A Housing Assessment and Strategy Plan for Schuyler

Prepared for the
City of Schuyler, Nebraska
by
RDG Planning & Design
September, 2006

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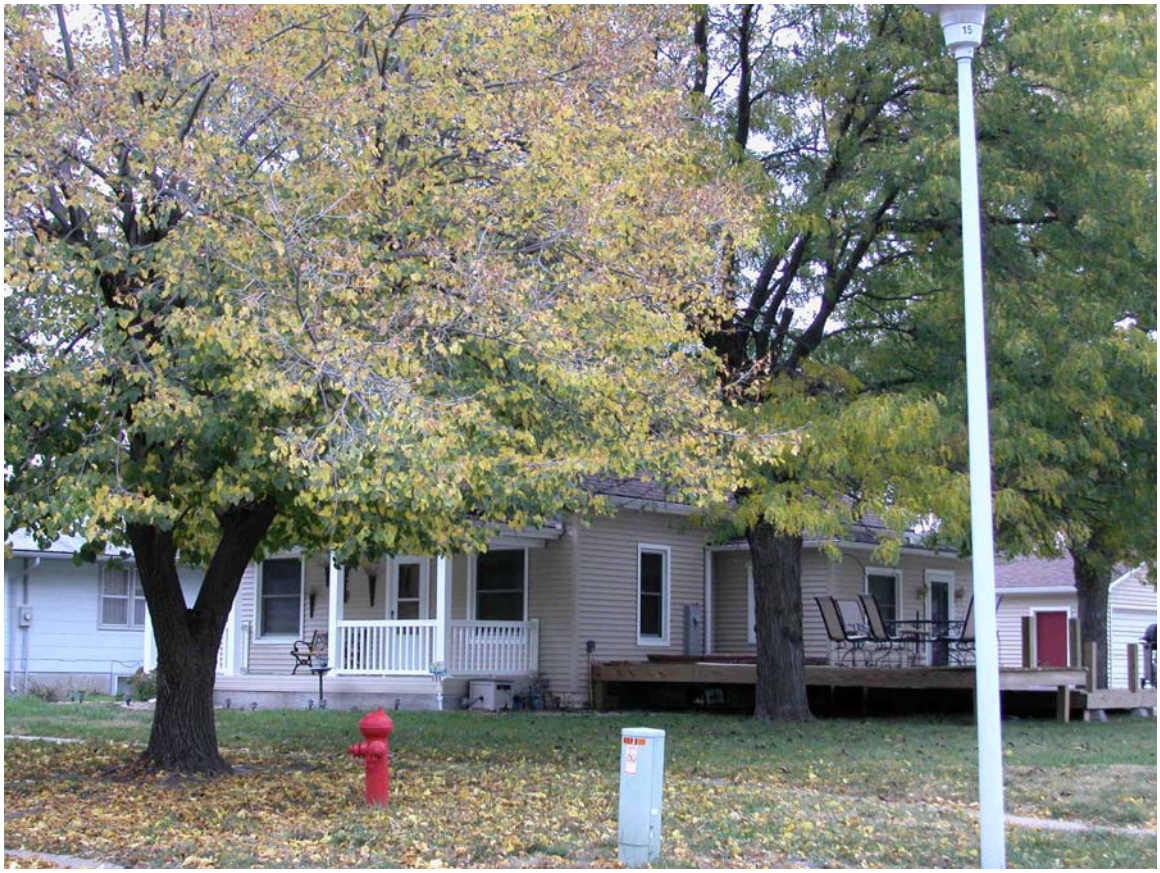
This study was funded by the Nebraska Investment Finance Authority, the City of Schuyler and the Schuyler Development Company.

Chapter One

A Profile of Schuyler



A SOCIO-ECONOMIC PROFILE OF THE COMMUNITY

This chapter examines demographic trends and issues that have a major impact on housing demand in the Schuyler area. Measures such as historical and projected population growth, migration to and from the area, household growth, and age distribution will help explain pressures on the housing market. This information is used in Chapter 2 to identify future housing demands and appropriate pricing.

Regional job growth in the late 1990s makes it challenging to define Schuyler's housing market. This growth brought many new residents to Schuyler in a short time, often overburdening a housing market that could not respond with increased construction.

Indeed, before 1995, Schuyler had experienced a pattern of stagnate population growth and demand, reducing the markets ability to produce new speculative housing.

Major findings include:

- **Schuyler's population increased by 32.6% during the 1990s after declining by 2.4% during the 1980s. Expansion in the job market would indicate that most of this growth occurred after 1995, however, 1990 and 2000 Census data is used to evaluate population change.**

- **New migration was most pronounced in Schuyler among young adult households with young children. The majority of the city's newest residents were males, working in the local industry.**

- **According to the 2000 Census, the city's population increased by 33% during the 1990s while the number of households increased by only 7%. This disparity increased the city's average household size from 2.42 to 3.03 people per household. These numbers reflect large family sizes but also help explain one of the city's challenging issues – the doubling-up of multiple families (households) into single units.**

- **The core of the city's growth occurred among Hispanic residents. The city's Hispanic population increased nearly 14 times during the 1990s, while the city's non-Hispanic population decreased by 24%. If the city's job market had not expanded and attracted new workers to the community, the city would have continued to experience a declining population with an estimated decrease of 2.9%.**

- **The city's new population is young, substantially increasing the number of people between the ages of 15 and 39. Growth in this age group also produced a significant increase among children under age nine.**

- **Although Schuyler experienced tremendous population growth it is likely that the 2000 Census actually undercounted the city's true population. The U.S. Census Bureau estimates that nationally the undercount of Hispanics is roughly 1.25%.**

- **The only cohort that showed a smaller than expected total population during the 1990s were seniors over the age of 85.**

- **If the city can meet shortfalls in the housing market it should continue to experience steady population growth resulting in a 2020 population of 6,554.**

POPULATION CHARACTERISTICS AND CHANGE

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

- *Schuyler has grown steadily the past 70 years except for a small decline during the 1980s. The city's strongest growth period occurred during the 1990s.*

Schuyler's population increased steadily during the post World War II era, from 2,883 to 4,151 in 1980. Like many other rural communities in Nebraska, Schuyler experienced a minor population decline during the 1980s and projections done for the 1994 Comprehensive Plan forecast a continuation of this pattern. However, the 1990s dramatically reversed this trend. During this period, strong job growth brought a wave of new growth to the city, pushing the city over the 5,000 mark. In fact, during the 1990s, the city's annual growth rate resembled that of a metropolitan area suburb.

TABLE 1:
Historical Population Change, Schuyler

Year	Population	Decennial Change	Decennial % Change	Average Annual Rate of Change
1930	2,588			
1940	2,808	220	8.5%	0.82%
1950	2,883	75	2.7%	0.26%
1960	3,096	213	7.4%	0.72%
1970	3,597	501	16.2%	1.51%
1980	4,151	554	15.4%	1.44%
1990	4,052	-99	-2.4%	-0.24%
2000	5,371	1319	32.6%	2.86%
2005 estimate	5,327	--44	-0.8%	-0.16%
Source: U.S. Bureau of the Census				

- *Much of the city's growth during the 1990s occurred among males.*

Comparing a community's expected population, based on natural population change with the actual outcome of the 2000 Census produces a deeper analysis of population trends. Table 2 summarizes the results of such an analysis for Schuyler. 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 2, the cohort-survival forecast methodology indicates that Schuyler should have lost about 116 people during the 1990s. Instead, the city experienced a population increase of 1,319, of which 857 or 65% were male. The majority of these males moved to Schuyler to work at Cargill and, as will be illustrated later, were often sharing living arrangements with other new residents.

TABLE 2:
Predicted and Actual Population Change

	1990	2000	Change	%
Predicted Population (based on survival and birth rates)	4,052	3,936	-116	-2.9%
Actual Population	4,052	5,371	1319	32.6%
Predicted Female Population	2,109	2,016	-93	-4.4%
Actual Female Population	2,109	2,571	462	21.9%
Predicted Male Population	1,943	1,920	-23	-1.2%
Actual Male Population	1,943	2,800	857	44.1%

Source: U.S. Census Bureau

- *The city experienced in-migration among all cohorts except for those over the age of 85.*

Table 3 compares the actual and projected populations of specific age groups during the 1990s. This cohort analysis indicates both the largest growth and variance among those in their child-bearing years (20 to 39 year olds). Hispanics, a group with traditionally higher birthrates, accounted for many of these new young adults. As a result, the number of children under age 9 was more than double the predicted level.

While the total number of residents over the age of 60 declined during the 1990s, the 2000 population still exceeded projections. Natural population change forecasted on 2000 population of 863 over age 60, less than the actual population of 906. The apparent out-migration among residents over the age of 85 could be an indication of a lack of services or housing choices for the city's oldest residents.

TABLE 3:
Predicted and Actual Age Cohort Change, Schuyler

Age Group	1990 Actual	2000 Predicted	2000 Actual	Difference (Actual –Predicted)	% Variance (Actual/Predicted) 1990-2000
Under 5	291	206	464	258	125.6%
5-9	330	217	484	267	123.3%
10-14	328	290	365	75	25.7%
15-19	255	329	454	125	38.0%
20-24	211	326	402	76	23.3%
25-29	290	253	438	185	73.3%
30-34	312	209	381	172	82.3%
35-39	280	287	406	119	41.4%
40-44	225	308	315	7	2.2%
45-49	163	275	335	60	21.8%
50-54	131	218	235	17	7.6%
55-59	167	155	186	31	19.9%
60-64	165	121	131	10	8.1%
65-69	179	147	176	29	19.6%
70-74	198	136	159	23	17.3%
75-80	190	133	157	24	18.5%
80-84	179	126	142	16	12.7%
Over 85	158	200	141	-59	-29.6%
Total	4,052	3,936	5,371	1,435	36.5%

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

- *During the 1990s Schuyler experienced a fourteen fold increase in the number of residents of Hispanic origins.*

During the late 1990s, employment opportunities in the region brought many new, largely Hispanic, residents to Schuyler and the region. In contrast, the number of non-Hispanic residents declined by 24% reshaping the community's ethnic make-up. Even with this increase the Hispanic population is likely undercounted. Nationally, the U.S. Census has estimated a 1.25% net undercount of Hispanics. National statistics are of little use in estimating the actual population of a rural community like Schuyler. However, in a large employment center like Schuyler, many people probably did not respond to the Census because of a lack of familiarity with English, lack of knowledge of the Census or (in the case of undocumented immigrants) a fear of discovery.

Job growth is what allowed many of the city's newest resident to relocate to Schuyler but they also moved because they viewed the community as a safe place to live and raise

a family. The youth of the city's Hispanic residents will also generate a housing demand as their families mature, provided that they remain in the city.

TABLE 4:
Population Change: Place of Birth and Hispanic Origin

	1990	2000	2006 Estimated	Change 1990-2000	% Change 1990-2000	2000 Median Age
Total Population	4,052	5,371	5,645	1,319	33%	
Foreign Born	175	1,698		1,523	870%	
Hispanic Origin	164	2,423	3,143	2,259	1377%	22.9
Non-Hispanic	3,888	2,948	2,502	-940	-24%	45.5
State of Nebraska						
Total Population	1,578,385	1,711,263		132,878	8%	
Foreign Born	28,198	74,638		46,440	165%	
Hispanic Origin	36,969	94,425		57,456	155%	
Non-Hispanic	1,541,416	1,616,838		75,422	5%	

Source: U.S. Bureau of the Census, 1990 & 2000; Claritas, Inc, 2006

HOUSEHOLD GROWTH AND CHARACTERISTICS

- *The number of households increased at a much slower rate than overall population.*

Households, rather than population, actually determine housing unit demand. Table 4 presents characteristics of Schuyler's households. The city gained 118 households during the 1990s, a 7.2% increase. In contrast, Schuyler's household population increased by 34.2% during the same period. Two factors explain this wide disparity:

1. New immigrants have larger families
2. A large number of Schuyler's new residents shared housing units, creating larger consolidated households.

These factors are further supported by the large increase in the number of residents per household, especially for households in rental units (Table 6). Schuyler has a larger number of residents per household compared to the state and nation. The average household size for rental units is also significantly higher in Schuyler than in the State as a whole. While most rental units have smaller households, the average number of persons in a rental unit in Schuyler is larger than in an owner-occupied unit. Several factors may contribute to this situation:

- A lack of builders and subdivision developers providing improved urban lots and housing on a consistent basis and at a variety of price levels.
- The relatively low value of owner-occupied housing in the Schuyler market. This discourages production of higher-cost housing, even if a market exists for it.

- The cultural phenomenon among many immigrant groups of extended families living together. This pattern often continues to occur beyond first generation immigrants.
- Failure of some landlords to enforce occupancy standards that do not overload a housing unit's systems.
- Lack of awareness of housing codes by first time homebuyers.

As a result, some higher-earning households live in lower-valued houses that might be affordable to moderate income families. Policy options for addressing this problem include:

- Direct production of moderately-priced housing to provide new housing stock for underserved populations.
- Encouraging high-value developments that provide realistic "move-up" options to some higher-earning households.
- Creating alternative housing settings for older adults that again can free-up some of the supply of sound affordable housing.

TABLE 5:
Household Growth and Size, Schuyler

	1990	2000	# Change	%Change
Population in Households	3,943	5,292	1,349	34.2%
Number of Households	1,630	1,748	118	7.2%
Persons Per Household	2.42	3.03	0.61	0.25%

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

TABLE 6:
Average Household Size

	Schuyler	Nebraska	National
All Households	3.03	2.49	2.59
Owner Occupied Households	2.96	2.63	2.69
Renter Occupied households	3.20	2.20	2.40

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

POPULATION PROJECTIONS

- *Continued stable growth will increase Schuyler's population to 6,236 by 2015and 6,554 by 2020.*

Projections of population through the year 2020 help predict housing needs for the future. In Chapter 2 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 2000 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.

- Adjusting the "base" population figure based upon historical migration and historical annual growth trends. In the last twenty years Schuyler has experienced a population decrease in the 1980s and a significant increase in the 1990s. Population patterns of the last 40 years may provide a better understanding of the city's growth history.

Table 7 displays alternative population projections based upon natural population change (a zero migration rate) as well as annual growth rates of 1.0, 1.25, 1.5 and 2.8 percent. If the city experienced no net migration it would still grow. This is due to the relative youth of its population and the use of a higher birth rate than typical of a rural community. These assumptions suggest a population of 5,932 by 2020. During the 1990s, the city experienced a 2.8% annual growth rate, larger than the 1.25% of the 1960s and 1970s. The 2004 Schuyler Comprehensive Plan used a more conservative population estimate of 1.25%. Since the completion of the Comprehensive Plan the U.S. Census Bureau has released an estimated 2005 population of 5,327, about the same as the 2000 count.

Population counts and estimates are especially difficult to develop in communities with immigrant populations, where uncertain counts, unknown family composition, higher birth rates, and lack of reporting can cause estimates to be inaccurate. Schuyler's growth is probably maturing and net migration as a result is likely slowed. A stable, young labor force, family growth, and job production continue to provide population increases. When estimating future housing construction, a more conservative growth pattern will create goals for the community that can be more easily attained. For purposes of determining future housing needs, a projected 2015 population of 6,236 and a 2020 population of 6,554 will be utilized. If Schuyler implements policies identified in this

document and in the Comprehensive Plan it should continue to experience strong growth.

TABLE 7:
Population Projections, Schuyler

	2000	2005	2010	2015	2020	2025	Change, 2000-2020	Average Annual Change
Natural Population Change	5,371	5,443	5,558	5,722	5,932	6,145	561	28
1.0% annual growth	5,371	5,645	5,933	6,236	6,554	6,888	1,517	61
1.25% annual growth	5,371	5,715	6,081	6,471	6,886	7,327	1,956	78
1.5% annual growth	5,371	5,786	6,233	6,715	7,234	7,793	2,422	97
2.8% annual growth	5,371	6,184	7,119	8,197	9,437	10,865	5,494	220

Source: RDG Planning & Design

ECONOMIC ISSUES

- *Economic growth in the region resulted in a greater change in median household income than in comparable communities.*

Table 8 compares median household income figures for Schuyler and surrounding communities. Schuyler's median household income was $37,170 in 1999, and is similar to those of other regional communities. In addition, Schuyler's median income figure increased during the 1990s at a faster rate than comparable cities.

TABLE 8:
Median Household Income, Schuyler and Comparable or Regional Communities, 1989-1999

	2000 Population	1989	1999	2005	% Change 1989-1999
Schuyler	5,371	$22,002	$37,170	$45,292	68.9%
Colfax County	10,441	$22,140	$35,849		61.9%
Lexington	10,014	$22,988	$38,098		65.7%
Madison	2,369	$22,969	$35,758		55.7%
Denison, IA	7,349	$21,549	$33,187		54.0%
Columbus	20,990	$26,279	$38,874		47.9%
Nebraska	1,711,263	$26,016	$39,250		50.9%

Source: U.S. Bureau of the Census; Claritas, Inc, 2006

- *Schuyler's household income distribution largely mirrors that of Nebraska at-large. Just under one-third of the city's households earn less than $25,000 annually.*

Table 9 shows the distribution of households by income category for Schuyler and Nebraska. Overall, the city's income distribution is generally similar to that of the state. However, Schuyler has a lower percentage of very high-income households, suggesting a larger percentage of workers in industrial and service employment. About 30% of Schuyler's households earn less than $25,000 annually and about 14% earn less than $15,000 annually. Claritas, a national demographic firm, estimates that the city's 2006 median household income at $45,292 suggesting that Schuyler continues to experience strong growth. In the future, the median household income will grow at a slower rate than other adjacent communities if higher wage earners are unable to secure desirable housing in Schuyler.

TABLE 9:
Household Income Distribution, 1999

	Schuyler		Nebraska
Income Category	Number of Households	% of all Households	% of all Households
Under $10,000	111	6.5%	8.3%
$10,000-14,999	118	7.0%	6.6%
$15,000-24,999	286	16.9%	14.8%
$25,000-34,999	271	16.0%	14.7%
$35,000-49,999	374	22.0%	18.4%
$50,000-74,999	302	17.8%	20.4%
Over $75,000	235	13.8%	16.8%
Total Earning Less than $15,000 (42% of Median)	229	13.5%	14.9%
Total Earning Less than $25,000 (69% of Median)	515	30.3%	29.7%
Source: U.S. Bureau of the Census; RDG Planning & Design			

EMPLOYMENT

- *Colfax County has an extremely low unemployment rate of 2.8%.*

Table 10 displays labor statistics in Colfax, Platte and Butler Counties for 1990, 2000 and 2006. Regional economic growth has lead to a growing labor force and thus population growth in the three county area. Colfax County's labor force has grown by nearly 40% since 1990. This reflects increases in industrial jobs in Schuyler and the region. 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, the housing supply must be expanded. 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. Entry level housing is typically produced in two ways:

- Direct production, using various techniques to produce new or rehabilitated housing affordable to the city's workforce.
- Developing higher-cost or alternative housing that frees up the existing housing stock for more moderate income households.

For Schuyler these two approaches have not been occurring at a rate necessary to meet demand.

TABLE 10:
Employment Trends, 1990-2006 (annual average)

	1990	2000	2006*	% Change
Colfax County				
Labor Force	4,340	5,723	6,047	39.3%
Employed	4,279	5,606	5,883	37.5%
Unemployment Rate	1.4%	2.0%	2.7%	
Platte County				
Labor Force	15,483	17,601	17,285	11.6%
Employed	15,205	17,123	16,722	10.0%
Unemployment Rate	1.8%	2.7%	3.3%	
Butler County				
Labor Force	4,008	4,733	4,755	18.6%
Employed	3,923	4,607	4,605	17.4%
Unemployment Rate	2.1%	2.7%	3.2%	

* January to June

Source: Nebraska Department of Labor, Workforce Development, 2006

Chapter Two

Housing Trends and Demands

HOUSING TRENDS AND DEMANDS

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

Major Findings include:

- **The number of owner-occupied units in Schuyler grew at a slower rate than rental units, while the vacancy rate among rental units remained extremely low.**

- **The construction rate for single-family units over the past 15 years has not responded to the city's population growth. The lack of new units and increasing rental rates are two reasons many new residents chose to share housing units.**

- **Despite a shortage of new housing, the median value of an owner-occupied unit remained below that of other regional cities.**

- **The city will need to construct 597 units over the next 15 years or approximately 40 units annually to address both the shortfall in housing construction and future demand.**

- **A shortage of housing in the upper ranges has made it difficult for Schuyler to attract residents who are above the average median income, indicating a lack of opportunities for higher-income households to move to higher value housing.**

- **Schuyler's future senior housing market should focus on low-maintenance units that fit the lifestyle of more active seniors.**

OVERALL HOUSING CHARACTERISTICS

- *Schuyler experienced a modest increase in the number of housing units during the 1990s and a nearly unchanged vacancy rate.*

Table 11 displays occupancy changes in Schuyler's housing stock. Between 1990 and 2000, the city gained 127 dwelling units, 71 of which were renter-occupied units. The overall vacancy rate remained constant and the increase of nine vacant units suggests that fewer habitable units were vacant.

- *Schuyler's rate of owner-occupancy decreased during the 1990s.*

Many of the city's newest residents were young adults and families entering the local market seeking rental units. The percentage of renter-occupied units in the city grew from 27% in 1990 to 29% in 2000. The city developed 62 new multi-family units during this period.

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

	1970	1980	1990	2000	Change 1990-2000	% Change
Total Units	1,405	1,748	1,729	1,856	127	7.3%
Total Occupied Units	,330	1,643	1,630	1,748	118	7.2%
Owner-Occupied Units	1,012	1,239	1,192	1,239	47	3.9%
(% of Occupied Units)	76.1%	75.4%	73.1%	70.9%		
Renter-Occupied Units	318	404	438	509	71	16.2%
(% of Occupied Units)	23.9%	24.6%	26.9%	29.1%		
Vacant	75	105	99	108	9	9.1%
Vacancy Rate	5.3%	6.0%	5.7%	5.8%		

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

- *Schuyler's vacancy rate remained constant during the 1990s for both units for sale and units for rent.*

Table 12 presents vacant units by occupancy type for 1990 and 2000, as well as the changes in for-sale and rental vacancy rates. Based on Table 11 the number of occupied rental units increased by 16% while the number of vacant units that were for rent doubled (Table 12). This suggests conversion of some buildings to rental occupancy to capture a growing market demand. The number of "other vacant" units—those going out of service and those that were uninhabitable or unmarketable for various reasons - remained the same between 1990 and 2000. Based on these numbers, Schuyler's overall housing vacancy rate would seem to suggest a healthy market that increases housing values and contract rents. The city's estimated population growth and construction activity over the past six years would indicate little change in the city's overall vacancy rate.

TABLE 12:
Analysis of Vacancy, Schuyler

	1990	2000	Change	%Change
Vacant Units	99	108	9	9.1%
For Sale	25	20	-5	-20.0
For Rent	20	41	21	105.0%
Occasional Use	1	6	5	500%
Other Vacant	24	25	1	4.2%
For-sale Vacancy Rate	1.4%	1.1%		
Rental Vacancy Rate	1.1%	2.2%		

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

- *Single-family residential construction has remained fairly constant over the past 15 years and has not increased with population increases.*

Since 1990 the city has averaged 11 new units annually. Peaks in the number of building permits issued occurred because of periodic construction of larger multi-family projects. Within city limits, the city averaged only five new single-family units annually between 1990 and 2005, with production reaching a peak of 10 units in 1998. This construction output does not reflect the significant increase in population that occurred during the late 1990s, with the exception of the multi-family developments in 1997 when an additional 24 multi-family units were constructed.

TABLE 13:
Permit Activity and Average Value

	Single-Family Permits (in-side city limits)	Single-Family Permits (out-side city limits)	Multi-Family Permits (# Units)	Total Units
2005	7*		0	7
2004	4*		0	4
2003	1	3	2	6
2002	2	4	0	6
2001	4	3	0	7
2000	2	2	0	4
1999	7	2	0	9
1998	10	2	0	12
1997	7	1	24	32
1996	4	2	0	6
1995	4	3	0	7
1994	6	1	0	7
1993	3	1	24	28
1992	6*		14	20
1991	7*		0	7
1990	5*		0	5
Total	79	24	64	167

**Include in-side and out-side city limits*
Source: City of Schuyler

- *Construction activity based on population increases since 1990 falls short of the total number of units needed to support the city's residents.*

A way to understand the current housing market involves analyzing the number of units that would have been built since 1990 if households had not shared housing. Table 14 provides a demand analysis for the last 15 years using such a method. This analysis assumes that:

- Without doubling, the number of people per household in rental settings would reasonably be the mean of the statewide average of 2.2 and Schuyler's reported number of 3.2 or 2.7.
- Doubling is less common, but still possible, in owner-occupied houses. For the purpose of this analysis, we assume that the people per household in owner-occupied housing controlled for doubling is the upper quartile between the state average and Schuyler's average. This results in 2.88 occupants.
- The city's mix of occupied housing units is roughly 70% owner-occupied and 30% renter occupied. Therefore, the weighted average of people per household is calculated as 0.3(2.70)+0.7(2.91) or 2.83.

Based on these assumptions the city should have constructed 267 units between 1990 and 2000. During this period the city actually saw the construction of 121 new units within city limits (Table 13 page 15), generating an estimated short-fall of roughly 146 units. If it is assumed that the shortage in construction continued between 2000 and 2005 and that the people per household remained at 2.83 then the city should have constructed another 107 units. Between 2000 and 2005 the actual number of new units was 22, a shortfall of another 85 units. Therefore, the total shortfall between 1990 and 2005 would be estimated at 231 units. This could well be a conservative estimate, because Census counts probably undercount the city's true population. It is likely that many uncounted residents were sharing housing with other new residents.

TABLE 14:
Estimated Housing Development Demand, 1990-2005

	1990	2000	2005	Total	Actual Construction 1990-2005	Difference
Population at the End of Period	4,052	5,371	5,443			
Household Population at End of Period	3,943	5,292	5,562			
Average People/Household	2.42	2.83	2.83			
Household demand at End of Period	1,629	1,870	1,965			
Projected Vacancy Rate	5.7%	5.8%	5.8%			
Unit Needs at End of Period	1,728	1,985	2,086			
Replacement Need		10	5	15		
Cumulative Need		267	107	374	143	231

Source: RDG Planning & Design

The sharing of a housing unit creates some broader concerns, including:

- The increased wear on the unit and thus accelerated deterioration of the unit.
- Health and safety issues, specifically related to fire issues.
- Loss of property tax dollars.
- The effect on parking and traffic for a neighborhood.

- *Rent levels in Schuyler were influenced more by the changing economy and population growth of the community than housing values.*

Table 15 shows changes in housing price and rent in Schuyler and comparable communities. In response to increased demand for rental housing from new workers, the city's median rent increased by 130% during the 1990s. In 1990 the city had the lowest rent level of the comparable communities but by 2000 only Fremont had a higher median rental rate. The increase in rent levels was likely a result of market demand but could have also resulted in more shared units.

- *Despite a shortfall in new construction the city's median home value remained below that of other regional cities.*

Schuyler's median home value increased by nearly 69% during the 1990s a lower percentage increase than Fremont and David City but higher than Columbus and Norfolk. Overall the market value of a home remained below that of any of the comparable communities.

TABLE 15:
Median Value of Owner-Occupied Housing, 1980-2000, Schuyler and Surrounding Communities

	1980	1990	2000	% Change 1990-2000
Schuyler	31,100	37,600	63,500	68.9%
Columbus	45,200	52,800	80,300	52.1%
Fremont	34,900	44,200	87,100	97.1%
Norfolk	42,100	51,500	83,000	61.2%
David City	25,900	34,800	66,400	90.8%

Median Gross Rent, 1980-2000, Schuyler and Surrounding Communities

	1980	1990	2000	% Change 1990-2000
Schuyler	179	204	470	130.4%
Columbus	170	259	429	65.6%
Fremont	158	245	497	102.9%
Norfolk	177	256	438	71.1%
David City	120	208	375	80.3%

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

PROJECTED HOUSING NEEDS

Demand for new housing in Schuyler is generated by both unmet past demand and the demand created by new households as the population continues to grow. The previous section estimates the unmet demand accumulated since 1990, while this section projects future demand for new construction.

The housing demand projections were based on the given information of the 2000 Census and the following assumptions:

- The household size in Schuyler will remain constant at the estimated rate of 2.83. This suggests a level of development necessary to reduce dependence on shared housing to meet demand.
- The city's non-household population (people in student dormitories, institutions, group quarters, or nursing homes) does not produce a demand for conventional housing units, will make up the same proportion of the population in future as in 2000.
- Schuyler's 2000 vacancy rate of 5.8% will remain constant.
- The projection model assumes a replacement need of 2 units per year, reflecting demolition of substandard units and conversion of some residences to non-residential uses. This rate is comparable to other communities of similar size.

- *Based on population potentials, Schuyler will have a demand for about 366 additional housing units during the next fifteen years.*

The forecasts in Table 16 can be compared to current development activity and available land for future development to set priorities for the types and locations of proposed housing development. The Affordability Analysis presented in this section compares the household income of Schuyler residents with the price of housing, providing additional information on unmet housing needs.

The demand analysis in Table 16 shows a need for an additional 366 units in the city between 2005 and 2020, an average annual increase of 24 units. This does not take into consideration the short-fall in construction that has occurred over the last 15 years. Based on Table 14 Estimated Housing Demand, 1990-2005 (page 16) the city should construct an additional 231 units which would create a total demand for 597 units over the next 15 years at 40 units annually.

TABLE 16:
Projected Housing Development Demand

	1990-2005 Shortfall	2005 (Base)	2010	2015	2020	Total
Population at the End of Period		5645	5933	6236	6554	
Household Population at End of Period		5562	5864	6144	6458	
Average People/Household		2.83	2.83	2.83	2.83	
Household demand at End of Period		1965	2066	2171	2282	
Projected Vacancy Rate		5.8%	5.8%	5.8%	5.8%	
Unit Needs at End of Period		2086	2196	2305	2399	
Replacement Need		--	10	10	10	30
Cumulative Need	231	--	116	122	128	597
Average Annual Construction		--	23	24	26	49
Source: RDG Planning & Design						

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 affordable for its citizens. Theoretically, 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 costs including taxes, insurance and utilities. Affordable rental units (including utilities) are considered to be less than 30% of the household's gross income. Because the sample used in the 2000 Census for recording cost distribution is less than the total number of units in the city, a correction factor is applied to make these numbers consistent.

- *Schuyler's housing supply is heavily weighted toward more affordable and lower-cost units. A significant deficit appears to exist for housing affordable to middle and upper-income households.*

Table 17 evaluates the availability of affordable housing in Schuyler. The table compares the quantity of housing provided in Schuyler 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 that Schuyler's greatest shortage of housing is for households above the city's household median income of $37,170. The biggest imbalance is among those household's earning from $50,000 to $100,000. This corresponds to owner occupied units priced at or over $125,000 or with rents over $800.

- *A shortage of housing in the upper ranges makes it more difficult for Schuyler to attract residents earning above the median income, and indicates a lack of opportunities for higher-income households to move to higher value housing.*

Generally, the market adequately serves demand for higher-cost housing without public intervention. Although some higher cost housing has been constructed over the past ten years much of this construction has occurred in the 2-mile extraterritorial jurisdiction, outside city limits. 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 relatively low value of owner-occupied housing in the Schuyler market. This discourages production of higher-cost housing, even if a market theoretically exists for it.

As a result, some higher-earning households live in lower-valued houses that might be affordable to moderate income families. Policy options for addressing this problem include:

- 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 some higher-earning households.
- Creating alternative housing settings, such as independent living units, for older adults that again can free up some of the supply of sound affordable housing.

TABLE 17:
Housing Affordability Analysis, Schuyler, 2000

Income Range	% of City Median	% of Households	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	0-67%	30.38%	531	$0-50,000	426	$0-400	280	706	175
$25,000-49,999	67-135%	37.99%	664	$50,000-99,999	644	$400-800	229	873	209
$50,000-74,999	135-202%	17.79%	311	$100,000-149,999	144	$800-1250	0	144	-167
$75-99,999	202-269%	8.64%	151	$150,000-200,000	25	$1250-1500	0	25	-126
$100-149,999	269-404%	3.89%	68	$200-$300,000	0	$1500-2500	0	0	-68
$150,000+	Over 404%	1.32%	23	$300,000+	0	$2500+	0	0	-23
Median	$37,170		1,748.00		1,239		509	1,748	0

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

HOUSING DEMAND BY COST RANGE

- *If the city's housing production continues to fall short of its potential, as it has the last 15 years, the city will lose out on opportunities for future population growth to other adjacent communities.*

Table 18 presents a 15-year development and pricing program for Schuyler. The program provides production targets for various types of rental and owner-occupied units based on the following assumptions:

- New development in Schuyler will be about 70% owner-occupied and 30% renter-occupied, a good balance for housing production.
- 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.
- New production will address both future population demands and the shortfall in production that occurred between 1990 and 2005.

- *Over the next 15 years Schuyler should open up 228 units priced below $125,000 in current dollars.*

This study projects demand for 366 new units by 2020. The additional unmet demand for housing adds 231 units to this total, establishing a total 15-year demand for 597 units. Based on current income distributions, about 44% of all owner-occupied units, or 184, should ideally be priced below $125,000 in current dollars. Some of these units may be produced indirectly, by developing higher-cost housing that serves a "move-up" market of owners who now occupy lower-value homes. Affordability ranges are also influenced by interest rates – people can afford more expensive homes when interest rates are low. Recent and projected increases in residential interest rates may reduce the affordable list price of "workforce housing." About 56% of the rental market falls within moderate cost ranges, generally below $650.

TABLE 18:
Housing Development Program, Schuyler

	First Five Years 2005-2010	Second Five Years 2011-2015	Third Five Years 2015-2020	Total
Total Need	193	199	205	597
Total Owner Occupied	135	139	144	418
Affordable Low: $60-90,000	28	28	29	85
Affordable Moderate: $90-125,000	32	33	34	99
Moderate Market: $125-200,000	41	42	43	126
High Market: Over $200,000	34	36	37	107
Total Renter Occupied	58	60	62	180
Assisted: Less than $400	15	16	17	47
Affordable: $400-640	17	18	18	53
Market: Over $650	25	26	27	78

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

SENIOR HOUSING DEMANDS

Historically, Schuyler has successfully attracted retiring seniors. However, continuing to attract this market is increasingly challenging. Larger markets and the services they provide attract many prospective senior residents; also in common with many rural areas the children of many older adults have moved out of the city. Seniors often choose to leave behind their long-time residences to be closer to family and the support they can provide. In addition, the number of people living in rural areas has decreased resulting in fewer people retiring from their farms and moving into the city. Older adults also have certain housing preferences, and will move elsewhere to find appropriate settings. Finally, many seniors elect to stay in their houses, even though it might not completely meet their needs.

Schuyler has such amenities as hospital facilities, quality services, and a small town atmosphere. The city's principal senior housing market includes the city and the rest of Colfax County. Senior housing in Schuyler may also attract residents from a larger region. However, larger nearby markets of Fremont and Columbus are very strong competitors.

Senior Population Change

This section examines population characteristics and trends in the regional study area to quantify demand for senior 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 new residential products, including maintenance-provided ownership settings, senior independent living, and assisted living.

- *Colfax County's senior population decreased by 10.8% during the 1990s.*

Table 19 displays population changes in the study area for various age groups. During the 1990s Colfax County's total population increased by 14.2%, the majority of which were residents under the age of 40. The county's population over age 65 decreased by 7.6%, while Schuyler's senior population decreased by 14.3% during the decade. People between 75 and 84 accounted for much of this decrease in Colfax County. The county's population over age 85 increased, with this growth occurring outside of Schuyler.

TABLE 19:
Study Area Senior Population Change, 1990-2000

Market Area	Schuyler		County Outside Schuyler		Total		
	1990	2000	1990	2000	1990	2000	% Change
Total Population	4,052	5,371	5,087	5,354	9,139	10,441	14.2%
Total Population Ages							
55-64	332	317	524	490	856	807	-5.7%
65 and Over	904	775	971	897	1,875	1,672	-10.8%
Population Cohorts							
65-69	179	176	252	222	431	398	-7.7%
70-74	198	159	226	229	424	388	-8.5%
75-79	190	157	219	175	409	332	-18.8%
80-84	179	142	164	133	343	275	-19.8%
85 and Over	158	141	110	138	268	279	4.1%

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

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 to the number actually counted in the 2000 Census (Table 20). The difference between the actual Census count and the cohort survival projection shows the probable amount of net migration.

As a whole, Schuyler continues to attract older adults. The actual 2000 population of people age 55 and over exceeded the predicted population based on natural population change by 7.3%. This pattern occurred among people younger than 75 in 2000. The elderly tended to move out of the city to at least a moderate degree. People over 75 are particularly attracted to places with extensive health services and a variety of housing environments such as assisted living and retirement centers. They are also more likely to move near their adult children.

TABLE 20:
Population Ages 55 and Over, Predicted versus Actual

	2000 Prediction	2000 Actual	Difference	% Difference
Population 55-64	276	317	41	14.9%
Population 65-74	283	335	52	18.4%
Population 75 and Over	459	440	-19	-4.1%

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

Projected Senior Population

- *Schuyler's older adult population is projected to increase by 22% by 2010. All of this increase will likely occur in the 55 to 64 age group.*

Future demand for empty nester and senior housing in Schuyler can be projected by determining the approximate number of residents over the age of 55. Table 21 starts with the projected 2010 population of residents over the age of 55 based on natural population change. Applied to these projects are the migration factors that occurred during the 1990s for those 55 to 64, 65 to 74. As shown in Table 20 those over the age of 75 experienced out-migration, however, for future projections it should be assumed that the city can reverse this trend and maintain at least natural population. Table 22 compares these projected populations, including migration, with actual 2000 Census counts.

The aging of the baby boom generation means larger numbers of older adults in the future. However, this segment of the population is only beginning to enter the age cohorts discussed in this section. The leading edge of the baby boom generation will only start to turn 65 in 2010. The generation immediately ahead of the baby boomers is much smaller, therefore, natural population change will result in a declining senior population over the age of 65 in 2010.

Almost all of the increase for those over age 55 will occur among those 55 to 64. This segment of the population is very active and will seek lower maintenance units that fit their lifestyles. Beyond 2010, as the baby boomers move into their senior years they will generate a more significant demand for traditional senior housing units in Schuyler. However, seniors will be looking for environments that provide a high quality lifestyle and will be far from retiring.

TABLE 21:
Projected Senior Population by Cohorts, Schuyler

	2010 Projection Natural Change	1990-2000 Migration Factor	2010 Population with Migration
55-64	535	14.9%	615
65-74	270	18.4%	320
75 and Over	399		399
Total 55 and Over	1,204		1,318

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

TABLE 22:
Projected Population Change, Age 55 and Over, Schuyler

	2000	2010	Change	% Change
55-64	317	615	298	94.0%
65-74	335	320	-15	-4.5%
75 and Over	440	399	-41	-9.3%
Total 55 and Over	1,092	1,334	242	22.2%
Total 65 and Over	775	719	-56	-7.2%

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

HOUSING CONDITIONS

The following section provides an overview of housing conditions in Schuyler in late 2003, presented in *The Schuyler Plan: A Comprehensive Development Plan for Schuyler, Nebraska*, (RDG Planning & Design, 2004; pages 95-97).

Housing Conditions Survey in Schuyler

Figure A summarizes the results of a city wide housing condition survey, conducted as part of the Schuyler Comprehensive Plan. The survey is considered a "windshield" survey, meaning that it was done at the street level without entrance on to properties. It included 1,393 single-family homes, 18 duplexes, 14 multi-family structures and 11 mobile homes, outside of the mobile home parks (See Table 6.6 Housing Conditions, *The Schuyler Plan*; page 96). Structures were placed in one of the following categories:

1. Dilapidated – A residence that has at least two structural failures and is judged beyond repair.
2. Deteriorating – A residence that has no more than one structural deficiency and possibly some minor non-structural deficiencies; primarily the residences shows signs of structural failure and/or extensive repair is required.
3. Minor deficiencies – A residence that is structurally sound, but some minor repair is required; primarily four or more minor non-structural deficiencies.
4. Sound – A relatively new residence that is well maintained with three or fewer minor non-structural deficiencies.
5. Excellent – A new residence with no discernible deficiencies.

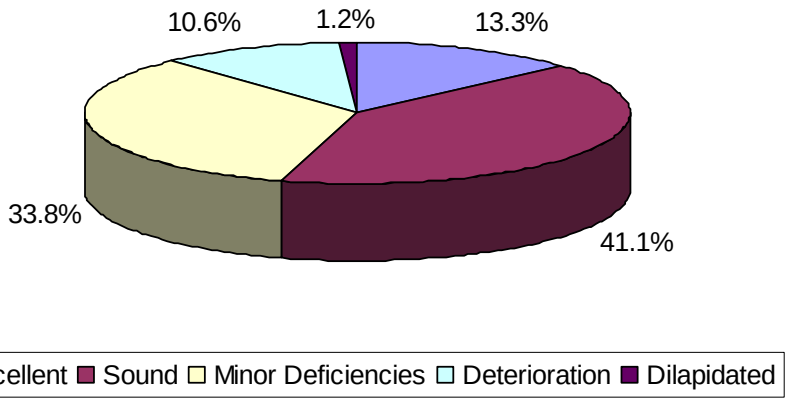
The survey also included an overall property maintenance evaluation. If a residential site had one or more of the following environmental issues the block face has been noted as such in (see Map 6-1 of *The Schuyler Plan*). These issues include:

- Junk (appliances, cars, materials)
- Poorly maintained property (bushes, yards)

- Poorly maintained fencing/retaining walls

The survey indicates that Schuyler has a good overall housing stock. About 11% of the city's housing stock exhibits a need for substantial rehabilitation and another 1% is dilapidated. Although the city does not have a significant number of dilapidated units the city should target these units for removal. Dilapidated units not only create health and safety issues but often bring down the value of surrounding houses. The majority of the single-family units have at least four minor non-structural deficiencies but are structurally sound.

Figure A: Single-Family Housing Conditions, 2003



Schuyler experienced three main periods of residential construction: pre-1930; 1940-1959; and 1970-1979. The majority of the homes in deteriorated and dilapidated condition are older homes that were constructed before 1950. This was also the case in the 1994 survey. At that time all of the single family homes in dilapidated condition were constructed prior to World War II. The city's duplexes are in good condition and a number of the city's multi-family units were built in the 1990s.

Schuyler's mobile home residential units are in poorer condition than its single family units. While mobile home parks were not surveyed they are an important component to the city's overall housing stock, and many are in deteriorated condition. Because the market has become increasingly dependant on them, improvements in the design and maintenance of local mobile home facilities is an important issue. The city has made efforts over the past ten years to address these issues and has stopped issuing permits where standards are not being met. The Federal Manufactured Housing Construction and Safety Standards Act was implemented in 1976, units constructed before this time are often the poorest quality mobile homes. The city should prohibit the placement of these on lots in the city. This policy along with removal of existing dilapidated units will be important in the prevention of neighborhood and housing deterioration. In addition, the city should review its building standards and enforcement policies.

Chapter Three

Housing Issues

Chapter 3:
DEFINING HOUSING ISSUES

The The previous chapters of this plan considered existing and projected housing conditions and trends. This chapter summarizes a process by which stakeholders defined housing issues in Schuyler. This process included two parts: a housing perception questionnaire and a series of focus groups.

THE HOUSING PERCEPTION SURVEY

This section summarizes results of the Housing Perception Survey, completed by 65 key informants in Schuyler in May 2006. These individuals are active community leaders and have knowledge, insights, or interest in the community and the housing markets.

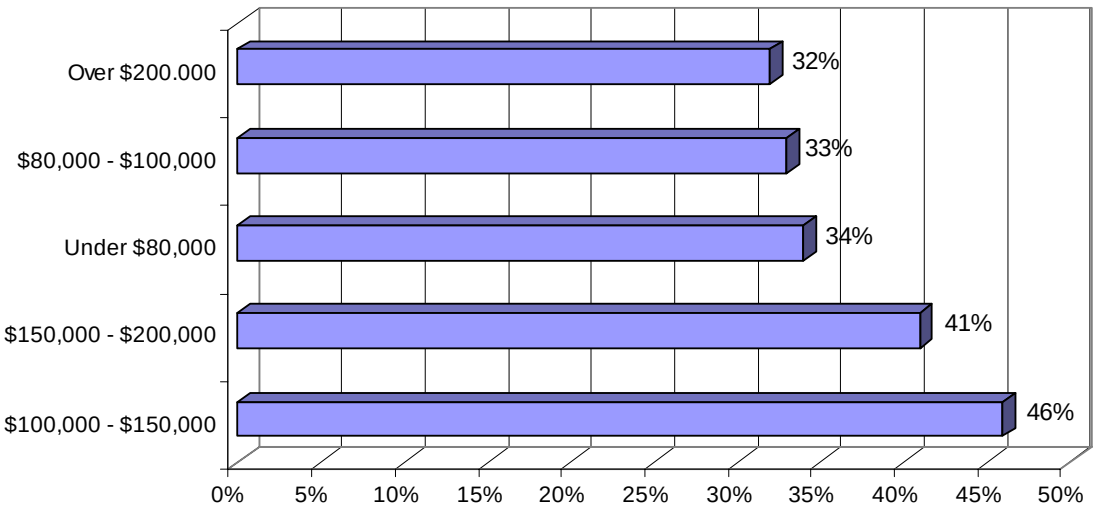
Effect of Local Economy

Respondents were almost equally split over the effect of the economy on the housing market. Forty-four percent felt that it had a positive effect on housing while 41-pecent felt that it had a negative effect.

Demand for Single-Family Homes

Half of all respondents felt that the demand for single-family housing exceeds the supply. However, there was no consensus on where that undersupply exists. The largest group (46%) identified an undersupply of houses priced between $100,000 and $150,000. A majority of respondents felt that the demand for homes priced from $80,000 to $100,000 and over $200,000 was balanced with demand.

Figure 1: Undersupply of Owner-Occupied Housing



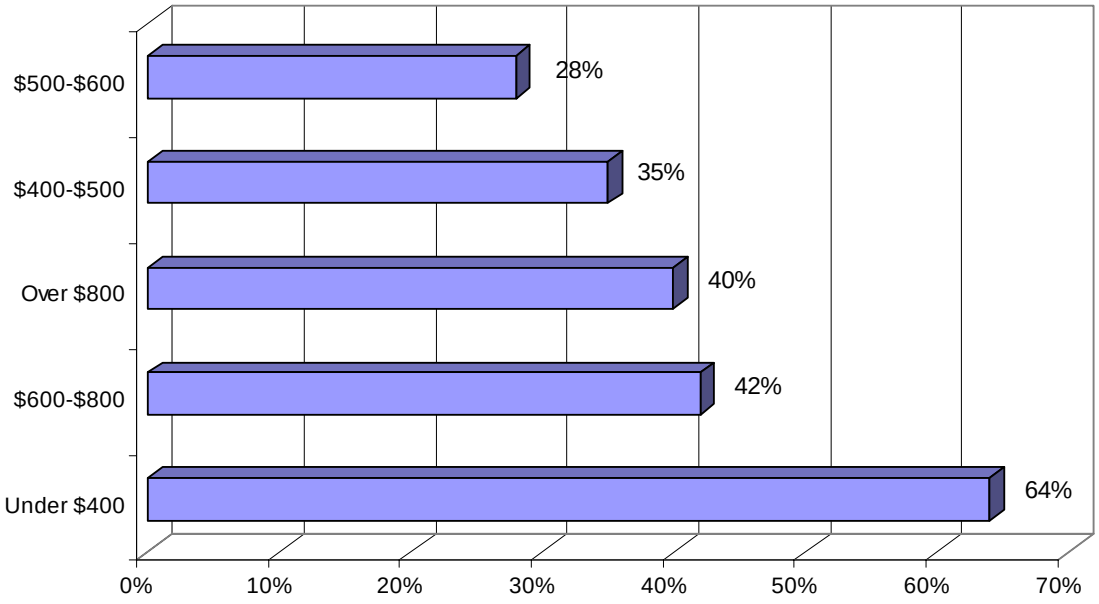
Single-Family Price Trends

While nearly all respondents consider house prices to be increasing, fewer than 15% indicate that prices were "substantially increasing" or "substantially declining".

Demand for Rental Housing

Respondents were almost equally divided over the demand for rental housing. About 39% of the overall sample considered the demand for rental housing to exceed supply, while 34% reported a moderate oversupply. A majority of respondents reported an undersupply of rental housing below $400 a month, while a majority felt that demand and supply were in balance for units priced between $400 and $600 a month.

Figure 2: Undersupply in Rental Housing



Needs of Specific Groups

The majority of respondents felt that the market did not meet the needs of specific groups. Groups most frequently identified as having unmet needs included: single professionals (83%), empty-nesters (62%), and elderly singles or couples (61%).

Elderly Housing Needs

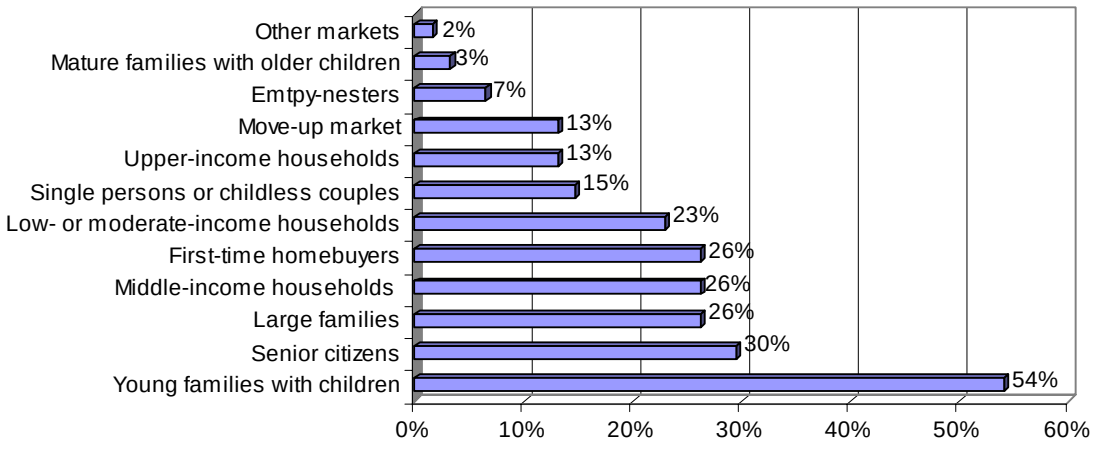
Over 50% of the respondents identified a need for rental units that provide additional services to the tenant. Respondents also indicated a need for affordable, small one or two-bedroom houses. However, fewer than 30% suggested a need for low- or moderately-priced apartments.

Target Markets and New Housing Products

Survey respondents most frequently consider the following markets to be primary targets for new, owner-occupied housing:

- Young families with children (54%)
- Senior citizens (30%)
- Large families (26%)
- Middle-income households (26%)
- First-time homebuyers (26%)

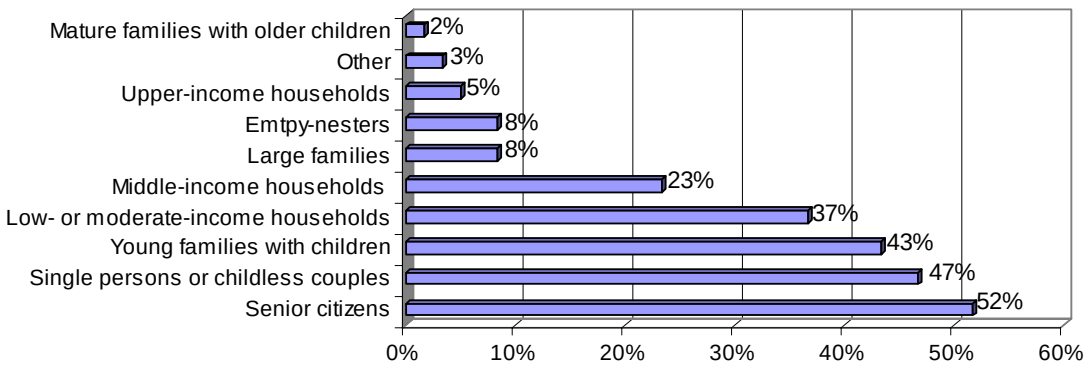
Figure 3: Target Groups for Housing



The following groups were most frequently considered to be targets for new rental housing:

- Senior citizens (52%)
- Single persons or childless couples (47%)
- Young families with children (43%)
- Low and moderate income families (37%)
- Middle income households (23%)

Figure 4: Target Market for New Rental Housing



Respondents considered the highest demand for housing types to be:

- Middle-size, three-bedroom houses (57%)
- Independent-living senior housing (55%)
- Affordable, small two- or three-bedroom houses (53%)
- Low- or moderately-priced apartments (37%)
- Townhouses or duplexes (23%)

Rehabilitation Trends

Only 37% of respondents perceived a significant trend toward rehabilitation of existing single-family houses in Schuyler. This may be a symptom of a sense that some of the city's existing stock is of relatively low value.

Lot Supply

About 47% of respondents rated the supply of buildable improved lots to be in undersupply and another 40% reported an adequate supply of lots. Only 13% reported an oversupply of lots.

Appropriate Public Policies

Seventy-five percent of respondents favor public sector involvement in the housing market. The survey then asked respondents to rate potential public actions on a "5" to

"1" scale, with "5" representing those actions most relevant to housing issues in Schuyler. Ratings of these potential actions follow:

- Construction financing (3.63)
- Development of infrastructure (3.63)
- Rehab loans (3.56)
- Downpayment assistance (3.40)
- Mortgage assistance (3.39)
- Grants (3.32)
- Historic preservation/adaptive reuse (2.74)
- Land acquisition (2.70)
- Section 8 assisted housing (2.69)

SHORT ANSWERS

Respondents completing the Schuyler Housing Survey were asked to complete three short answer questions. The following section reviews the most frequent responses to these questions.

Zoning Regulations

Respondents were asked whether zoning regulations, subdivision ordinances, or building code provisions should be changed to encourage more housing production. Most responses urged stronger enforcement of existing laws, including regulations governing multiple families in single-family dwellings and enforcement of single-family building codes. Many of the comments were tied to the issue of multiple households sharing single-family units.

Housing Issues

Survey participants were asked to identify the most important housing issues facing Schuyler. Responses overwhelmingly focused on issues related to overcrowding and families doubling-up in single-family units. Respondents were concerned about the effect the situation was having on the community, including community appearance, unsafe conditions and reduced values. Property maintenance and a need for rehabilitation of existing units were also frequently cited, other issues included:

- Lack of new development
- The lack of new single-family homes in middle price ranges affordable to young families.

FOCUS GROUPS

The planning process included a program of focus groups to define key housing issues in Schuyler. These groups were defined by discipline, and included financial institutions, builders and developers, realtors, business representatives, and the public sector. Major conclusions of these proceedings follow:

Home-Ownership Needs

- *Focus group participants identified demand for moderately priced owner-occupied housing priced between $80,000 and $125,000, and stated that the local development community does not currently meet this need.*

Participants indicated that Schuyler has a shortage of single-family homes in good condition that are affordable to moderate-income households. Demand for the lowest cost housing, (units priced below $80,000) is decreasing, and demand for homes closer to $100,000 is growing. Participants indicated a large number of smaller low cost houses that need significant repair. The Hispanic community is also settling into the city and beginning to seek larger, higher quality housing units.

Participants also identified a substantial need for moderate cost, owner-occupied housing. Contractors in the city contend that building lower cost housing is not feasible without public sector support. Uncertainty over the sale of speculative houses, and lower profit margins on such units discourages contractors in lower price ranges.

- *Homebuyer education covering a range of topics is needed for many first-time homebuyers.*

Some participants were concerned about predatory lending practices from outside organizations, especially targeting the Hispanic community. Some buyers are not aware of the financial issues related to buying and maintaining a home. Several participants indicated a need for homebuyer education covering such topics as:

- Budgeting and financing.
- Upkeep and maintenance.
- Building code issues related to rehabilitation projects.
- Services and contractors available in the area to assist with projects.
- The dangers of overcrowding a home.

Senior Housing

- *The demand for market rate owner- and renter-occupied senior housing is not being met.*

Participants indicated that the city has several options for seniors on fixed incomes, but lacks choices for market rate units. One-story, maintenance-provided units appear to be

scarce. Many seniors also indicated a variety of reasons that would induce them to move to another community, most commonly the desire to be closer to family. One participant also noted that the number of retirement age farmers in the area has declined reducing this traditional market for in-town housing. Some seniors in the region also perceived that rapid growth has made Schuyler less appealing to retirees.

Housing Rehabilitation

- *Participants saw a number of units still in need of significant repair.*

Many participants saw a need for improvement of low-cost housing. Some also indicated that a number of home improvement projects were not completed or built to code. These comments reinforced comments made in the perception survey urging better code enforcement. Suppliers further indicated that the market for home improvement supplies is weaker than would be expected for Schuyler.

Public Incentives

- *Although Schuyler offers a number of affordable renter and owner occupied units, participants saw a need for incentives to assist in the development of workforce housing.*

Focus group participants felt that the city should be more proactive in regards to encouraging affordable housing development. Suggestions included:

- Working with Cargill to develop a "corporate house." The house could be used as a residence for upper management or doctors before finding or building suitable housing in Schuyler. These upper income households often buy homes in Columbus or other areas, never becoming Schuyler residents.
- Developing a construction financing program to assist the smaller builders.
- Assisting with in-fill projects to utilize existing lots with existing services. This program might also be used to reduce lot prices which some participants felt were over-priced.

Chapter Four

Policy Focuses and Recommendations

Chapter 4:
POLICY FOCUSES AND RECOMMENDATIONS

The previous sections of this plan presented information and interpretation of Schuyler's housing market. This chapter integrates that information into a diagnosis of the city's residential issues and a strategic prescription for addressing them.

Schuyler's housing situation is a paradox – accentuated by a strong regional economy. The city has plenty of demand, but relatively little production. It has a shortage of quality older housing as well, resulting in relatively lower housing values compared to other communities. When we typically associate shortages with higher costs, and a

shortage of a product as an opportunity that private enterprise inevitably grasps, these conditions make little sense. We believe that the root cause of Schuyler's housing challenges are below average property values for its region. These lower values, in turn, are caused by:

- Enough deteriorated housing or property in poor condition to depress values throughout the city.

- A lack of consistent new housing construction that establishes comparable properties with higher values.

- The inherent perception that higher value houses in a rural town have limited resale markets and, therefore, reduced value.

- The loss of higher wage earners. Although the vast number of management and salaried positions (above the median household income) have remained somewhat constant in the community, many of these positions are now filled by individuals domiciled outside the city. Lower home values and the lack of housing choices will discourage this middle to upper middle market from building or purchasing in the community. Other reasons include:

    - A growing school enrollment and aging school facilities.
    - Available housing alternatives in adjacent communities.
    - A psychological barrier generated by the decrease of 940 non-Hispanic residents during the 1990s (a 24% change) compared to an estimated decrease of 116 (-2.9%).

    Overall community development and quality of life have a significant impact on a city. If unaddressed, the above factors will continue to impact Schuyler's housing market.

Like deflation in a national economy, low valued properties cripple healthy housing markets. This condition:

- Discourages local buyers with adequate wealth from buying up in the housing market. It is likely that the cost of "move-up" housing acceptable to these buyers relative to quality, space, and features will exceed the city's housing price ceiling. For example, it is unlikely that a family will purchase a $200,000 house if the typical top price commanded by the market is $125,000.

- Prevents natural filter-up processes, by which households of moderate means buy homes that are sold by higher income families who are buying up. Instead, all residents compete for the same housing stock. Typically, potential new residents,

and thus the city, lose out in this competition and the city's poorer housing does not go through a normal redevelopment cycle. Extending the demand for these units keeps them in the housing supply, consequently continuing to depress housing values.

- Reduces or eliminates the private sector's willingness, and hence capacity, to address actual housing needs. Simply stated, developers platting subdivisions and homebuilders building houses cannot make money in an undervalued market. Capital and energy moves to enterprises that are profitable. As a result, a city like Schuyler loses the private capacity to respond to many market needs. Certainly, some construction takes place – new homes are built for people who build for themselves rather than for expectation of future returns. Also, federal tax credits encourage construction of some rental housing for low-income households. But neither of these represents the operation of a healthy, self-supporting housing market.

Schuyler's strategic location and strong demand for employment continue to create opportunities. So what's to be done? The answer lies in increasing the value of housing in the city. Again, paradoxically, this is done primarily at the *foundation* – the supply and quality of moderately-priced workforce housing, rather than at the *ceiling* – the city's highest cost housing. Reinforcing value at the base will allow the market's top end to begin to take care of itself. However, other issues related to Schuyler's growth and development should continue to be addressed. Especially important is the growing school enrollment and aging school facilities. A strong school system is critical to the marketing and growth of any community.

A comprehensive program based on this fundamental strategy will:

- Reduce the reliance of the city's moderate income wage earners on substandard, obsolete, and even dangerous housing. When demand for poor housing is reduced, these units must either improve or leave the market altogether through demolition.

- Remove blighted or hazardous housing from the city's inventory.

- Establish a higher base value for moderate cost housing – still affordable to most earners on a monthly basis, but at the level where value equals or exceeds construction cost.

- Cause housing values to be consistent with actual construction or replacement cost across the residential spectrum, giving move-up residents that expectation that their new house will be a solid investment.

- Consequently, create a private market for higher value new construction, thereby restoring the natural filter-up process and indirectly producing more quality affordable housing.

The implementation components of this program include:

- ***A Housing Production Program,*** assembling the elements needed to produce new workforce housing in the city, and strengthen the foundation of the housing market.

- ***A Site Development Program,*** capable of producing buildable lots with urban services, to accommodate new housing.

- ***An Existing Housing Conservation Program,*** organized to upgrade the existing housing stock and remove unsafe and deteriorated structures from the housing supply.

- ***Homeowner Education,*** providing new owners with the skills to maintain homes and build equity in the community.

- ***Senior Housing Development,*** providing quality, appropriate alternatives for older adults that can introduce more quality existing housing into the market.

- ***A Community Marketing Program,*** to increase the image of the entire city as a desirable and diverse place to work, live, and invest.

1. HOUSING PRODUCTION PROGRAM

The critical first step in restoring health to Schuyler's housing market is to recognize the tremendous opportunity for economic growth and the prosperity for all residents resulting from this growth. Secondly, creating the capacity to consistently capitalize on this opportunity by producing sufficient numbers of housing units for households both below and above the city's median income (see Table 18, page 21). This capacity involves a private or public sector production entity, a financing consortium, and a source of developable land.

DEVELOPMENT COMPANY

Despite the presence of a strong, well-substantiated demand for moderately-priced housing, Schuyler lacks organizations building to this market. Ultimately, this demand should be filled by the private sector working in a healthy construction environment. However, in the absence of this, another entity must fill the gap of developing housing. In many communities, and specifically in redevelopment areas, this role is filled by

nonprofit community development corporations (CDC's) – private, nonprofit developers who build housing or other community development projects that normal, profit-making businesses are not yet ready to enter. In some cases, CDC's are organized as Community Housing Development Organizations or CHDO's, having a specific number of community representatives on their boards of directors with access to set asides of low-income housing tax credits and other development incentives.

Community development corporations 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. The Schuyler Development Company, an existing development corporation with full-time staff, could well function as a CDC for Schuyler. The SDC board has twelve directors, including representation from both local banks, and has rightly established housing development as a priority. The company could work either as a developer itself or create a subsidiary housing development corporation for which they provide stewardship. Organizations like SDC were initially created for economic development and their work typically involved offering incentives to recruit employers and developing industrial parks and speculative buildings. Increasingly, though, housing development has become vital to *economic* development. Without sufficient new available housing, recruiting new employers to Schuyler will be significantly more difficult.

We envision a temporary or transitional role for an organization like SDC in housing markets. At some point, enough activity will emerge to encourage private builders to enter the market by themselves. When that happens, the nonprofit development corporation's housing role may either end or change to another focus. Additionally, the nonprofit should not function as a contractor, but rather work through existing contractors or even manufactured home suppliers.

FINANCE CONSORTIUM

The development group must have a source of financing to do its work. This financing source should be relatively patient, understanding the long-term community benefits of creating a healthy housing market. We recommend a consortium of lenders active in the Schuyler area, combined with local employers who also may participate in the housing market. This consortium approach is designed to spread the exposure of project financing across several sources. 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.

The central programs of a Schuyler Housing Finance Consortium should include:

• *Construction Lending.* The consortium should capitalize and administer a construction loan pool to provide interim financing to the housing development corporation, and ultimately to private builders and developers of affordable housing. These construction loans may be considered non-recourse obligations, paid back on sale of permanent financing of a house or project. Specific classes of activity for the construction loan pool should include:

- Developments of the Schuyler Development Corporation or its housing development subsidiary.
- Speculative, affordable single-family housing construction by private builders.
- Assisted and non-assisted rental housing development. These may include projects that utilize the equity raising capacities of the Section 42 Low Income Housing Tax Credit program. Section 42 provides an income tax credit to owners of newly constructed or substantially rehabilitated low-income rental housing projects.
- Independent senior housing developments.

The construction loan pool is intended to ease the flow of capital to specific, strategic types of projects, and to shift the risk for certain types of projects from individual enterprises to the private community as a whole.

• *Mortgage Financing.* The consortium may be a lender of last resort to low- and moderate-income buyers who are bankable yet fall outside the underwriting standards of lending institutions. In these situations, the corporation should be prepared to hold the loan notes, as secondary markets are not always available. Mortgage financing by the consortium may be blended with deferred second mortgages, capitalized by CDBG and HOME funds, to produce affordable payments and reduce the loan to value ratio of loans in the consortium's portfolio. The consortium should also be equipped to manage long-term lending to certain types of rental projects.

CAPITALIZATION

Capitalization of the Housing Finance Corporation can be accomplished as follows:

• Private lending institutions. Lending institutions active in the city are the probable leaders of the formation and operation of the consortium. Participation can assist lenders in meeting Community Reinvestment Act requirements, which requires them to meet the credit needs of the community's low- and moderate-income neighborhoods.

• Business contributions and investments. The consortium is a public interest financing body, but should by no means lose money. Thus, investments from the city's business community should become important components of the agency's capitalization. These investments might be particularly focused on the construction loan pool, which provides

shorter term paybacks. Rental projects accommodate new arrivals in the city, and provide appropriate avenues for business investment.

• Community assistance. Participation by the city should focus on partnership development, rather than direct financial contribution. Thus, the consortium may be a vehicle for CDBG or HOME-assisted public/private partnerships. The city could also consider using some keno funds which can be used for community betterment projects.

• Participation from other agencies. NIFA has been an aggressive supporter of innovative, affordable housing development approaches, and could well be a part of an effort in Schuyler. The Federal Home Loan Bank and USDA Rural Development also have programs to support housing development in rural communities. These agencies are particularly open to partnerships for specific projects.

Organizationally, the consortium should be administered by representatives of participating lending institutions, contributing businesses, and other community interests. It is a lending agency, rather than a development body. Its fundamental purpose is not to build housing, but rather to expedite its development by other private businesses or nonprofit corporations.

A SOURCE OF LAND

The third, and sometimes most difficult, part of the development triad is creating places to build new housing. Two contexts for development exist:

- Vacant lots within the city that are either now open or can be made available through demolition or redevelopment. These lots would be served by urban infrastructure.

- One or more new subdivisions that require new or improved urban infrastructure. Typically, infrastructure development cost will substantially exceed land cost on a per unit basis. The city's 2004 Comprehensive Plan identifies locations for future residential developments that take into considerations many issues including feasibility of infrastructure extensions. (*The Schuyler Plan*, Chapter Two pages 31-44 and Map 2.5)

The city's primary role should be to supply improved lots for home construction. The Site Development Program is presented below.

PROJECT FOCUSES

The Housing Production Program should focus on specific types of products that respond to market needs. We suggest considering the following project types:

- *Moderately-priced, owner-occupied housing, with effective prices to buyers below $120,000, and preferably, with financing assistance, below $100,000.* These units may consider a manufactured housing alternative, provided that design is compatible with conventional housing standards.

- *Acquisition/rehab/resale.* This program is based on the availability of reasonably-priced, basically sound structures that need significant rehabilitation. Here, the development company purchases and rehabilitates existing houses, and sells them at moderate price to new homebuyers.

- *Rent-to-own development.* In the rent-to-own program, the development company develops houses using the Low Income Housing Tax Credit. A portion of the family's rent is placed in an escrow account that is directed toward downpayment. At the end of a specific period, the residents can then use the accumulated escrow as a downpayment 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. Such a program is especially well-suited to towns like Schuyler, with its large industrial base. 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. A successful example is the Crown Homes development in Nebraska City.

2. SITE DEVELOPMENT PROGRAM

Schuyler's housing production program obviously requires improved lots, but providing these can be a challenge. For new subdivisions, streets, sewers, and water lines typically cost between $12,000 and $18,000 per lot, a substantial part of the cost of a home. In addition, in small markets, the carrying costs associated with infrastructure finance can make private subdivision development unfeasible.

The Schuyler housing program anticipates two types of building sites:

- Infill sites, including individual or preferably clusters of vacant lots made available by direct purchase or demolition of deteriorated housing. These sites will typically be served by existing utilities.

- New subdivision lots that require both acquisition and development of streets and urban services in accordance with the city's Comprehensive Plan. (*The Schuyler Plan*, Chapter Two pages 31-44 and Map 2.5)

INFILL SITE ACQUISITION

Infill sites should be located in areas that are substantially sound and attractive, albeit older, neighborhoods that will sustain and be benefited by the higher cost of new construction. Ideal infill sites are clustered together, giving a new development project the critical mass necessary to provide security for buyers and increase values in the surrounding neighborhood. An infill program may include the following components:

- A geographic inventory of vacant lots and deteriorated houses in Schuyler. This will assist the development company and city in defining target sites for new construction.

- An aggressive program to acquire and demolish houses that are so deteriorated that rehabilitation is not feasible.

- Negotiation with property owners to acquire targeted vacant lots. Negotiations may be done privately by the development company or through the city.

- Working with Colfax County to create a Land Reutilization Authority (LRA). An LRA allows the county to clear back taxes and special assessments from properties and to sell them to new owners. In Douglas County, the LRA gives the City of Omaha right of first refusal in specified redevelopment areas.

- In areas with a concentration of possible sites, preparation of a redevelopment plan that permits the city to acquire, prepare, and convey land for redevelopment, and to use tax increment financing to finance these costs. The application of TIF to residential redevelopment is discussed below.

NEW SUBDIVISION DEVELOPMENT

In addition to assembling infill sites, the City should partner with the development company to acquire property and develop improvements in a new subdivision. As a real estate venture, this is analogous to developing land for a business park – a common program of economic development corporations. Public intervention is necessary when the private sector cannot feasibly provide new building lots. New subdivision development will occur in phases, with improvements corresponding to market

demand. In affordable development, it is especially important to pay attention to quality design and to features that add distinction and value to the completed project.

DEVELOPMENT FINANCING

Building housing in Schuyler is no less expensive than anywhere else; in fact, in small markets, housing construction costs may actually be higher than in larger areas because of a lack of economies of scale. In Schuyler, builders report local construction costs of approximately $100 per square foot. Therefore, financing techniques that avoid burdening moderate income homebuyers with land and infrastructure development costs can be extremely important. 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.

We suggest two other devices that can assist with development financing for housing:

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 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.

How would TIF apply to a residential development? As an example, the city master plans a 50 lot subdivision in an area that is included in a "blight" declaration. The subdivision 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.

Now assume 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.

Infrastructure Bank. This approach is similar to a deferred investment. In this concept, the city provides front-end financing of infrastructure cost. This cost then becomes a deferred mortgage, subordinated to the primary mortgage on the house. When the house is sold, the infrastructure loan becomes due. For example, assume a house has a sale price of $100,000, $15,000 of which is the cost of infrastructure. The homebuyer

makes payments on an $85,000 house. When the house is sold, however, the initial infrastructure loan comes due. 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, assume that in the example discussed above, infrastructure accounts for 15% of the house's cost. When the house sells, the city recovers 15% of the proceeds of the sale. If the property appreciates, the city's repayment also increases; if it depreciates, the principal repayment is reduced.

3. EXISTING HOUSING CONSERVATION PROGRAM

The programs discussed above concentrate largely, but not exclusively, on new construction. This is appropriate to a general strategy that restores health to the city's housing market by increasing housing values. Yet, housing preservation is also a fundamental priority in Schuyler. 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.

A REHABILITATION PROGRAM

Schuyler's 2004 Comprehensive Plan identified the need for effective housing rehabilitation programs. The more focused analysis and community input conducted in this study substantiates the need for this policy. Recommendations laid out in the 2004 Schuyler Plan are still applicable and include:

A PROPERTY MAINTENANCE STANDARDS PROGRAM

The best 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. Components of this program include:

- *Preparing and distributing a Property Standards Manual.* This should be a friendly and clear document that sets out the expectations that Schuyler 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. This manual should also be provided in Spanish.

- *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.

- *Creating a code enforcement mechanism capable of administering city ordinances.* A staff person administering maintenance codes should be a helper as much as an "enforcer" – that is, the position should involve finding ways to assist people with voluntary code compliance without resorting to legal action. If possible, the city official should be bi-lingual. The city should also consider creating a full-time non-uniformed code enforcement/building official. Once again, such an official should encourage voluntary action and improvement.

- *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 below.

COMPREHENSIVE REHABILITATION PROGRAMS

A majority of Schuyler'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 supply of existing housing. A comprehensive rehabilitation program, appropriate to the respective needs of individual residential areas, should include four program types. These include:

•*Emergency repair program.* In 1999 Schuyler received a Community Development Block Grant (CDBG) for $400,000 to develop an on-going rehabilitation program. These funds are recaptured over time as the loans are paid back into the fund. However, additional funding from both private sources and grants should be added to expand the program. Marketing of the program will also be essential to its success.

• *Direct rehabilitation loan programs.* This program would make direct forgivable loans and grants to homeowners from CBDG funds. The program is most appropriate to homeowners with low incomes who are not otherwise bankable.

• *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. It 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. The experience of local lenders with FHA Title I can help expedite implementation of this program.

• *Acquisition and rehab programs*. Acquisition and rehabilitation programs are particularly useful in adapting older houses to the preferences of contemporary, moderate income buyers. These programs can take two forms:

- A program for homebuyers that combines home purchase and rehabilitation into a single mortgage loan. This concept is similar to the FHA 203k mortgage insurance program. However, the FHA program has received criticism for overly complex procedures. A local program may involve the cooperation of lenders active in the city.

- In this program, presented as one of the housing development company's project focuses, the company purchases and rehabilitates existing houses, selling them at moderate price to new homebuyers.

- *Energy efficiency loans.* Funding can be leveraged through the city owned utility to provide loans that improve the energy efficiency of older homes. These low-interest or no-interest loans could 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

In addition to the recommendations identified in the 2004 Comprehensive Plan the city should also consider a rehabilitation program focused on rental properties in the community. Serious fires in Schuyler have produced injury, and call attention to the need for improved property standards for rental development. This program should also provide 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 lenders' consortium should take a leading role in marketing the availability of rehabilitation loans to small rental property owners. A reservation of HOME funds should be secured and utilized by the city to assist with blended loans when some form of subsidy is needed.

DEMOLITION OF DILAPIDATED STRUCTURES

The third element of this program involves aggressive demolition of structures so deteriorated that rehabilitation is unfeasible. House removal programs should be structured to provide a buildable site after demolition. The program should also provide for the redevelopment of the site, under the infill construction program. The demolition effort should avoid removing houses that have a reasonable economic life.

4. HOMEOWNER EDUCATION

The City of Schuyler or the Schuyler Development Company should work with local lending agencies, Northeast Nebraska Economic Development District and possibly the local USDA Rural Development office to provide homeowner education covering a variety of topics. Programs should provide education on credit, budgeting and financing, the real estate process, and property maintenance. Agencies providing these types of services include:

- The Family Housing Advisory Services, a non-profit, HUD Certified program that provides training on credit, budgeting, homeowners insurance, and the real estate process. The agency can be contracted to provided the classes within the community and offer a bi-lingual services.
- The Consumer Credit Counseling Service of Nebraska (CCCS), is a non-profit organization with HUD certification. CCCS provides housing education and counseling including pre-purchase counseling, resolving or preventing mortgage delinquency or default, home equity conversion and reverse mortgage for the elderly, and post purchase education programs. CCCS also offers programs covering homeowner maintenance covering such topics and early maintenance issues and being a good neighbor.
- Readiness Education Awareness Collaborative for Homebuyers and Homeowners (REACH), networks with interested experts in the fields of financing, housing and community development, insurance, and real estate to assure that quality, effective homebuyer education is available in

Nebraska. As part of the Nebraska Housing Developers Association, REACH works with affiliated organizations like the Family Housing Advisory Service and CCCS to provide homebuyer education.

Any education program should overlap with the goal of improved property maintenance and the maintenance programs previously identified in this section.

5. SENIOR HOUSING

Senior housing is a significant priority for the city. A substantial market appears to exist for independent living settings, including market-rate development. Market-rate projects should be privately developed, potentially with some level of support through the Finance Consortium.

However, at least one-third to one-half of the senior market includes households of moderate means, and serving this population is a difficult problem. Development of moderately-priced senior housing may be combined with the purchase/rehab/resale concept presented above. Here, the development company builds one or two-bedroom attached units, with a target cost of (for example) $80,000 per unit. The company agrees to purchase the senior resident's current home at $40,000. That home is then rehabilitated and resold. The senior purchases the new attached unit, using the sale proceeds of the house as a substantial downpayment. The balance is amortized, with an approximate monthly cost of $300. Assuming that additional costs for maintenance and utilities are $125 per month, this is a moderate price for an appropriate new ownership unit.

6. COMMUNITY MARKETING

Schuyler should develop a community marketing program designed to promote the values of its community life and indicating that it is "open for business" as a place for households of all ages to establish themselves. This can both attract new population and add value to the community as a whole. A successful marketing program should be predicated on addressing those issues that have generated a negative community image in the past. In Schuyler these include a growing school enrollment and aging facilities, housing maintenance issues, and building code enforcement. In addition to addressing the overall value of housing in Schuyler, resolving these issues is essential to any marketing program.

The program should include readily available print and internet-based material to promote aspects of life in the city. The program should be directed toward target groups, establishing the city as a logical choice for both residence and work. This information should be distributed when employees are hired by regional employers

including local public agencies, and should be distributed around the region. The information should address:

- Housing programs and approaches tailored to the needs of households.
- Job and career opportunities available in the Schuyler region (including Columbus industries).
- Community features and amenities.
- A directory of key local services and contacts.
- Volunteer opportunities in the city.
- A guide to housing availability and development/financing programs.

The purpose of the program is to demonstrate the attractions of life in Schuyler, and communicating its welcoming message to succeeding generations of residents. In addition, it helps to build a larger regional market for housing initiatives identified in this plan.