as the following:

Table 1.4 Household Income, Neligh, 2012	
Household Income	# of Households
Less than \$15,000	86 (± 38)
\$15,000-\$24,999	133 (± 47)
\$25,000-\$34,999	76 (± 23)
\$35,000-\$49,999	107 (± 30)
\$50,000-\$74,999	153 (± 35)
\$75,000-\$99,999	87 (± 29)
\$100,000-\$149,999	34 (± 16)
\$150,000-\$199,999	11 (± 9)
\$200,000 or more	3 (± 4)
Median household income (dollars)	\$41,282 ($\pm 2,809$)
Source: ACS 2008-2012 Estimates	

“Any sum of money income received in the calendar year by all household members 15 years old and over, including household members not related to the householder, people living alone, and other nonfamily household members. Included in the total are amounts reported separately for wage or salary income; net self-employment income; interest, dividends, or net rental or royalty income or income from estates and trusts; Social Security or Railroad Retirement income; Supplemental Security Income (SSI); public assistance or welfare payments; retirement, survivor, or disability pensions; and all other income.”

Household income data is displayed in ranges based on dollar amounts and the related number of households with an annual income that falls into the associated range. ACS reported Neligh's median household income to be \$41,282 (\pm \$2,809). The ACS estimated Antelope County's median household income to be \$40,397 which is slightly lower than the City of Neligh's median household income. The ACS 2008-2012 estimates for the State of Nebraska's median household income are \$51,381 which is higher than Neligh and Antelope County's median household income. Although it is expected for the median household income to increase overtime due, if only, to inflation; however, based on comparisons between the increase in median household incomes for Neligh, the State of Nebraska, and the United States from 2000 to 2012, Neligh outpaced the other two geographies. Neligh's median household income experienced a 35 percent growth from 2000 to 2012 while the State of Nebraska experienced a 30.91 percent growth and the United States experienced a 26.32 percent growth.

The relationship between household income and monthly living expenses related to mortgage or rental costs, taxes, insurance, and utilities should not overstretch a resident's budget. Rule-of-thumb states that housing costs should not consume more than 30 percent of a family's income. Based on ACS data, over 21 percent of persons who own their home spend more than 30 percent of their household income on monthly owner costs. Approximately 47 percent of residents spend less than 20 percent of their household income on monthly owner costs. Almost 55 percent of renters spend more than 30 percent of their household income on rental housing costs. Spending a majority of your income on housing costs is the definition of 'house poor'. House poor individuals are short of cash for discretionary items and tend to have trouble meeting other financial obligations like vehicle or other loan payments. People typically become house poor because they buy more house than they can afford or get stuck in a place because of a lack of options; therefore, it is crucial for communities to have a variety of suitable housing in order to be able to provide options for all income ranges.



Housing Market Conditions

Data taken from the American Community Survey is represented in **Table 1.5** and provides the overall age for owner-occupied units in Neligh. A majority, 43.1 (± 6.4) percent, of Neligh's homes were constructed in 1939 or before. Approximately 90 percent of the City's housing structures were constructed prior to 1980. This is common in many communities although it can create challenges in the housing market because today's buyers are looking for two-three car attached garages with houses that have three-four bedrooms and two bathrooms set on a larger lot. Homes constructed 40+ years ago were typically constructed on 50 foot wide lots that were platted throughout the community. Today's buyers have different standards and 50 foot wide lots do not typically fit the mold for what buyers want. Due to today's desire for larger homes, the City has experienced recent new home construction. The City provided data on building permits that were issued for new home construction in 2011-2013.

Table 1.5 - Year Housing Unit Built, Neligh, 2012	
Total housing units	764 (± 51)
2010 or Later	0 (± 10)
2000-2009	11 (± 8)
1990-1999	37 (± 15)
1980-1989	33 (± 19)
1970-1979	151 (± 29)
1960-1969	60 (± 24)
1950-1959	61 (± 24)
1940-1949	82 (± 30)
1939 or Earlier	329 (± 57)
Source: ACS 2008-2012 Estimates	

There were two permits issued in 2011 and one each in 2012 and 2013. There have also been multiple lots sold in a new subdivision in 2014 proving the desire for larger lots. Neligh needs to continue to support new home construction in order to meet the demand of today's buyers and improve the overall age of the housing stock. As previously mentioned, the largest percent of Neligh's existing housing stock was constructed in 1939 or prior, the City's second housing construction boom was in the 1970s.

From the 2010 Census, Neligh had 781 housing units which include all single-family homes, duplexes, and apartment complexes. There was a 9.5 percent vacancy rate, or approximately 74 vacant housing units and 707 occupied housing units in Neligh. As seen in **Table 1.6**, of the 74 vacant properties, there were 16 properties for rent and seven were for sale. There were two homes that were sold but not occupied and one home was rented but not occupied. There were 12 homes that were listed as housing units that were used on occasion or for seasonal or recreational uses. There were 36 homes listed as “other vacant” which could include homes that are uninhabitable, stuck in litigation, being remodeled, or several other reasons a Census investigator may quantify. It is important to have a portion of homes that are “for sale” or “for rent,” because a percentage of housing units should always be on the market in order to attract new residents and also create an atmosphere for a healthy housing market. Adequate housing is essential in supporting economic growth. It is important to have available housing in order to attract new businesses because the community needs to be able to house new workers.

Table 1.6 - Vacancy Status, Neligh, 2010

Vacancy Rate	9.5%
Total	74
For rent	16
Rented, not occupied	1
For sale only	7
Sold, not occupied	2
For seasonal, recreational, or occasional use	12
Other vacant	36

Source: 2010 Census

As mentioned above, Neligh’s total vacancy rate is 9.5 percent. The City’s homeowner vacancy rate is 1.4 percent and the rental vacancy rate is 7.0 percent. A homeowner vacancy rate less than three percent and a rental vacancy rate less than five percent equates to a very tight housing market. Neligh barely has over a one percent vacancy rate for owner-occupied homes meaning the market has no flexibility and extremely limited availability for people looking to purchase a home in the community. Neligh’s rental market has changed since the 2010 Census data was collected, and it is clear that there is an even lower vacancy percentage than what was reported in 2010. However, even with a seven percent rental vacancy rate, the community does not have flexibility in the rental market which can drive rent prices higher due to increased demand. The rental market is just as important to a community’s ability to attract new residents to the community. Rental units act as a filler for a transitional housing need for many people moving to the community, people who are not ready or unable to purchase a home, residents who may want assistance with exterior home maintenance, etc.



A tight housing market can drive-up housing prices making it challenging for people to purchase a home in the community. If no homes are available or are too expensive in Neligh when a family is looking to move to the community then they will be forced to look in surrounding towns where homes are available. The main goal is to ensure that available homes also fit the needs and wants of the buyers. Neligh's respective homeowner and rental vacancy rates from the 2010 Census warrant some need for new housing. With the increase in the rental market demand in the past four years determined by local housing professionals, it is apparent that there is a need for additional suitable rental units as well as housing units for purchase. Recent changes in the economic climate including businesses that have expanded and the development of the wind farm southeast of the community have increased the need for transitional housing in the community. Economic changes impact the need for housing in the community as well as the increased efforts the City is has been working on to retain existing and attract new residents; therefore, it is necessary to look at housing needs and opportunities for the future.

When analyzing vacant housing units in the community it is important to determine whether the units are still habitable. Uninhabitable structures should be removed to provide vacant lots for new construction and infill development, as well as to rid the neighborhoods of fire and safety hazards.



A physical reconnaissance or windshield survey was conducted in the spring/summer of 2014, on a random sampling of homes in Neligh. Approximately one-fourth of all of Neligh’s homes were visually surveyed from the exterior. Based on criteria that would be used for a Blight and Substandard Study, these homes were analyzed. Homes were rated as excellent, good, average, poor, or deteriorated. Excellent ratings meant that there were no apparent problems when the exterior survey was completed. A good rating meant that the structure seemed to meet all codes and has had careful maintenance of both structure and grounds. An average rating was given to homes that showed minor deficiencies including normal wear and tear. Homes that received a poor rating had major deficiencies showing significant surface wear including slight structural concerns. Deteriorated structures were homes that need to be demolished because they are beyond rehabilitation and have become safety concerns. The following housing conditions were identified and rated during the windshield survey: foundation, roof, siding, doors/windows, yard, chimney, and garage. **Table 1.7** shows the results of the exterior analysis from the windshield survey. The numbers show the total percentage ratings for each category. The overall structural rating for homes in Neligh based on the exterior analysis is 3.57, or ‘average’. An overall average rating means that there are many homes in need of repair or improvement; however, the overall soundness of Neligh’s housing infrastructure is fair and the majority of homes are in livable condition. There are several homes that need major repairs; however, the majority of homes are in average condition especially in comparison to the age of the housing stock.

Table 1.7 - Exterior Analysis Percentage Ratings, Neligh, 2014					
	Excellent (5)	Good (4)	Average (3)	Poor (2)	Deteriorated (1)
Foundation	13%	51%	32%	4%	0.3%
Roof	24%	51%	18%	6%	1%
Siding	29%	46%	18%	6%	0.6%
Doors/Windows	23%	30%	39%	7%	0.5%
Yard	27%	37%	32%	4%	0.5%
Garage	25%	44%	21%	9%	1%
* percentages were rounded					
Source: Windshield Survey 2014					

During the exterior home reconnaissance, it was identified that approximately 42 percent of Neligh’s homes are ranch-style which became a popular style for single-family homes in the 1950s and 1960s and still is a construction choice for many people today. Also noted during the physical reconnaissance of Neligh’s housing stock, was the evidence of 7.5 percent of homes that showed signs of active improvements. It seemed obvious that the majority of households took pride in their homes and were willing to invest money back into the property.





In complementary form with the windshield survey, a mail-out survey was sent to all households in the community. One of the questions in the Community Needs Assessment Survey asked each respondent to rate the condition of their place of residence. The options provided for the response were:

- Good, no repairs needed;
- Needs Minor Repairs (less than \$3,000);
- Needs Moderate Repairs (\$3,000 - \$15,000);
- Needs Major Repairs (more than \$15,000);

Over 44 percent of respondents believed their homes were in ‘good’ condition, no repairs were needed. Approximately 24 percent of survey respondents said their homes needed minor repairs costing less than \$3,000. Almost 25 percent of survey respondents said their homes were in need of major repairs costing between \$3,000 and \$15,000. Only seven percent of survey respondents believed their homes were in need of major repairs costing more than \$15,000.

The condition of the existing housing stock in a community is an important piece to consider during an analysis of the current housing market in the community. There are already existing homes in poor condition in Neligh and there is always going to be a turnover of homes for a variety of reasons including homes selling and homes “falling off the market” due to age, lack of modern amenities, and condition. Approximately one percent of homes will fall off the market every year due to the reasons mentioned above. Some of these vacant homes may be sitting vacant because they are no longer safe for residents. Unfortunately, it always becomes a struggle for communities to remove these vacant homes. Demolishing these uninhabitable homes will open up lots for potential infill development as well as to help clear up a few of the eye-sores around the community. Actions need to be taken in order to replace the homes that are no longer habitable. It also becomes challenging because uninhabitable homes do not disappear; therefore, steps also need to be taken to remove vacant, uninhabitable structures to provide lots for infill development. Several survey respondents included the need to remove substandard housing as one of their top three priorities for housing. It is no easy feat, but replacing the homes that are lost will help to maintain a healthy housing market in Neligh as well as provide homes for potential residents.

In 1995, a study was conducted by the National Trust for Historic Preservation in conjunction with the U.S. Department of Housing and Urban Development (HUD). This study estimated the percentage of housing units needing substantial rehabilitation of the occupied, permanent (non-mobile home), year round houses or apartments in the United States. These national percentages can be used to determine the local need. It was reported that approximately four percent of all owner-occupied housing structures were in need of substantial rehab or needed to be demolished. The American Housing Study also determined approximately six percent of all renter-occupied units were in need of substantial rehabilitation or needed to be demolished.

**Number of Units x Percent Needing Substantial Rehab = Units
Needing Demolished**

$707 \times 4\% = 28$ Owner-occupied Units Needing Substantial Rehab

$211 \times 6\% = 12$ Renter-occupied Units Needing Substantial Rehab

$28 + 12 = 40$ units needing demolished

Based on 2010 Census data reporting housing vacancies, results showed 36 housing units that were determined to be “other vacant”. This shows a similarity between survey data and national standards applied to the City of Neligh.

Based on the windshield survey completed for one-fourth of the existing housing stock, approximately 38 total homes, of the total 781 housing units community-wide are deteriorated beyond repair. This number fits in-line with the national standards and Census housing data that was previously described. With the need to demolish anywhere between 36 and 40 existing structures in Neligh and the concept of one percent of homes “falling off the market” each year due to age, lack of modern amenities, and condition means that if the City is not able to address this issue of outdated, unsafe, blighted residential structures the problem will continue to grow. Although data shows that 40 housing units are in need or major repair or demolition, there are 781 total housing units in Neligh; therefore, it is estimated that only five percent of the existing structures need to be razed. A majority of the homes are in average condition with several homes in good or excellent condition. The majority of homes in average condition are in need of substantial repair for one of the categories, i.e. the roof is in dire need of replacement but the rest of the exterior is in good condition.

Housing Rehabilitation Programs, whether through the City or a third party group such as Northeast Nebraska Development District (NENEDD) could be an essential tool in helping residents pay for housing repairs, energy efficiency improvements, or major maintenance issues. Community leaders should continually look at ways to incorporate these programs into Neligh. An owner-occupied housing rehabilitation program, like the current one the City is utilizing through CORE Development a non-for-profit housing development organization, would be extremely beneficial for these homes. The major issue with the current program are the strict income requirements the Federal government has set.

Because the aforementioned housing rehabilitation program is based on a household's annual income it is restricted for use to low income families. Another option could be for the City to create their own loan program for a separate owner-occupied housing rehabilitation setting guidelines and regulations based on the needs of the City. This option may be attractive to the City and its residents because the City could help middle-income residents while also boosting the existing housing conditions in the community. If the City creates their own revolving loan fund, they have the ability to set their own guidelines, income-restrictions, interest rates, pay-back regulations, etc. The City could create their own program to fit the needs of their community. A City-run rehabilitation program would help to serve the need for middle-income families and should be something the City considers in order to assist and encourage homeowners with exterior and energy-efficiency concerns before they are beyond repair. Another tool to utilize for deteriorated structures is to complete a Blight and Substandard Determination Study which can provide the City of Neligh and the Community Redevelopment Authority (CRA) with a tool to eliminate some of the residential vacant, blighted safety hazards.

Promoting home maintenance and improvements throughout the community and being able to offer programs to assist homeowners will help to prevent more homes from becoming dilapidated. Community leaders should continually look at ways to incorporate these programs into Neligh in order to provide incentives and assistance to the community's residents.

The population that lives in occupied housing units in Neligh is 1,535. There is a discrepancy between the population that occupies the 707 occupied housing units and the overall population, 1,599, in Neligh due to the 64 persons living in group quarters. Residents who live in group quarters are not counted as part of the population that lives in occupied households, because the Census separates group quarters and housing units. There are two types of group quarters, institutionalized and non-institutionalized. Non-institutionalized facilities include college/university student housing and military quarters. During the 2010 Census, 64 persons lived in institutionalized facilities which includes nursing homes, juvenile homes, and adult correctional facilities. Of the 64 persons reported to live in an institutionalized facility, six lived in a correctional facility for adults and 58 lived in a skilled nursing facility at the time of the 2010 Census. All six of the residents who lived in an adult correctional facility were men and 16 men and 42 women lived in the skilled nursing facility. When speaking with the local convalescent care facility, Golden Living Center, it was determined that in the fall of 2014 there were 53 people residing in Golden Living Center which has a maximum capacity for 70 residents.



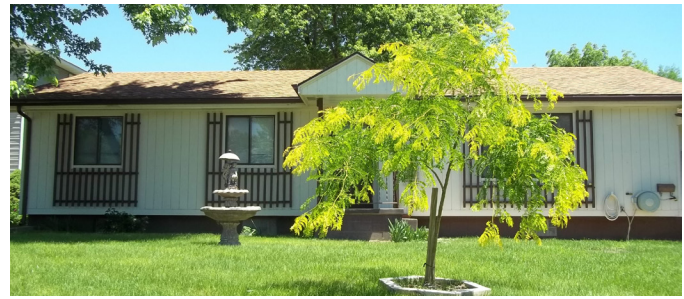
Although we know there are 707 occupied housing units in Neligh, we need to evaluate the characteristics of those units. The 2010 Census reported that 496 owner-occupied housing units equating to 70.2 percent of all occupied housing units owned versus rented. A total of 211, or 29.8 percent, of the occupied housing units in Neligh are rented. Neligh has a large percentage of residents who own their own home. When people purchase a home

it typically shows investment and longevity in the community. In Neligh, the average household size of an owner-occupied unit is 2.33 people and slightly less for renter-occupied at 1.79. The overall average household size in Neligh is 2.17, while the average family size is 2.93. This difference can be explained by the number of people in Neligh living alone.

Table 1.8 shows persons per household in the 496 owner-occupied and 211 renter-occupied housing units. There are 279 persons in Neligh living alone which is over 39 percent of the total occupied housing units. Of the 279 persons living alone in Neligh, almost 54 percent, or 150 persons, are 65 years old or over. As a note, none of the 279 people living alone were living in an institutionalized facility at the time of the 2010 Census. The statistic of residents who are 65 years or older and live alone is very distinct, and can help community leaders make informed decisions that will benefit the majority of Neligh’s citizens. For example, community leaders could focus on finding developers that would be interested in developing condominiums or apartments for elderly

Table 1.8 Persons per Household, Neligh, 2010	
Owner-Occupied persons per Household	
Total:	496
1-person	149
2-person	191
3-person	61
4-person	55
5-person	24
6-person	9
7 or more-persons	7
Average household size	2.33
Renter-Occupied persons per Household	
Total:	211
1 person	130
2 person	44
3 person	14
4 person	8
5 person	7
6 person	5
7 or more-persons	3
Average household size	1.79
Source: 2010 Census	

residents or empty-nesters to rent or purchase. Another amenity that would be attractive, especially for elderly residents, would be the presence of an association that would, for a fee, take care of maintenance for the homeowners if a private developer cannot be attracting for constructing senior housing.



Another point to consider when looking at persons per household and the large number of residents living alone in Neligh is the fact that these 279 residents living alone do not all live in single-bedroom housing units; in fact, based on ACS data there are only 83 (± 21) one-bedroom housing units in Neligh. There is a good possibility that some of the people who live on their own live in three or four bedroom homes. These individuals would maybe be willing to move to a smaller, up-to-date, and low maintenance home, if there were some available. If there were smaller homes, whether for purchase or rent, and some of the 279 one-person households were to take advantage of the smaller units, it would add larger homes to the housing market that are desperately needed for families to move into.

A type of housing that supports elderly, typically single, persons is the Willows Assisted Living Facility. The Willows was constructed in 2001 with local, private investors. This facility fills a need for the community that used to be a void in the housing market. The facility has 28 rooms and is licensed for 32 persons. Each room has their own bathroom. In the fall of 2014 the Willows facility was full, proving that this facility was needed in the community.

Table 1.9 Gross Rent, Neligh, 2012	
Occupied units paying rent	168 (± 45)
Less than \$200	0 (± 10)
\$200 to \$299	17 (± 10)
\$300 to \$499	55 (± 21)
\$500 to \$749	77 (± 41)
\$750 to \$999	12 (± 9)
\$1,000 to \$1,499	5 (± 6)
\$1,500 or more	2 (± 3)
Median (dollars)	559 (± 61)
Source: ACS 2008-2012 Estimates	

Table 1.9 shows the gross rent for units in Neligh based on the 2008-2012 ACS. Median rent in Neligh is \$559 (± 61). As seen in the table 55 (± 21) renters pay between \$300 and \$499 for rent each month, 77 (± 41) renters pay between \$500 and \$749 in rent each month and several renters pay more than \$750 in rent. Local realtors with knowledge of Neligh’s rental market said that most rental units are \$300 to \$400; however, they said that people would pay more for nice rental units that were well kept. Local housing professionals discussed the current rental market in Neligh that there were no known rentals available in the community and that most people are looking for three plus bedrooms in single-family detached homes. The housing professionals discussed the rental shortage in town and the fact that most prospective renters have children and therefore need a larger rental unit. It is believed that the construction on the wind farm southeast of Neligh, Central

Valley Ag Co-op, Antelope Memorial Hospital, and Neligh-Oakdale Public Schools are all impacting the need for transitional housing in the community.

The professionals believed that the income-qualified rental units located at Pioneer Homes were important to the market and that a few more units could be supported in the community. When speaking with Pioneer Homes it determined that there were 46 units and all were full and a waiting list was accumulating. Disable and elderly persons are the key demographic for these rentals; however, low-to-moderate income persons are also considered for these units. There are 38, one-bedroom units and eight, two-bedroom units located in the facility. The Housing Authority Director shared that there is a need for more ADA-accessible units.

Table 1.10 shows two data sources for Neligh’s housing values. One thing to remember is the ACS column provides an estimate with a margin-of-error for each housing value. All of the columns are for owner-occupied housing units only. The median household value for owner-occupied housing units is \$67,400 ($\pm 5,606$) based on ACS data. ESRI’s 2013 estimated median household value is higher at \$87,701. A local realtor shared information about the existing Neligh housing market stating that the majority of people looking to purchase homes are looking in the \$50,000 - \$100,000 range with another set of people looking to purchase homes valued over \$100,000. People that are selling their homes are typically getting the appraised value and are able to sell their homes in a short amount of time. The majority of homes in Neligh are in the \$50,000-\$100,000 value range. In that value range, homes may be considered move-in ready with some having most modern amenities; however, not all of these homes are decent, safe structures that meet the needs of today’s buyers including attached garages, updated kitchens, two bathrooms, three or four bedrooms, etc. Local housing professionals stated that most people are looking for larger homes with multiple bedrooms and some updates completed. These professionals believed that there were very few homes on the market that are desirable to today’s buyers.

Table 1.10 Housing Values, Owner-Occupied Units, Neligh, 2012

Value	ACS	ESRI
< \$50,000	174 (± 36)	109
\$50,000 to \$99,999	229 (± 43)	187
\$100,000 to \$149,999	80 (± 22)	106
\$150,000 to \$199,999	17 (± 10)	50
\$200,000 to \$299,999	6 (± 7)	39
\$300,000 to \$499,999	8 (± 8)	6
\$500,000 to \$999,999	0 (± 10)	3
\geq \$1,000,000	0 (± 10)	0
Total	514 (± 48)	500
Median Value	\$67,400 ($\pm 5,606$)	\$87,701
Antelope County Median Value	\$69,800 ($\pm 5,070$)	\$131,139
Nebraska Median Value	\$126,700 (± 681)	\$127,600

Source: ACS 2008-2012 Estimates, ESRI 2013 Estimates, USA.com

Table 1.11 shows a housing affordability analysis based strictly on the numbers. This table shows the comparison of the household income range and the value of housing units that are currently present in Neligh. The rule-of-thumb when purchasing a home is to multiply the household income by two; homes in that price range are typically what can be afforded by the buyers. Using this idea, the table shows where there are gaps and where there is a surplus of housing units present in Neligh based on value. The following is a breakdown of the process:

- Column 1 - Household income range for residents in Neligh
- Column 2 - ACS household income data from **Table 1.4** (modified to relate to owner-occupied units only, 70% of all housing units are owner-occupied)
- Column 3 - Column 1 multiplied by 2 (i.e. \$25,000 x 2 = \$50,000)
- Column 4 - ESRI data from **Table 1.10** that shows the number of owner-occupied units in Neligh, based on value
- Column 5 - Column 2 subtracted from Column 4 (i.e. 174 - 153 = 21)

Based on this housing affordability analysis for owner-occupied units, Neligh has a surplus of housing valued below \$100,000 and a gap for homes valued over \$100,000. This analysis is based solely on numbers for owner-occupied units in Neligh; therefore, it does not take into account people that live above or below their means, units available for rent, or the market-rate price of homes. Because of the way housing values are reported, the \$25,000-\$34,999 and \$35,000-\$49,999 housing income ranges had to be consolidated in order to correctly correspond with the number of houses present at that specific value range.

Table 1.11 Housing Affordability Analysis, Owner-Occupied Units, Neligh, 2013 Estimates				
Household Income Range	# of Households (Units Needed)	Affordable Range for Housing Units	# of Existing Owner Units	Gap/Surplus of Housing Units
less than \$25,000	153	<\$50,000	174	21
\$25,000-\$34,999	53	\$50,000-\$70,000	229	101
\$35,000-\$49,999	75	\$70,000-\$100,000		
\$50,000-\$74,999	107	\$100,000-\$150,000	80	-27
\$75,000-\$99,999	61	\$150,000-\$200,000	17	-44
\$100,000-\$149,999	24	\$200,000-\$300,000	6	-18
\$150,000-\$199,999	8	\$300,000 or greater	8	-2
\$200,000 or greater	2			

Source: ESRI 2013 Estimates, M&A

Community leaders can use this formula in the future to determine where there are shortfalls in Neligh's housing supply. Quality and availability of decent housing is a decisive point for individuals and families when they are considering moving to a community. During the Employer and Employee Housing Surveys conducted in the summer of 2014, employers stated that housing availability has definitely been an issue/concern for potential employees. Each employer stated that they would like to add additional employees or had recently increased employment. Over 93 percent of survey respondents from the Employee Housing Survey believe that it is important and very important to have suitable housing in order to be able to attract a quality workforce. A majority of those same survey respondents stated that there is a lack of available suitable housing and that the cost of suitable housing is an issue for renters and owners.

Neligh should take steps to improve their current housing situation; the development of McCoys Subdivision and Country Side Acres are important to the improvement of the community's housing market. With a homeowner vacancy rate of 1.4 percent, a supply of affordable housing needs to be created and that will only happen with the construction of new housing units. A shortage of up-to-date, sizable rentals continues to exist in Neligh, along with a low supply of market rate, move-in ready homes available for sale. In order to maintain as well as grow and diversify the population base, Neligh's officials must investigate feasible options for housing development in the community. It may be important for Neligh's leaders to consider what other communities are successfully implementing to help with housing development as well as programs that have been created to help raze uninhabitable homes. Information from local professionals cannot be found through the Census or any other source online. Decision-makers need to continually engage in conversations with local professionals in order to determine what people are looking for when they are interested in moving to Neligh.

Housing Market Needs & Opportunities

The purpose of this section is to use information gathered in previous sections to determine future housing needs and opportunities for Neligh. Since the goal of the City of Neligh is to increase the population of the community by one-half percent each year, it is important to prepare for growth while being realistic about housing needs. The first step is determine the number of units that will be in demand to satisfy the needs of existing individuals in the community and what type of housing will be needed to attract new residents. The second step is to determine what types of units would be most suitable for all residents in the community.

Both **Table 1.12** and **Table 1.13** show the market supply/demand analysis completed for Neligh. In the population section of this study, population projections were completed. Neligh experienced a three percent decrease in population from 2000 to 2010, equating to a 0.3 percent annual rate, which is a typical scenario for most small rural communities. During a public input session for the planning project, City stakeholders determined it was their goal to increase the population by one-half percent each year which is a feasible goal for the City. In order to show both scenarios, the market supply/demand analysis has been completed for both population projection scenarios.

In 2010, the average household size was 2.17 individuals. By dividing the estimated 2025 population, for both growth rate scenarios, (minus the projected number of persons living in group quarters) by the average household size, it brings the projected number of households to 675 and 762, respectively, for the -0.31 percent and 0.50 percent growth rate scenarios. The desired vacancy rate of five percent must then be added to the total number of households needed. The 2010 known supply of housing units in Neligh of 781 must be subtracted from the total number of households needed in order to determine the additional housing units required to meet the needs of the projected population.

Table 1.12 - Market Supply/Demand Analysis, -0.31% Annual Growth Rate, Neligh

Projected 2025 Population (-0.31%)	1,526
Projected Group Quarters (persons)	61
Average Household Size	2.17
Total Number of Households Needed 2025	675
5% Vacancy Rate	
5% Vacancy Rate	34
Known Supply 2010	781
Estimated Total Demand	-72
Existing Substandard Units	
Existing Substandard Units	38
2025 - 1% "Fall Off Market" Rate (units)	70
Adjusted Supply	36
Source: 2010 Census, M&A	

Table 1.13 - Market Supply/Demand Analysis, 0.50% Annual Growth Rate, Neligh

Projected 2025 Population (0.50%)	1,723
Projected Group Quarters (persons)	69
Average Household Size	2.17
Total Number of Households Needed 2025	762
5% Vacancy Rate	
5% Vacancy Rate	38
Known Supply 2010	781
Estimated Total Demand	19
Existing Substandard Units	
Existing Substandard Units	38
2025 - 1% "Fall Off Market" Rate (units)	70
Adjusted Supply	127
Source: 2010 Census, M&A	

It is also important to consider the existing substandard units as well as the projected number of units needed based on the assumed rate of one percent of the total housing units falling off the market each year due to aging structures and conditions of the structures. One percent of the total housing units is approximately seven units every year for the next ten years. By the year 2025, that will be an additional 70 units that will need to be replaced in order to keep the same number of housing units. The need to replace 70 additional units seems to be a large number, but it is important to remember this is an estimated figure and it is a projected number to 2025. Also taking into consideration the number of housing structures that were built in 1939 or before, approximately 329 (±57). When taking these things into consideration, it is not unreasonable to consider the plausibility for the City to have over 70 homes fall off the market in the next ten years.

Based on this data analysis the City would need to build 36 new housing units by the year 2025 to fill the need for a -0.31 annual growth rate percentage. Even though this scenario represents a decrease in the total population, there is still a need to construct new housing units in the next ten years due to the need to replace aging and dilapidated structures. If the City were to grow at their target goal rate of one-half percent each year, 127 additional housing units would need to be built by 2025, which is approximately 12 housing units each year for the next ten years, in order to have enough replacement housing as well as to provide housing for the additional residents.

To err on the side of conservation and to ensure the City does not over-saturate the market, the -0.31 percent annual growth rate scenario will be used at this time to determine future housing needs for Neligh. However, it is strongly suggested that City leaders continue to regularly monitor population changes in order to best be prepared for any changes. Promoting a steady growth rate and encouraging extra development at certain increments (i.e. every third year based on demand analysis) is the suggested approach moving forward for the City of Neligh. Although the City can be prepared from a land accountability standpoint, such as having adequate lots available for residential development with other areas of land set aside for future potential residential development, it is not encouraged for the City to invest in the construction of ten new housing units each year or to fully invest in public infrastructure expansions to support that rate of growth until the City has begun to increase population at their desired target rate.

Homeownership vs. Rental Units

Like typical small, rural communities in Nebraska, over 70 percent of the occupied units in Neligh are owner-occupied and 29.8 percent of units are renter-occupied. This study will assume that 70 percent of all new housing units should be single-family homes for purchase and that 30 percent of all new housing construction should be for rental units.

Based on these assumptions, and using the -0.31 annual growth rate percentage, Neligh would need to construct 25 units for purchase and 11 rental units by the year 2025.

During our public input sessions, throughout the variety of surveys that were conducted, and all conversations that were had with local community stakeholders and housing professionals the same common theme was repeated. Both the Employer and Employee Housing Survey respondents said that more suitable, affordable rental properties and more housing for families were at the top of their housing initiative priority lists. Over 65 percent of respondents from the Community Needs Assessment Survey said that the availability of affordable rental housing in Neligh was poor. There is a need for housing, both for rent and purchase in Neligh. Residential development can look like many different things including single-family homes, duplexes, tri-plexes, four-plexes, apartment complexes, and townhomes. For owner-occupied housing development, single-family homes will best fit the need for Neligh's residents and potential residents. Regardless of the type, rental housing fills a large need in the community for transitional type housing. Transitional housing is ideal for young single and married persons, new employees and residents in Neligh, people constructing new homes, empty-nesters, and senior citizens not ready for assisted living or convalescent care homes. Because transitional housing is ideal for a variety of different age groups and life-styles and stages, rental housing should be developed in a variety of different types to provide options for all potential residents so there are multiple options based on life-style choices.



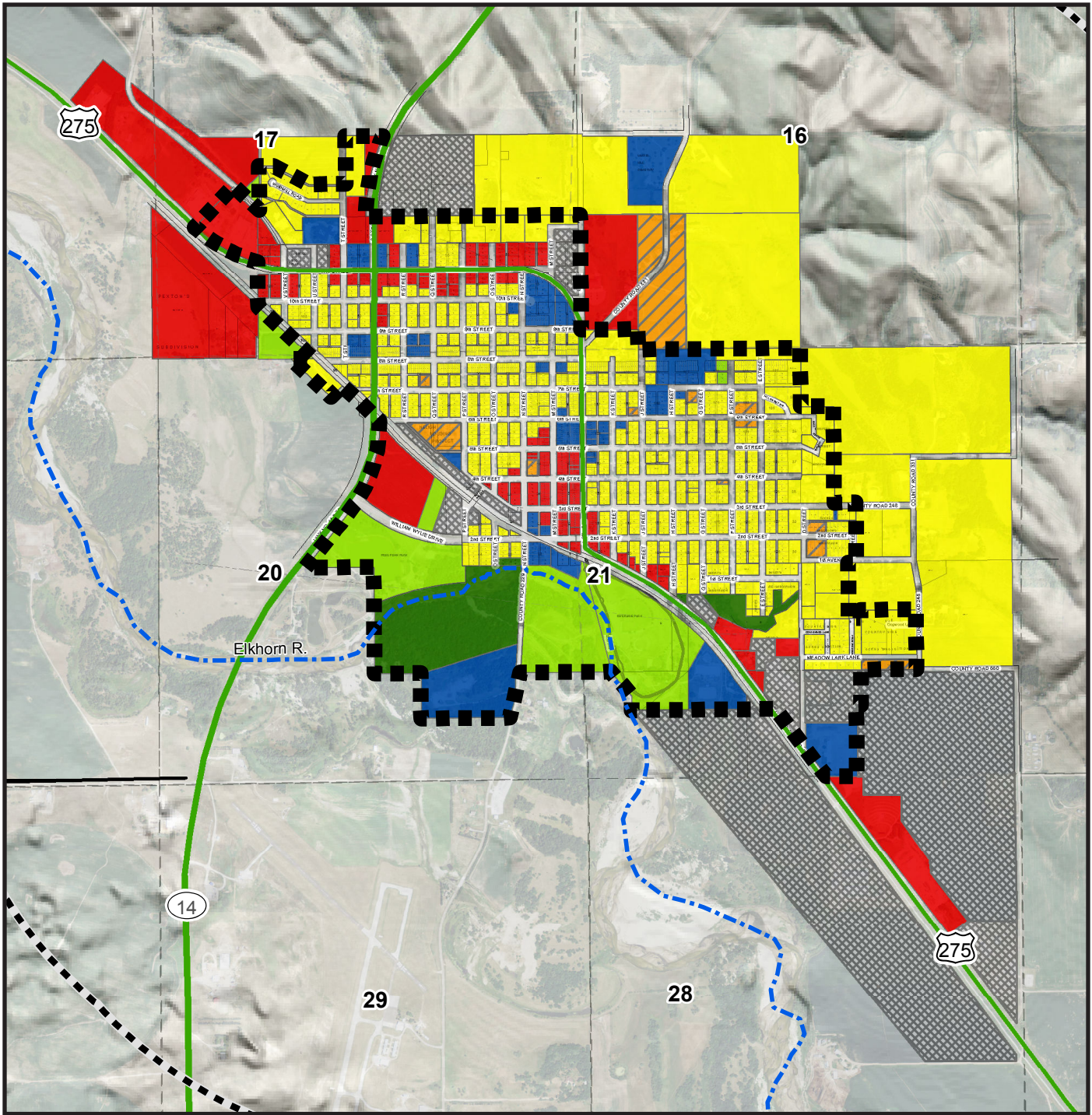


Residential Site Analysis



The City's Comprehensive Plan was completed at the same time as this Housing Market Study; therefore, areas for potential residential development were analyzed and depicted in the Future Land Use Plan Map in the City's Comprehensive Plan. The Housing Study for the City of Neligh determined that there is a need for additional housing units to be built in Neligh, with 36 additional units suggested by the year 2025.

Future housing development in Neligh should be carefully evaluated and planned to meet the needs of both current and potential residents. There are several areas shown for low-density and medium density residential development in the Future Land Use Map in the City's Comprehensive Plan. A copy of the map can be found on the following page. Based on residential development principles such as terrain, proximity to major thoroughfares with direct connection to employment for residents, choice in residential densities, and proximity to existing public infrastructure, services, and amenities the City's effective Future Land Use Plan Map shows several optimal areas for residential development. Single-family housing is shown in yellow on the Future Land Use Map. There are a few areas available for infill residential development; however, there are not enough lots available to provide enough housing development to fit the future need of the community. There are multiple lots available at McCoys Subdivision and Country Side Acres Subdivision. Those areas have public infrastructure available to the lots and residential development should be encouraged in those subdivisions before additional funds are used to extend services to other areas of development.










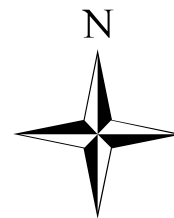


Legend

-  ETJ
-  Corporate Boundary

Future Land Use

-  Single-Family Residential
-  Multi-Family Residential
-  Commercial
-  Light Industrial
-  Public/Quasi-Public
-  Recreational
-  Agricultural/Greenspace



Future Land Use Map
Neligh, Nebraska

Prepared By:

MA
Miller & Associates
CONSULTING ENGINEERS, P.C.
Kearney, NE – (308) 234-6456

Since the development of Country Side Acres subdivision was announced in the spring of 2014, seven lots have already been purchased proving the need for additional housing also proving that the current market is not meeting all of the needs of homebuyers. This interest in residential development also proves that people are willing to invest in their future in Neligh as well as the future of the community itself. Housing development for purchase also needs to include homes for a variety of price ranges to attract a variety of homebuyers. There is a need for homes valued over \$100,000 and it would be nice to have move-in ready homes for first time homebuyers as well as homes for the experienced professionals who can afford a more expensive home for their families. Most importantly new homes should have at a minimum three-bedrooms and two-bathrooms with an attached garage. By today's standards, those specs seem to be a minimum requirement for homeowners. Single-family residential development should be encouraged in McCoys Subdivision and Country Side Acres Subdivision because of the proximity to existing infrastructure and ideal lots sizes in comparison platted lots in the center of town. If the City is not able to encourage residents to construct their own single-family homes, a stakeholder committee or investment group may need to be created in order to build spec homes for residents and potential residents.

A variety of rental units should be developed in order to provide options for residents looking for transitional housing. Townhomes, duplexes, and tri-plexes/four-plexes are more ideal for a variety of residents. Townhomes and duplexes would be attractive for elderly residents and young couples without children. Families will typically be looking for single-family, detached homes to rent to have more of a private space and bigger yard for their children. Therefore, it is important to development both types of rental units to appeal to the variety of residents looking to rent homes in the community. Multi-family residential development is shown in orange on the Future Land Use Map and is spread throughout the community. There are a few potential areas for infill development for duplexes in the community. These areas are near other multi-family housing units and the areas for potential infill development are located where there are multiple vacant lots adjacent to one another. Having multiple vacant lots next to one another is important for multi-family development because more space is needed so it may be necessary to combine those lots to allow for duplex, tri-plex, or even four-plex development. Other areas of multi-family development are shown as buffers between single-family development and a higher density use such as commercial or light industrial. Multi-family residences can act as a transitional zone for mixed-use development so appropriate transitional areas are shown in the Future Land Use Map.

Housing Objectives

As discussed earlier in this plan, there is a housing shortage in Neligh for both rental and owner-occupied units. In order to solve this issue a few things can be done. The obvious answer is to develop more housing, but in order for that goal to be accomplished private developers or local investors will need to be willing to participate otherwise residential development will only happen when a person/family constructs their own private residence. Typically in communities there are lots available to develop; however, those lots are not in a desirable location or large enough to construct the type of home a buyer is wanting. But with McCoys Subdivision and Country Side Acres Subdivision, Neligh has taken big steps to help correct the housing shortage dilemma.

Housing development and job growth/economic development fits the old adage of what comes first the chicken or the egg? Developing new housing will help to attract new residents to Neligh working as a chain reaction, with new homes available, families could move to town and enroll their children in Neligh-Oakdale Public Schools, keeping Neligh a viable community with a high quality of life for all residents. With more families in the community, it may also open more jobs. If more jobs are available in Neligh, it is most likely that employees will want to live in the community. Decent, attractive, and affordable homes as well as shovel ready lots need to be available in order to ensure that new employees will live in Neligh instead of a nearby community. Through the Employer/Employee Housing Survey it was evident that the housing market plays a key role in the economic forecast of businesses in Neligh and their ability to grow and expand. Employers that were surveyed believed the lack of suitable, available housing in Neligh affects their ability to hire new employees as well as maintain the employees they currently have. With a close correlation between the housing market and economic climate for businesses it is even more crucial that housing market improvements are taken seriously and made a top priority.

A housing option that residents discussed included transitional housing development. Residents see the need to expand transitional housing options in the community for potential new residents, residents who do not want to maintain the exterior of their property, residents who are not wanting a large home but are not ready for assisted or convalescent care living, or any other person(s) looking for a two-to-four bedroom housing unit with a garage and decent-sized living space available. Transitional housing could include duplexes, tri-plexes, townhomes, etc. The most important need with transitional housing, as discussed by residents of Neligh, is to offer exterior home maintenance and care services for residents of the units. Mid-level housing development in the \$120,000 to \$130,000 price range was also discussed as a need by residents during a public input session. Looking at the housing affordability analysis it was also indicated through the data analysis that there is a need for homes valued over \$100,000 fitting what residents said during the public input session. It would be challenging to construct a home for under \$180,000 therefore this mid-level housing will have to come from existing structures in the community. Many updates to homes would need to be made in order to modernize a home and increase the value to fit in that price range and attract a mature family with needs for move-in-ready home.

The City can be involved in housing improvements in a few different ways. Cleaning up lots and uninhabitable homes in Neligh is an on-going task; however, it will create more lots for new infill development as well as rid the neighborhood of eye sores that are also safety hazards. The City has continually been working on this concern of vacant dilapidated structures, but it does require time, funding, and approval. Improving the condition of the existing housing stock will also help attract new residents to the community because the condition of the homes available would be more appealing to buyers. Tax Increment Financing (TIF) can be used to carry out plans for the demolition of structures in a redevelopment area that the City determines to be unsafe or unfit for human occupancy. This is new to the Community Development Law with LB 729, and Neligh should look into this option to see how it could benefit the community.

Neligh can also access funds for demolition through Community Development Block Grants (CDBG). The one stipulation for this grant is that a new housing structure has to be constructed on the newly vacant lot, and it will only be available to those residents that are low-to-moderate income (LMI). This is a way to rid the community of an unsafe, unsightly dwelling and replace it with a new home; however, the new home may not be available to all citizens who are looking to purchase a home. Nebraska Department of Economic Development (NDED) through CDBG has offered owner-occupied housing rehabilitation funds which is a resource Neligh has utilized for several years and continues to utilize through CORE Development for housing improvements. The City could also work to create incentives for home-owners and people wishing to purchase homes such as down-payment assistance, first-time home-buyers credits, and a home-ownership rehabilitation program to encourage improvements to the housing market. Neligh's officials should look into each of these avenues to determine what resources may be feasible and beneficial for the community.

The public-private partnerships will be key as the City tries to accomplish this goal of housing market improvements. If private developers are not able to relieve all of the pressure on the housing market in Neligh, then local investors or a local committee may need to implement a plan for home development. Some communities have a group of residents that contribute money to begin the process. Funds contributed were used to build a spec home, also employing a local contractor. The home was then sold and the money was used to build another spec home, and the process continues for these communities. This has been a feasible model for home construction in small communities throughout Nebraska and it could be an avenue that Neligh looks into although it takes a motivated leader and group of people willing to invest money for the housing cause. Other communities have proven this to be successful, and has the ability and potential resources to do so as well. Neligh has been taking all of the right steps to ensure the housing market is capable of expanding to support an increasing population and stimulate growth.

In order to make housing market improvements the City should work to meet the following objectives:

Clean-up vacant out lots and uninhabitable properties;

All vacant, lots and vacant, uninhabitable homes are properties that could be utilized for infill residential development. The City should access different avenues available to them to assist with the clean-up of vacant lots and uninhabitable properties. There is not a large amount of lots available for infill development; therefore, efforts should be made to create more availability. Also, by cleaning up vacant lots and uninhabitable homes the City will be able to rid the community of unnecessary eye sores and safety and health hazards. Based on data presented previously in this study, approximately 38 homes need to be demolished because of the age and condition.

Work with local businesses to determine housing needs for employees;

By working with local employers, the City may be able to get a feel for real-time and projected housing needs for the community. Having these discussions with employers is beneficial for multiple reasons, it shows support for the local businesses and it opens the line of communication between the City and employers to help provide beneficial information to one or the other. Local businesses may also be able or willing to offer assistance with improving the housing market conditions in Neligh. Some businesses are able to provide down-payment assistance for their employees, some have purchased homes to rent to their employees, some businesses have even been able to help build spec housing to offer to new or existing employees. There are many ways that businesses may want to get involved to benefit the community and their company as well, but the conversations must be had between City leaders and employers to determine if they are willing or able to assist with housing market improvements.

Create Investment Group to develop spec homes;

Stakeholder citizens should be encouraged to create an Investment Group of some type in order to build spec housing in Neligh. Many times people are afraid to construct a new home on their own; however, if a group of residents was able to get the ball rolling it may prove to be beneficial for existing and potential residents as well as provide some relief for the housing market. Some housing professionals in Neligh were concerned that spec housing would not work in Neligh because of previous experiences that have not been as successful as desired. However, if the home can be marketed and sold prior to completing construction, it is more desirable for the contractor, investor, and homebuyer. The homebuyer is then able to personalize the home to fit their needs, the investor is able to get their return, and the contractor is able to work with the homebuyer to finalize the home based on their wants and needs. Therefore it is encouraged to market the home prior to and/or during construction so the home does not sit because of poor finishing touch decisions that do not fit what a buyer is looking for.

Encourage utilization of funding opportunities for renters, homeowners, and developers;

There are a few potential Federal and State funding agencies that can provide assistance to homeowners, renters, developers, and communities alike but the program that is solely focused on housing and is able to provide multiple benefits to each group is NIFA (Nebraska Investment Finance Authority). Some of opportunities for housing development include the following programs offered to developers to assist in the development of single-family residential projects: Prairie Gold Homes, NebHi-RED, CROWN, BINGO Bonds, Infrastructure Loan Guarantee, Predevelopment Revolving Loan Fund. There are also several funding opportunities for developers to construct rental units. The following is a list of programs offered by NIFA to developers for multi-family residential development, Low-Income Housing Tax Credits (LIHTC), Multifamily Tax-Exempt Bonds, CROWN, CRANE, Infrastructure Loan Guarantee, and Predevelopment Revolving Loan Fund. The LIHTC program has been very successful in many communities across Nebraska. There is a grant for first-time homebuyers that many residents in Nebraska have been able to utilize. This allows first-time homebuyers who qualify to apply for a down-payment assistance grant to help purchase their first homes. NIFA also offers technical assistance to communities to reach their housing development goals. There are many different types of technical assistance offered throughout Nebraska such as the Housing Study Grant Program that funded the development of this Housing Study for the City of Neligh. These programs are wonderful tools for the City to utilize as funding opportunities to provide developers and residents with assistance. NIFA understands the importance of the housing market to the local community which is why they have developed so many programs to assist in improving local conditions. The City should be aware of these programs and help point potential developers and residents in the right direction when they are in need of assistance.

Promote infill development;

Infill development, by its nature, is less expensive because there is no need to extend public utility services. Infill development utilizes existing public infrastructure, filling in vacant properties with residences. By promoting infill development, the City can save funds by avoiding sprawl and the need to extend public infrastructure to new developments on the out-skirts of the community. There are a few potential infill areas that would be ideal locations for multi-family development. These areas should be considered for duplex-fourplex development because there are multiple vacant lots adjacent to one another providing enough land for a multi-family development. There is a large need for rental housing and constructing these units on infill lots will help to keep development costs down. There are two subdivisions in the City's current corporate limits that are not full at this time. These lots are considered infill lots because they have public infrastructure adjacent to them. Neligh should continually market and promote both subdivisions in order to create more lots for residential development.

Create City-funded home-owner rehabilitation revolving loan fund;

The City could create their own loan program for owner-occupied housing rehabilitation setting guidelines and regulations based on the needs of the City. This option may be attractive to the City and its residents because the City could help middle-income residents while also boosting the existing housing conditions in the community. If the City creates their own revolving loan fund, they have the ability to set their own guidelines, income-restrictions, interest rates, pay-back regulations, etc. The City could create their own program to fit the needs of their community. It is also important for the City to promote the existing Owner-Occupied Housing Rehabilitation program in order to take advantage of the grant funds.

Encourage property upkeep; and,

The City should work to incentivize as well as continually follow-through with nuisance abatement throughout the community to encourage residents to maintain their properties. A clean community is attractive to visitors, potential residents, and potential new businesses. A “Yard of the Month” program or some type of incentive could be created to encourage residents to maintain their properties and take pride in the way the community looks.

Locates areas for future residential development.

The City should use the Future Land Use Plan Map in the Comprehensive Plan to establish target areas for all types of residential development including large lots, single-family homes, transitional housing, and other types of medium-density rental housing in order to fill all of the needs within the community. Although the City may not need to develop additional residential subdivisions at this time, it is important to target areas that are attractive for residential development in order to plan for growth and development in Neligh.