



Building opportunity throughout Burt, Cass,
Douglas, Sarpy and Washington Counties.

REQUEST FOR PROPOSALS (RFP)

Habitat for Humanity of Omaha, Inc. Invites Development Proposals for Oak Chatham

Habitat for Humanity Omaha, Inc. (Habitat Omaha) is seeking proposals for the redevelopment of seventeen (17) parcels located along the North 24th Street corridor from Laird Street to Sahler Street, in the vicinity of the former Oak Chatham Depot in North Omaha.

Please submit responses as instructed under the terms of this RFP.

IMPORTANT DATES

- Issue the Request for Proposal (posted to Habitat Omaha's website) – January 10, 2025.
- Developer Proposal Submission to Habitat Omaha – February 28, 2025.
- Proposal Committee Review Complete with Recommendations – March 17, 2025.
- Submit Proposal to the City of Omaha Planning Department – March 25, 2025.



Background

Nearly fifteen (15) years ago, Habitat for Humanity of Omaha (Habitat Omaha) began to assemble land for future home development in the vicinity of King Science & Technology Middle School. The work of Habitat Omaha continues today.

Habitat Omaha's new construction and home renovation program in this same vicinity, which is bounded by Sahler Street on the north, North 16th Street on the east, Pratt Street on the south, and the 75 North Freeway on the west, has created homeownership opportunities for more than 300 families.

Habitat Omaha's land assembly efforts also include properties along the North 24th Street Corridor with the goals of removing blighted structures and ensuring the land is properly maintained.

Site History

Habitat Omaha's current inventory of properties includes five parcels along the east side of the North 24th Street corridor from Sahler Street on the north to Laird Street on the south. In addition, Habitat Omaha is applying for the purchase of six (6) City of Omaha-owned parcels, intermixed with Habitat Omaha's properties, also located within the boundaries noted above.

The area is of historical interest due to the proximity of the Oak Chatham Depot formerly located at 4351 North 22nd Street (now demolished). The depot, built in 1885, was part of the 15-mile long Omaha Belt Line Railway that circumnavigated Omaha carrying passengers and cargo.

As expected, the depots of the Belt Line Railway attracted the development of nearby commercial pockets with small businesses that catered to passengers and railway workers. A vestige of one of the late 19th century commercial pockets is located on the west side of North 24th Street south of Sprague Street (*Figure 1*).



Figure 1

Site Description

The Project site is comprised of eleven (11) vacant parcels. The land is level, grass covered with concrete paving on one parcel. The Project pre-development stage includes the acquisition by Habitat Omaha of six (6) parcels currently owned by the City of Omaha.

The Developer will provide the following during the pre-development phase:

- civil engineering and architectural services.
- environmental assessments.
- land surveys.
- site plans.
- development plans and building plans.
- permitting.
- land use approvals including attendance at required meetings with the City of Omaha Planning Department and civic and community associations.
- infrastructure improvements; and
- construction financing.

In addition, the Developer will select a contractor for the vertical construction phase, thereby taking responsibility for the completion of the Project through City of Omaha final inspections and certificates of occupancy.

The information below provides the parcel descriptions and current ownership (*Table 1*), the site photographs (*Figures 2 and 3*), and the site vicinity map (*Figure 4*):

Parcel No.	Address	Size (wxd)(ft)	Area (sf)	Current Zoning	Current Property Owner
1901630002	4119 N 24 th St.	200x124	24,800	GI	Habitat Omaha
1901570000	4101 N 24 th St.	100x124	12,400	GI	City of Omaha
2013840000	4021 N 24 th St.	50x124	6,200	GC	City of Omaha
2013830000	4019 N 24 th St.	50x124	6,200	GC	City of Omaha
2013820000	4017 N 24 th St.	25x124	3,100	GC	City of Omaha
2013820001	4015 N 24 th St.	25x124	3,100	GC	Habitat Omaha
2013810000	4011 N 24 th St.	25x124	3,100	GC	Habitat Omaha
2013800000	3931 N 24 th St.	40x124	4,960	GC	Habitat Omaha
2013790000	3927 N 24 th St.	35x124	4,340	GC	City of Omaha
2013780000	3925 N 24 th St.	50x124	6,200	GC	City of Omaha
2013770002	3905 N 24 th St.	154x124	19,096	GC	Habitat Omaha

Table 1



Figure 2 – 4101 N. 24th St. at Sprague St looking north.



Figure 3-3905 N. 24th St. at Laird St. looking north.

PROPERTY CONFIGURATION & OWNERSHIP

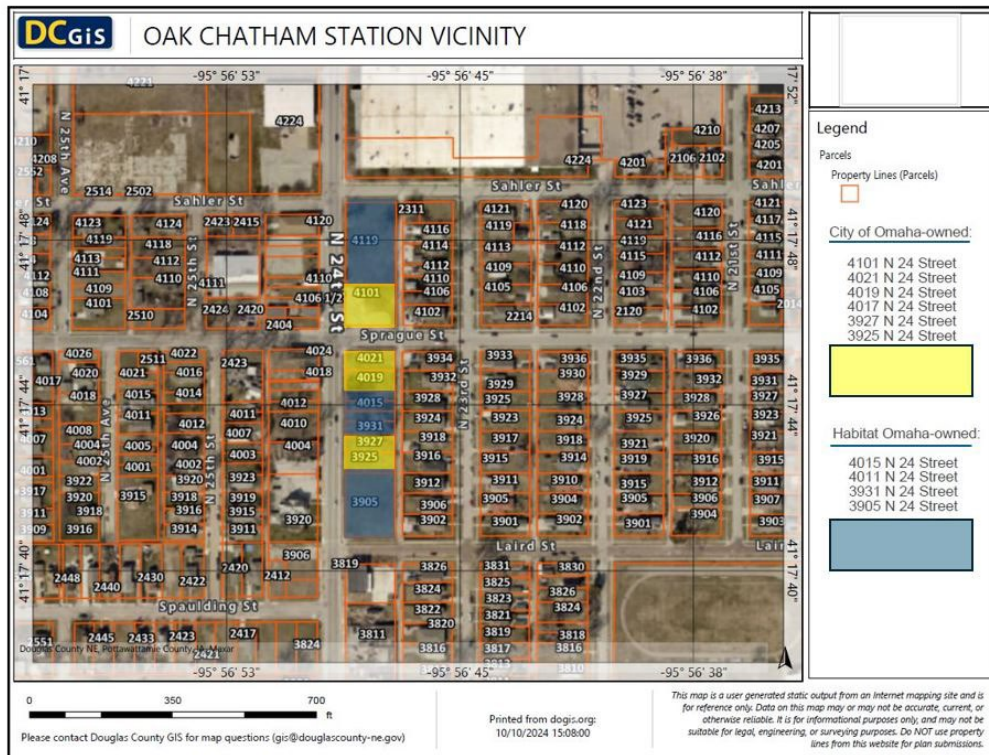


Figure 4-Site vicinity map.

Purpose

Habitat Omaha is soliciting responses to this Request for Proposal (RFP) for the development of the above noted properties. Developers should recognize the need for the replacement of basic services and attainable housing along this section of the North 24th Street corridor. Habitat Omaha is requesting that proposed projects observe designs compatible with, or in the spirit of, Small Area Concept Plans envisioned by a 2022 *Manderson Market Small Area Concept Plan* prepared by Vireo and E & A Consulting. The Plan's goals included concepts that combined new construction, infill, and renovation of existing structures, along with mixed-use development, commercial, and medium density housing. Please see Appendix A for a copy of the *Manderson Market Small Area Concept Plan*.

Roles of Habitat Omaha and the Developer

Habitat Omaha intends to encourage the reuse of these properties and will be responsible for the following:

1. Habitat Omaha will acquire the properties not currently owned by Habitat Omaha including those owned by the City of Omaha. The Project is contingent upon Habitat Omaha's successful acquisition of the applicable City of Omaha properties.
2. Habitat Omaha will retain ownership of the land throughout the development phase(s) of the Project.
3. Habitat Omaha will create a Proposal Review Committee composed of community members with a background in development, real estate, or finance.
 - a. The Proposal Review Committee reserves the right to select any company or organization for the development Project referenced in this RFP, provided the entity satisfies the submittal criteria and meets the qualifications as described below.
4. Habitat Omaha will monitor the redevelopment for compliance with plans throughout the redevelopment to include periodic meetings with the Developer.
5. Habitat Omaha will have the right to review and approve all project plans.

The Developer will be responsible for the following:

1. The Developer will begin development within two years of the Project award date.
2. The developer will complete development of the property within the time stated in the proposal.
3. The Developer will develop the property in a manner consistent with the project outlined in the proposal submitted to Habitat Omaha and approved by the Proposal Review Committee.

Any requested changes to the Proposal must be submitted in writing and approved by the Proposal Review Committee.

Content of the Proposal

To facilitate review by the Proposal Review Committee, proposals must be submitted in accordance with the following format:

Cover Letter

Please include a one-page cover letter, including the name of the Developer and a brief description of the proposed project.

Project Description

1. Describe the project in detail and how it fulfills the intent of the Manderson Market Small Area Concept Plan or an acceptable alternative.
2. Provide preliminary building and site plans.
3. Provide a schedule of the construction timing and expected start and completion dates of the Project.
4. Identify the members of the Project development team and what specific tasks each member will conduct and who will be responsible for coordinating the work of the team.

Developer Information

In the proposal, please provide the following information and/or documents about the Developer:

1. Name (full legal name), address, e-mail address, and telephone number.
2. Name, title, e-mail address, and telephone number of the authorized representative, if applicable.
3. Year entity was formed, if applicable.
4. Brief description of any projects completed that are relevant to the project proposed, if applicable.
5. Brief description of ownership and organizational structure.
6. Brief description of the project team's experience (staff members, architects, engineers, contractors, and/or others who would be most involved in this project).
7. Corporate Articles of Incorporation and By-laws or Partnership Agreements, if applicable.
8. List of current Board Members, if applicable.
9. IRS determination letter granting organization exemption under Section 501(c)(3) and public charity status under Section 509(a) of the Internal Revenue Code, if applicable.
10. The most recent full year personal financial statements or audited financial statements for corporations, partnerships, or limited liability. All financial statement information will be kept confidential.

Project Budget and Financing

In this section, provide information on the project budget (sources and uses of funds), adequacy of funding, and other sources of support:

1. Provide a development budget for this project, which includes all major cost items required for its implementation and identifies all sources of funds.
2. If your proposal includes any rental units, provide operating pro-formas for the development for the first three (3) years of project operations, showing sources and uses of funds. Also include a description of your assumptions and the sources of information used in developing the pro-forma.
3. Indicate what funds (loans, equity investments, or personal funds) have been committed to date. Describe the sources (including name of organization, bank, etc.), and list any applicable terms and conditions with respect to the use of funds. Attach letters or contracts that evidence the commitments, if applicable.
4. Indicate what additional funds need to be raised for this project, identify the anticipated sources of those funds, and describe your plans for obtaining them. What is the status of outstanding requests for funds? When will the decisions be made?

Proposal Requirements

In this section, provide or acknowledge the following requirements:

1. The proposal shall contain the full legal name of the person, firm, or corporation submitting the proposal and the address of the person, firm, or president of the corporation (if the president is not the owner of the firm or corporation).
2. The proposal must contain a statement to the effect that the proposal is firm for a period of no less than 90 days after the closing date of this request.
3. The proposal must contain a statement to the effect that the Developer agrees to accept immediate responsibility for the security and maintenance of the property upon receipt of the notice of Project award.
4. Each proposer which is a foreign corporation, that is, a corporation not incorporated in Nebraska but licensed to do business in Nebraska, is required to submit with their proposal an affidavit duly executed by the President, Vice-President, or General Manager of the Corporation, stating said affidavit, that said foreign corporation has, in accordance with the provision of the statutes of the State of Nebraska, obtained a certificate authorizing it to do business in the State of Nebraska.
5. The proposal must be signed by an official of the corporation, partnership, or entity authorized to bind the proposer.

Procedures for Submittal of Proposals

The proposal must be submitted as follows:

- 1-Hard Copy
- 1-Electronic Copy (e-mail, file share, USB Drive, or other agreed upon file sharing means)

Habitat Omaha will receive sealed written proposals in an approximate format of 8-1/2" by 11" at Habitat for Humanity of Omaha Inc, Attn: Daniel Brewer, Land Acquisition Manager, 1229 Millwork Ave, Suite 301, Omaha, Nebraska 68102, on or before 4 p.m. CST on February 28, 2025. Electronic

proposals may be emailed to habitat@habitatomaha.org and are also subject to the February 28, 2025, submission deadline.

Evaluation of Proposals

The Proposal Review Committee will review all proposals in a fair, equitable, and objective manner.

Evaluation and recommendations will be based primarily on:

1. The extent to which the proposed use is compatible with the requirements of the RFP.
2. The context in which the proposed use is compatible with the existing character of the surrounding area.
3. The qualifications of the project development team.
4. The degree of financial commitment and fiscal responsibility of the purchaser and associated lenders of the project.
5. Although not a proposal requirement, Habitat Omaha encourages Section 3 Business Concerns (Section 3) to submit a proposal. Section 3 certification will increase the merit of proposals.

The Housing and Urban Development Act of 1968 created the Section 3 program to create long-term economic opportunities for low- and very low-income residents and businesses. The goal, to the greatest extent possible, is to invest federal funding in local housing and community development projects to drive economic opportunities for area residents and businesses. Section 3 business concerns are businesses that meet at least one of the following criteria, documented within the last six-month period:

- i. At least 51 percent owned and controlled by low- or very low-income persons.
- ii. Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers, or
- iii. At least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8 housing.

Businesses requesting Section 3 consideration must certify as a Section 3 Business Concern by submitting an application, including supporting documentation, to Habitat for Humanity of Omaha, Attn: Daniel Brewer, Land Acquisition Manager, 1229 Millwork Ave, Suite 301, Omaha, NE 68102, no later than February 28, 2025. Electronic applications may be emailed to habitat@habitatomaha.org and are also subject to the February 28, 2025, submission deadline.

6. The conditions, if any, as attached to the proposal.

Award

The Proposal Review Committee shall make the final selection of the Developer from those recommended by the Proposal Review Committee by March 17, 2025. The choice will be made based on the following:

1. The best proposal (as defined above).

2. The preparation and acceptance by both parties of a satisfactory agreement between the Developer and Habitat Omaha.

Habitat Omaha reserves the right to reject all proposals and to advertise new proposals.

Additional Information

Site Access

The vacant land does not have secured access or screening that impedes viewing the site.

Contact Information

Please address all questions regarding this RFP to:

Habitat for Humanity of Omaha, Inc.
Attn: Daniel Brewer, Land Acquisition Manager
1229 Millwork Ave, Suite 301
Omaha, Nebraska, 68102
Phone: 402.884.7590
Email: dbrewer@habitatomaha.org

All questions and subsequent answers must be in writing to Habitat Omaha; they will be provided to the Proposal Review Committee and other potential Developers.

APPENDIX A - Manderson Market Small Area Concept Plan

Manderson Market

SMALL AREA CONCEPT PLAN

MARCH 2020





TABLE OF CONTENTS

Introduction.....	4
» Study Area	
» Transit-Oriented Development (TOD) Zoning	
» Future Land use	
Initial Concepts.....	6
» Assumptions	
» Building Types	
» Stormwater	
» Concepts A and B	
Preferred Concept	10
» Affordable Housing	
» Development Phasing	
Infrastructure	14
» Stormwater	
» Sanitary Sewer	
Appendix	

PREPARED BY:



WITH ASSISTANCE FROM:



INTRODUCTION

Building from the momentum of Forever North (a housing market and multimodal transportation strategy) for the heart of North Omaha, the City partnered with Habitat for Humanity to develop a Small Area Concept Plan for the area along N. 24th Street between Sahler Street on the north, Evans Street on the south, and N. 25th Street on the west, and N. 23rd Street on the east. Vireo and E & A Consulting assisted with the project. Goals involved developing concepts that combined new construction, infill, and renovation of existing structures, along with mixed-use development, commercial, and medium density housing.

Study Area

The City of Omaha and Habitat for Humanity own a significant number of properties in the study area and for purposes of this study can be assumed to have the ability to gain site control over any vacant and dormant structures. Current ownership includes the historic building located at 3819 N. 24th St., often referred to as the Native Omaha Club building. Previous concepts to reuse the Native Omaha Building site have ranged from commercial business, community space, townhomes, addition of a second multi-family structure, or demolition followed by new construction covering the entire site. Simple site renditions of several scenarios are available for referral but are not required to be adhered to for the purpose of this concept plan.

The area includes two clusters of historic buildings identified in the Historic Streetcar System Intensive Level Survey: 1) on the west side of N. 24th Street at Sprague Street, is a node known as Oak Chatham; 2) on the east side of N. 24th Street between Pratt and Manderson Streets is a node identified as Manderson Market. The Historic Streetcar System Intensive Level Survey is available for review at the Omaha Landmarks Heritage Preservation Commission.



Mandersen Market

★ Native Omaha Building

■ Historic Resources

□ Mandersen Market
Redevelopment Boundaries

N

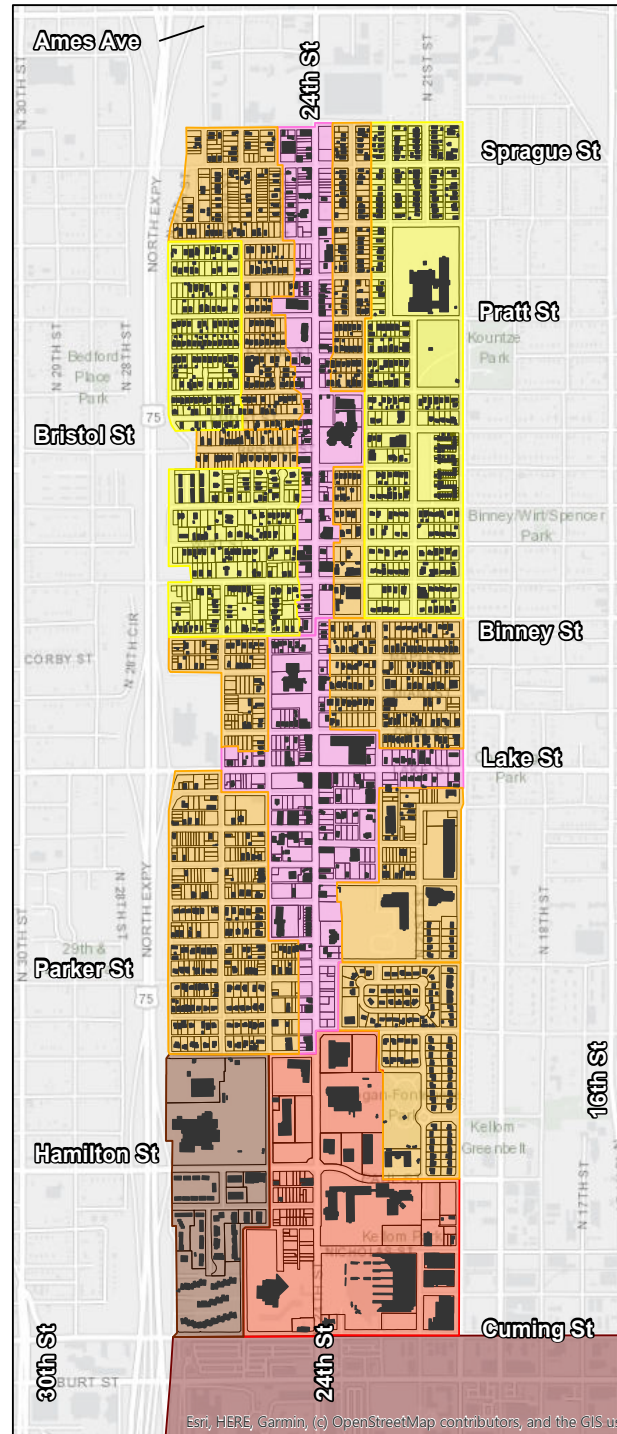


TOD Zoning

The City Planning Department has recently developed a draft Transit-Oriented Development (TOD) zoning code and a TOD map for the corridor. TOD encourages compact, walkable, mixed-use development, focused on transit corridors that are high quality. The City Planning Board would need to approve the draft code and the City Council adopt it before it could be implemented and applied to the corridor. The TOD-2: Mixed Use (MU) is recommended for property along N. 24th Street in the project area; TOD-3: Medium Density Residential (MDR) for adjacent properties.

Future Land Use

The future land use concept for **Forever North** describes Manderson Market as a mixed-use, mixed-income area surrounded by supportive infill development. The area would include low, medium, and high density residential plus commercial and mixed uses.



North 24th Street Transit Oriented Development Zoning (Proposed)

- TOD-1: Mixed Use (MU)
- TOD-2: High Density Residential (HDR)
- TOD-2: Mixed Use (MU)
- TOD-3: Medium Density Residential (MDR)
- TOD-3: Mixed Use (MU)
- TOD-4: Single Family Accessory (SFA)

INITIAL CONCEPTS

The project team developed two initial concepts (A and B) as part of the Small Area Planning process. Each is based on a series of assumptions, building types, and stormwater considerations. The City shared them at a public open house on January 21, 2020 along with other North Omaha planning efforts. Participants and stakeholders preferred to see a variety of housing options in the final concept.

Assumptions

- » The City Planning Department will approve the draft TOD zoning code and the corresponding map as a base district.
- » City stormwater management requirements combined with the historical impacts of area redlining prohibit denser development in this portion of the City.
- » Regardless, the area needs to densify. Doing so will help it respond to projected housing demands and improve the market for non-residential development and basic services (re: food and groceries).
- » Mixed-use development could be designed as vertical, horizontal, and/or walkable (combination of vertical and horizontal). Walkable would be the ideal for the project area, as it provides design and layout variability. Examples that illustrate a combination of residential (yellow) and commercial (red) concepts for mixed-use design are shown at right.
- » Green space between buildings would serve as recreational and amenity areas and/or stormwater detention.

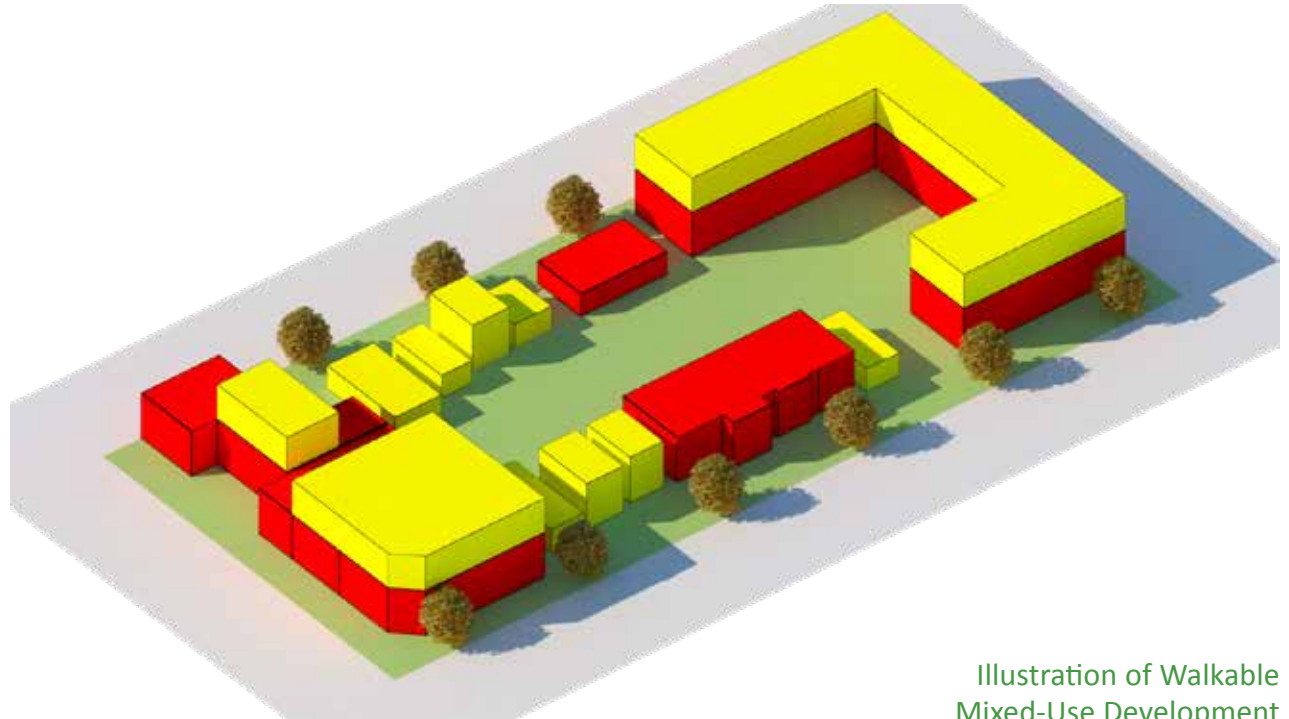


Illustration of Walkable Mixed-Use Development

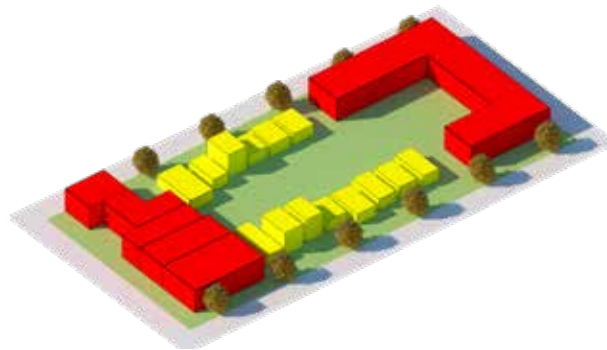


Illustration of Horizontal Mixed-Use Development

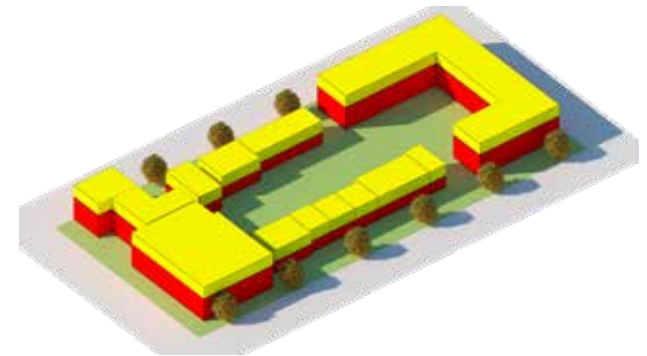


Illustration of Vertical Mixed-Use Development

Building Types

- » Mixed Use (2-3 stories)
 - 90% Residential
 - 10% Non-residential (commercial—retail, office, other)
- » Residential
 - High density (3 stories)
 - 6-plex (3 stories)
 - Duplex (2 stories)
 - Piggyback Lofts (2.5 stories)
 - Row house (attached and detached, 2.5 stories)
 - Live/work (attached, 2-2.5 stories)
 - Accessory Dwelling Units (ADUs) above detached garages
- » Existing
 - Evans Tower
 - Salvation Army
 - Commercial and residential buildings

Stormwater

- » As noted in **Forever North**, the City requires Post Construction Stormwater Management Plan (PCSMP) Regulations to be followed for new and redevelopment projects. The regulations result in the incorporation of stormwater Best Management Practices (BMPs) into development projects and thereby help improve water quality and control runoff.
- » Additionally, new development or redevelopment, projects discharging into the Municipal Separate Storm Sewer System (MS4 – generally west of 72nd Street) must maintain a “No Adverse

Impact” condition.

- » Projects discharging to the Combined Sewer system (generally those east of 72nd Street) must control runoff such that there is no net increase in runoff from pre-development conditions as they existed in October 2002 for 2-, 10- and 100-year storm events.
- » The City may require stormwater detention in areas where there is not adequate downstream sewer capacity.
- » On the blocks listed below, Concepts A and B are decreasing the impervious area from 2002, so only treatment is required:
 - East side, Evans to Pratt
 - East side, Manderson to Laird
 - West side, Sprague to Sahler
- » On the next blocks, there were several vacant lots in 2002. The concepts will increase impervious surfaces, so a detention component is needed:
 - West side, Manderson to Spaulding as well as the couple lots abutting Spaulding
 - East side, Laird to Sahler
- » The remaining blocks will depend some on which concept (or aspects of them) are selected. Additional information gathering will help determine if detention is needed:
 - West side, Spaulding to Sprague
 - Lots abutting 25th St, Spaulding to Sprague
- » For treatment only, assuming a rough estimate for every half block (+/- 1 acre), the development concept(s) will need a rain garden of 100'x30' or 50'x50'. For lots needing detention, the concept(s) would need an even bigger area for above-ground detention. In addition, there are other methods for treatment, such as roof drain filters, green roofs, rain barrels, permeable pavement in the units with parking lots, and structural systems

(Stormceptor or BaySeparator). For the detention areas, underground storage is probably cost-prohibitive, but the methods could be used in tandem with a small basin.

- » The preferred concept will likely need more space for stormwater management, especially on the blocks where the detention component is needed. The alternative may be a more expensive stormwater management approach.

Concept A

- » 238 new housing units.
- » 14,493 square feet of new construction commercial space.
- » 30,498 square feet of existing commercial space available for renovation.

Concept B

- » 299 new housing units
- » 5,194 square feet of new construction commercial space
- » 26,148 square feet of existing commercial space available for renovation





6-Plex



High Density Residential



Mixed Use



Mixed Use

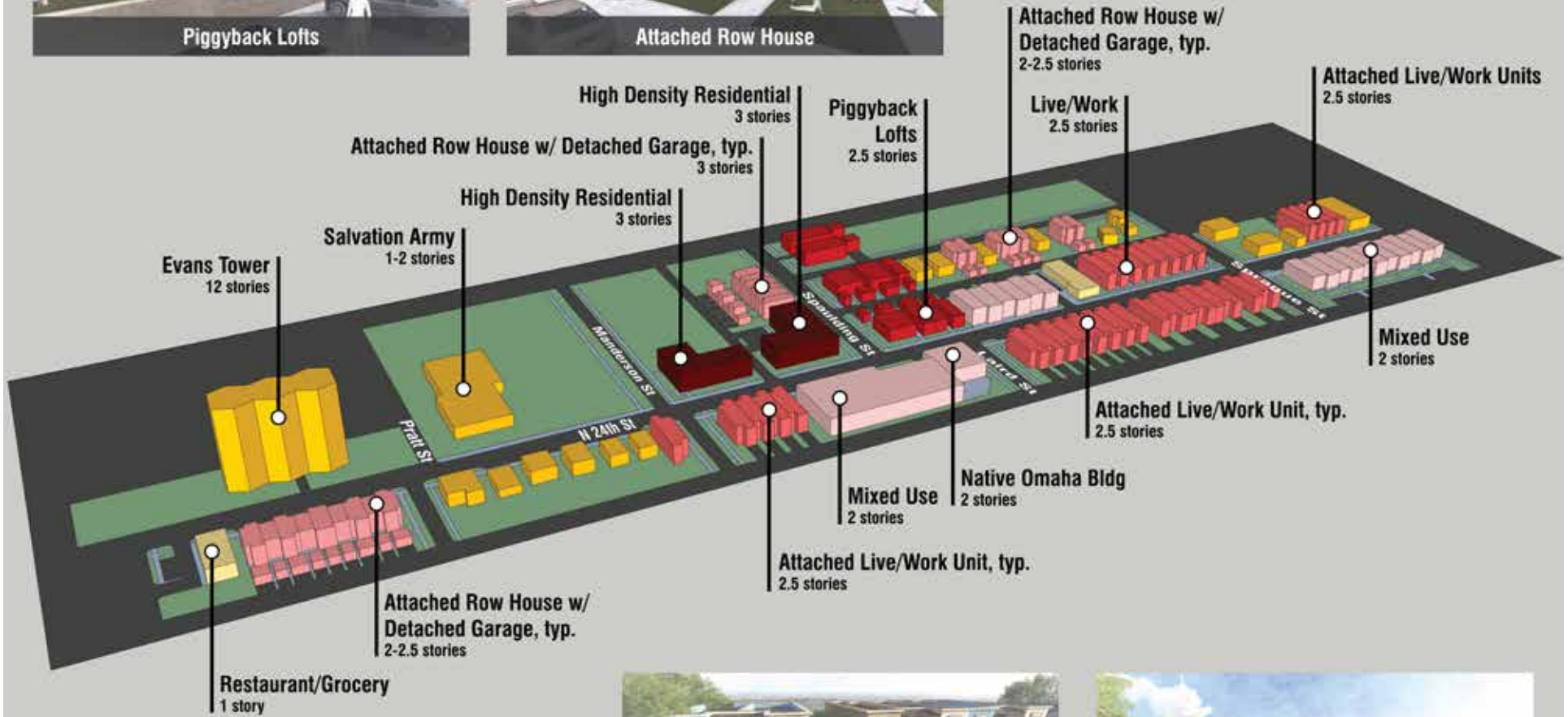
**Manderson Market | Omaha, NE
Concept A**



Piggyback Lofts



Attached Row House



Attached Live/Work



Mixed Use

**Manderson Market | Omaha, NE
Concept B**

PREFERRED CONCEPT

The preferred concept describes housing and commercial redevelopment for Manderson Market as follows:

- » 253 new housing units.
- » 5,810 square feet of new construction commercial space.
- » 27,523 square feet of existing commercial space available for renovation.
- » 56 on-street parking spaces (parallel, along the east side of N. 24th Street only).
- » 119 surface parking spaces (mix of commercial, mixed-use, and high density residential).
- » 109 garaged residential spaces.

Key assumptions involve:

- » “Live/Work” buildings are 3 units high, with 2 units above ground and a small studio unit partially below ground.
- » Row houses are to be 2 units each (one on main floor, one upstairs).
- » Every two-car detached garage supports 1 ADU above the garage.
- » Commercial space occupies 10% of mixed-use buildings.
- » Existing vacant commercial space is converted/renovated to 100% commercial.
- » “Live/work” units are 100% residential.

The project team developed a high-level cost estimate, including stormwater management improvements and sanitary sewer, for the preferred concept. The estimated cost is anticipated to be approximately \$45.1 million for new construction. Vireo utilized the **Forever North Housing Market Study**, E & A Consulting’s utility report, and other information to develop it.

Affordable Housing

According to the **Forever North Housing Market Study**, the median income of market area households, at \$27,056, is almost 50% less than the city’s overall median income of \$53,789. Over 55% of market area households have incomes less than \$35,000. The majority of the market area, which includes Manderson Market, has seen little or no new unsubsidized residential development. Single-family and 2-unit residential properties have been selling at very low prices in the market area, with 90% of sale prices below \$90,000 in the last 2-3 years. The low sale prices inhibit new construction of market rate housing due to the difficulty of buyers obtaining a mortgage supported by market values.

Further, the median household income in the N. 24th Street Corridor, which also includes Manderson Market, is lower than the larger housing market area at \$20,681, according to the 2013 - 2017 U.S. Census American Community Survey (ACS) 5-Year Estimate. Consequently, corridor residents have less purchasing power. The effects of historic redlining practices continue to inhibit home buying today. Further, the median home-value-to-income ratio within the N. 24th Street Corridor is higher than the City’s ratio, which means it may take corridor residents about 6 months longer to purchase the average home as compared to Omaha residents overall if their incomes were similar. Additional Census data indicates nearly 60% of corridor renters pay 30% or more of their income for housing. The U.S. Housing and Urban Development Department defines cost-burdened families as those who pay more than 30% of their income for housing.

The residential rents (\$967 - \$1,118) used to help develop the cost estimate for the preferred concept are 50% of Area Median Income (AMI), based on the housing market study. Truly affordable housing for corridor residents or those in the larger market area would be less than \$700 per month and likely require a subsidy, such as Low-Income Housing Tax Credits (LIHTC).

Vireo discussed and refined the project’s cost estimate with assistance from RCT Investments. RCT partners with Cohen-Esrey and Yarco Companies for Midwest development projects. The firm has experience working in urban areas with housing construction issues. RCT’s key recommendation was to increase the amount of housing shown in the final concept (by at least twice the amount shown) to better achieve area planning goals related to building the retail market for needed goods and services. Doing so may increase the need for parking. However, ACS estimates indicate 30% of corridor workers walk, bicycle, carpool, or use transit to get to work; only 13% of Omaha workers overall use the same means. Almost 22% of occupied housing units in the corridor have no car compared to 8.2% in the City.

Development Phasing

RCT recommended project phasing begin south of Evans Street to leverage development interest around N. 24th Street/Lake and Creighton University. Phase 1 of Manderson Market redevelopment could build on existing anchors, such as Evans Tower. The Tower could be renovated (if necessary) and new homes built across from it. The Native Omaha Building could be rehabilitated for grocery/restaurant or a sales/leasing office for the area. Subsequent phasing could continue north, supporting the anticipated Salvation Army expansion. Phasing should also consider similar building types and ownership characteristics, as the City and Habitat for Humanity own parcels in the area. The area includes 13 historic properties. Existing commercial space that is renovated, potentially with help from Federal Historic Tax Credits, should also be incorporated into phasing considerations. For example, those at N. 24th and Sprague could become artist studios or gallery spaces. Since developers often build one genre of building, RCT recommended Manderson Market redevelop with assistance from a master developer partnered with others who have experience building for sale and rental development, including small-scale projects.



A Piggyback Lofts



B Attached Row House



C High Density



**Manderson Market | Omaha, NE
Preferred Concept**



D Attached Live/Work



E 6-Plex Adjacent to Green Space



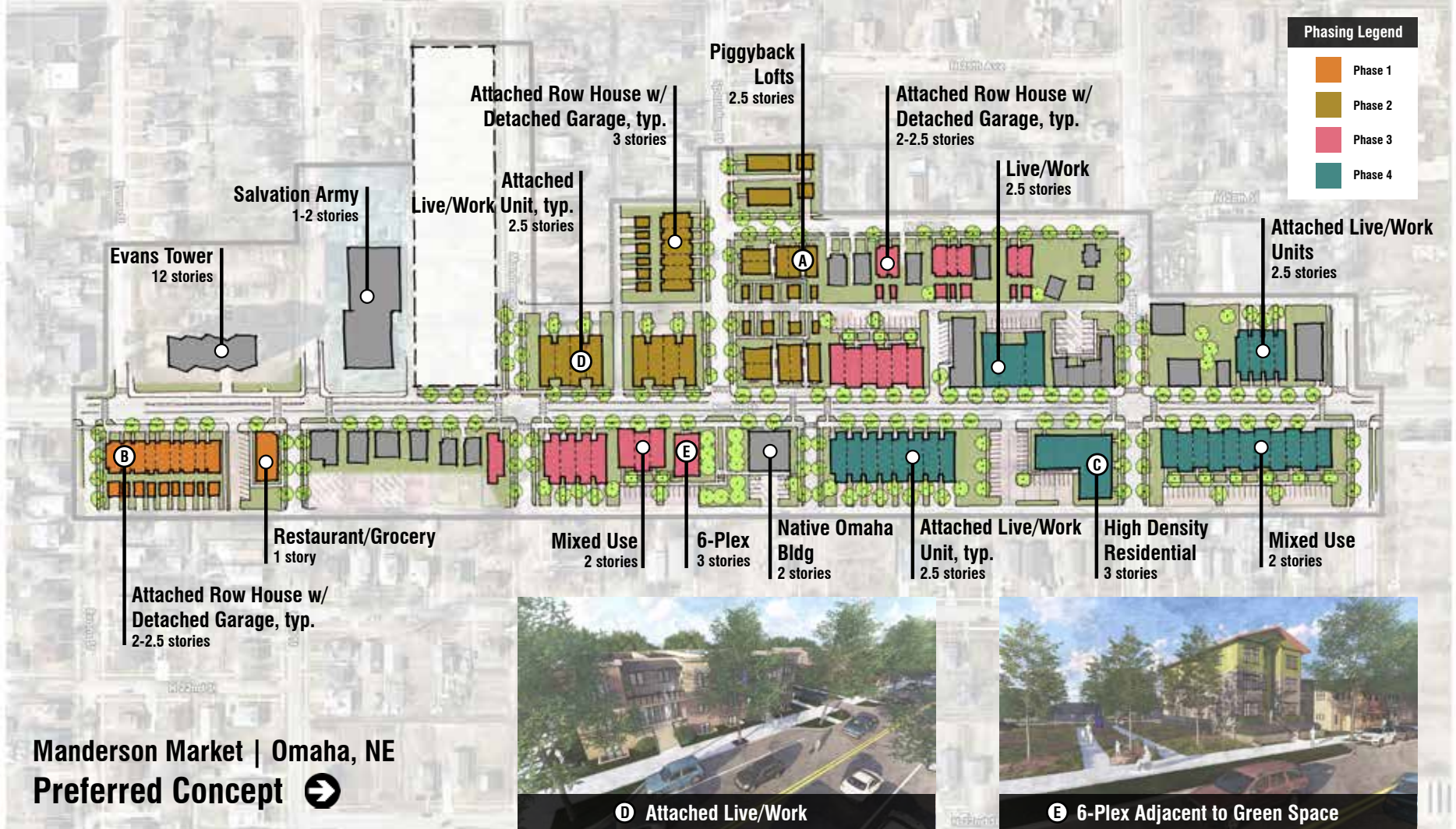
A Piggyback Lofts



B Attached Row House



C High Density



**Manderson Market | Omaha, NE
Preferred Concept ➔**



A Piggyback Lofts



B Attached Row House



C High Density

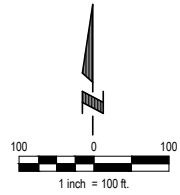


**Manderson Market | Omaha, NE
Preferred Concept ➔**

INFRASTRUCTURE

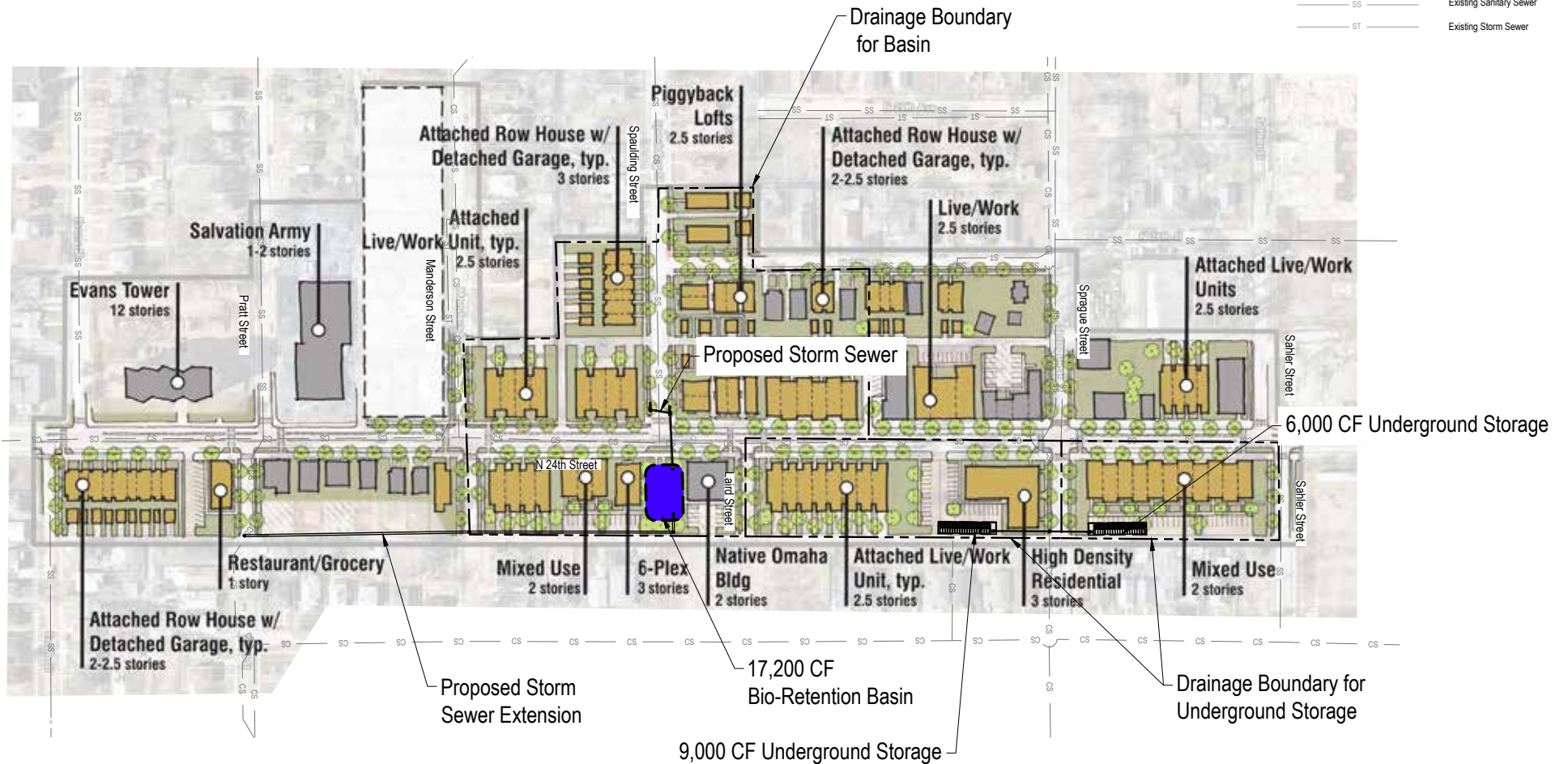
The following is a high-level analysis of the preferred concept plan, specifically examining the sanitary and storm sewer infrastructure of the area and how the plan meets the stormwater management requirements of the City.

The existing system's limited available stormwater capacity affects the site. According to the City's Public Works Department, the existing combined sewer line in N. 24th Street



LEGEND

- Storm Sewer System
- PCSMP Basin Perimeter
- Existing Combined Sewer
- Existing Sanitary Sewer
- Existing Storm Sewer



Street is over capacity and a connection cannot be made to it. At the north, there is a large 108" combined sewer line in Sprague Street that could be tapped. At the south, there is a large 78" combined line in N. 22nd Street and Pinkney Street that could be tapped. On-going coordination with the Public Works Department will be necessary during final design.

Stormwater

The project team compared the preferred concept for each block to aerial imagery from 2002. This date is given by the Omaha Regional Stormwater Design Manual (ORSDM) for comparison when calculating existing and proposed runoff in order to provide no net increase of flow during the 2-, 10-, and 100-year storm events. The Curve Number Comparison Exhibit in the Appendix shows which blocks increase in impervious area when compared to 2002, which blocks decrease in impervious area, and which blocks have a negligible change. Blocks that have negligible change or decrease in impervious area will have less runoff and will only require stormwater treatment. Blocks that increase in impervious area will have more runoff and will require detention in addition to treatment. The higher the curve number, the more impervious area:

- » East side of N. 24th Street, Laird Street to Sahler Street
- » South side of Manderson Street, west of N. 24th Street
- » West side of N. 24th Street, Manderson Street to Spaulding Street and both sides of Spaulding Street, N. 24th Street to N. 25th Street

The other areas of the preferred concept will require only stormwater treatment. The ORSDM requires the first 1/2" of any rain event to be treated. Likely possibilities for treatment on these blocks are gutter downspout filters, curb inlet filters, rain barrels, or small rain gardens. Depending on the specific details of each block, the types

and number of buildings on it, and the treatment option chosen, the cost for treatment will likely be \$2,000-\$15,000 per block. Most of these options do not require any new storm sewer and since there is a decrease in runoff, the City will not have concerns about the runoff going to the smaller combined sewer system.

Underground detention is recommended for the two blocks of N. 24th Street between Laird Street and Sahler Street due to the proposed density and their proximity to the large sewer in Sprague Street. This is a system of pipes, fabric, and rock under the proposed parking lot (see Proposed Drainage Improvements exhibit in the Appendix). This system can be expensive but is built underground, so no building space or parking is lost. The system could be connected to the existing 108" sewer in Sprague with a new manhole or an existing manhole at N. 23rd Street and Sprague Street could be tapped. This cost is conservative and may be able to be reduced, depending on the final site plan.

Since most of the other blocks where detention is required are centrally located within the preferred concept area, and there is some open space planned south of the Native Omaha Building, a bio-retention basin is proposed there. If the final design of the site does not have space for this 17,200 cubic foot basin, there are two vacant lots (3822 and 3824 N. 23rd Street) immediately east of this space that could be used for the basin as well. The area served by this basin is shown on the Proposed Drainage Improvements exhibit shown on page 14 and in the Appendix. Runoff would get to this basin from west of N. 24th Street by replacing the three existing inlets and a manhole at the intersection of N. 24th Street and Spaulding Street with three new inlets, a manhole, and a pipe connecting them to the basin.

Since the City will not allow additional stormwater in the smaller combined sewer line in N. 24th Street, it is proposed to connect the basin outlet to the existing 30" combined sewer in Pratt Street with two new blocks of storm sewer in the alley between N. 23rd Street and N. 24th Street.

With the development, it is likely this alley will be replaced anyway. This also helps the City eliminate some of the water running to the N. 24th Street sewer. If the City is not amenable to connecting to the Pratt Street sewer, perhaps the City could partner with the project to extend new storm sewer from the large diameter combined sewer at either N. 21st Street and Pratt Street or N. 22nd Street and Pinkney Street. This basin and accompanying storm sewer extension are estimated to cost \$239,500, but would serve several blocks where detention is required.

The exact concept for the south side of Manderson Street is unknown. However, there is an existing separate storm sewer on the south side of Manderson Street that the project could connect to. This block would be responsible for its detention and treatment. This could be a bio-retention basin, underground storage, or perhaps even permeable pavers depending on the final layout. As long as the runoff is reduced by the selected system, the City should allow the connection to the Manderson Street storm sewer. It is difficult to estimate a cost without knowing a layout or detention and treatment method, but it will likely be in the range of \$20,000-\$40,000.

Sanitary Sewer

The City of Omaha provided the project team with the sewer quarter section maps for the area. After reviewing them, the team reached the conclusion that connecting the sanitary to the existing system should not be a problem because plenty of stubs are available. In fact, there are two stubs available to most of the existing lots within the project area.

APPENDIX

Pro Forma

Utility Report

Forever North Housing Market Study

PRO FORMA

Sources

- » Residential rents (**2019 Forever North Housing Market Study**)
- » Commercial rents (example retail/restaurant property available at 3002 N. Omaha near N. 16th and Binney Street per Loopnet.com 2019)
- » Vacancy Rate: 5% (RCT Investments' professional experience/recommendation)
- » Land Costs: \$765,900 (Douglas County GIS assessment information + 50% for Fair Market Value)
- » Hard Costs for New Residential (average for housing construction costs in Omaha per Home-Builders.com 2018)
- » Hard Costs for New Commercial (median per ProEst.com 2018)
- » Soft Costs (Incremental Development Alliance example)
- » Storm/Sewer: E & A Consulting's Utility Report

WHAT REVENUE CAN THE PROJECT PRODUCE?						
MONEY IN	Quantity	Rent/Unit	Sq. Ft./Unit	Rent/Sq. Ft.	Total Sq. Ft.	Total Monthly Rent
Mixed-use residential	35	\$967	800	\$1.21	28,000	\$33,845
Medium Density residential	196	\$1,118	1,500	\$1.67	294,000	\$219,128
High density residential	22	\$967	800	\$1.67	17,600	\$21,274
Commercial Space				\$0.67	5,810	\$3,893
Common/Area/Storage/Garages	N/A	N/A	N/A	N/A	N/A	\$0
Total	253				345,410	\$278,140
Gross Potential Annual Income - GPI (Monthly Rent x 12)						\$3,337,676

WHAT WILL IT COST TO OPERATE THE PROJECT?			
VACANCY & OPEX	%		CALCULATE NET OPERATING INCOME
GPI		\$3,337,676	Gross Potential Annual Income (GPI) \$3,337,676
Vacancy Factor (% of GPI)	5.00%	\$166,884	
Annual Operating Expenses (OPEX): Insurance, property taxes, property management, repairs, water, sewer, trash, etc. (% of GPI - Vacancy)	40%	\$1,335,071	Gross Operating Income (GOI) \$3,170,793
			Net Operating Income (NOI) \$1,835,722

WHAT WILL IT COST TO BUILD? WHAT IS THE RETURN ON PROJECT COST?					
COST OF BUILDING THE PROJECT	Quantity (Sq. Ft.)	Cost/Sq. Ft.	Total	CALCULATE ESTIMATED RETURN ON PROJECT COST	
Land Costs		\$765,900		Annual NOI	\$1,835,722
Hard Costs	345,410	\$104	\$36,029,717		
Soft Costs	345,410	\$25	\$8,635,250	Estimated Return on Project Cost	4.07%
Other (Off-site improvement costs, e.g. sewer/stormwater)			\$463,900		
Total Project Cost			\$45,128,867		



E & A CONSULTING GROUP, INC.

Engineering Answers

10909 Mill Valley Road, Suite 100 • Omaha, NE 68154-3950
P 402.895.4700 • F 402.895.3599
www.eacg.com

**ENGINEERING MEMORANDUM
MANDERSON MARKETPLACE
E&A PROJECT NO. P2019.292.001
2/19/2020**

This engineering memorandum describes the preliminary calculations and methodology for the Manderson Marketplace concept plan. This plan is a high-level analysis of the concept plan provided by Vireo on February 13, 2020, specifically examining the sanitary and storm sewer infrastructure of the area and how the plan meets the stormwater management requirements of the City of Omaha.

The project area is 24th Street from Evans Street to Sahler Street, 25th Street from Spaulding Street to Sprague Street, and Manderson Street west of 24th Street. The Proposed Drainage Improvements exhibit shows the concept plan provided by Vireo.

The site is limited by the availability of stormwater capacity in the existing system. In correspondence with the City of Omaha, they shared that the existing combined sewer line in 24th Street is over capacity and cannot be connected to. At the north, there is a large 108" combined sewer line in Sprague Street that could be tapped. At the south, there is a large 78" combined line in 22nd Street & Pinkney Street that could be tapped. Ongoing coordination with the City of Omaha Public Works Department will be necessary during final design.

Stormwater Management

The proposed concept for each block was compared to aerial imagery from 2002. This date is given by the Omaha Regional Stormwater Design Manual (ORSDM) for comparison when calculating existing and proposed runoff in order to provide no net increase of flow during the 2-, 10-, and 100-year storm events. The Curve Number Comparison Exhibit shows which blocks increase in impervious area when compared to 2002, which blocks decrease in impervious area, and which blocks have a negligible change. Blocks that have negligible change or decrease in impervious area will have less runoff and will only require stormwater treatment. Blocks that increase in impervious area will have more runoff and will require detention in addition to treatment. The numbers listed in each block are curve numbers based on existing and proposed land uses from the ORSDM. The higher the curve number, the more impervious area.

There are 3 areas of concern that will require detention:

- East side of 24th Street, Laird Street to Sahler Street
- South side of Manderson Street, west of 24th St
- West side of 24th Street, Manderson Street to Spaulding Street and both sides of Spaulding Street, 24th Street to 25th Street

These 3 areas will be discussed in the next paragraph. The other areas of the concept plan will require only stormwater treatment. The ORSDM requires the first 1/2" of any rain event to be treated. Likely possibilities for treatment on these blocks are gutter downspout filters, curb inlet filters, rain barrels, or small rain gardens. Depending on the specific details of each block, the types and number of buildings on it, and the treatment option chosen, the cost for treatment will likely be \$2,000-\$15,000 per block. Most of these options do not require any new storm sewer and since there is a decrease in runoff, the City will not have concerns about the runoff going to the smaller combined sewer system.

Underground detention is recommended for the two blocks of 24th Street between Laird Street and Sahler Street due to the proposed density and their proximity to the large sewer in Sprague Street. This is a system of pipes, fabric, and rock under the proposed parking lot (see Proposed Drainage Improvements exhibit in the appendix). This system can be

expensive but is built underground so no building space or parking is lost. The system could be connected to the existing 108" sewer in Sprague with a new manhole or an existing manhole at 23rd Street & Sprague Street could be tapped. This underground detention system for service to the two lots is expected to cost \$224,650. See the cost estimate in the appendix for a detailed breakdown of costs. This cost is conservative and may be able to reduced depending on the final site plan.

Since most of the other blocks where detention is required are centrally located within the concept plan area, and there is some open space planned south of the Native Omaha Building, a bio-retention basin is proposed there. If the final design of the site does not have space for this 17,200 cubic foot basin, there are two vacant lots (3822 and 3824 N 23rd Street) immediately east of this space that could be used for the basin as well. The area served by this basin is shown on the Proposed Drainage Improvements exhibit in the appendix. Runoff would get to this basin from west of 24th Street by replacing the three existing inlets and a manhole at the intersection of 24th Street & Spaulding Street with three new inlets, a manhole, and a pipe connecting them to the basin.

Since the City will not allow additional stormwater in the smaller combined sewer line in 24th Street, it is proposed to connect the basin outlet to the existing 30" combined sewer in Pratt Street with two new blocks of storm sewer in the alley between 23rd Street and 24th Street. With the development, it is likely this alley will be replaced anyway. This also helps the City eliminate some of the water running to the 24th Street sewer. If the City is not amenable to connecting to the Pratt Street sewer, perhaps the City could partner with the project to extend new storm sewer from the large diameter combined sewer at either 21st Street & Pratt Street or 22nd Street & Pinkney Street. This basin and accompanying storm sewer extension are estimated to cost \$239,500, but would serve several blocks where detention is required.

The exact concept for the south side of Manderson Street is unknown. However, there is an existing separate storm sewer on the south side of Manderson Street that the project could connect to. This block would be responsible for its detention and treatment. This could be a bio-retention basin, underground storage, or perhaps even permeable pavers depending on the final layout. As long as the runoff is reduced by the selected system, the City should allow the connection to the Manderson Street storm sewer. It is difficult to estimate a cost without knowing a layout or detention and treatment method, but it will likely be in the range of \$20,000-\$40,000.

Sanitary Sewer System

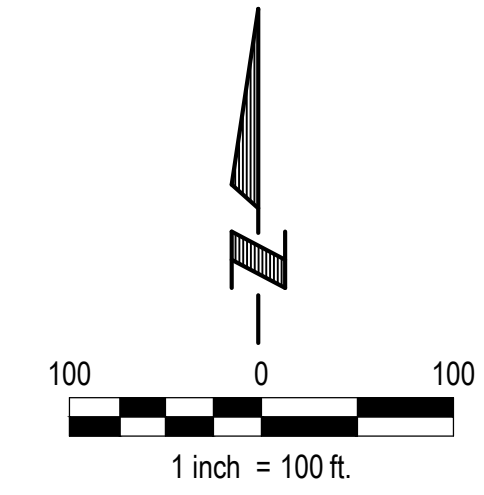
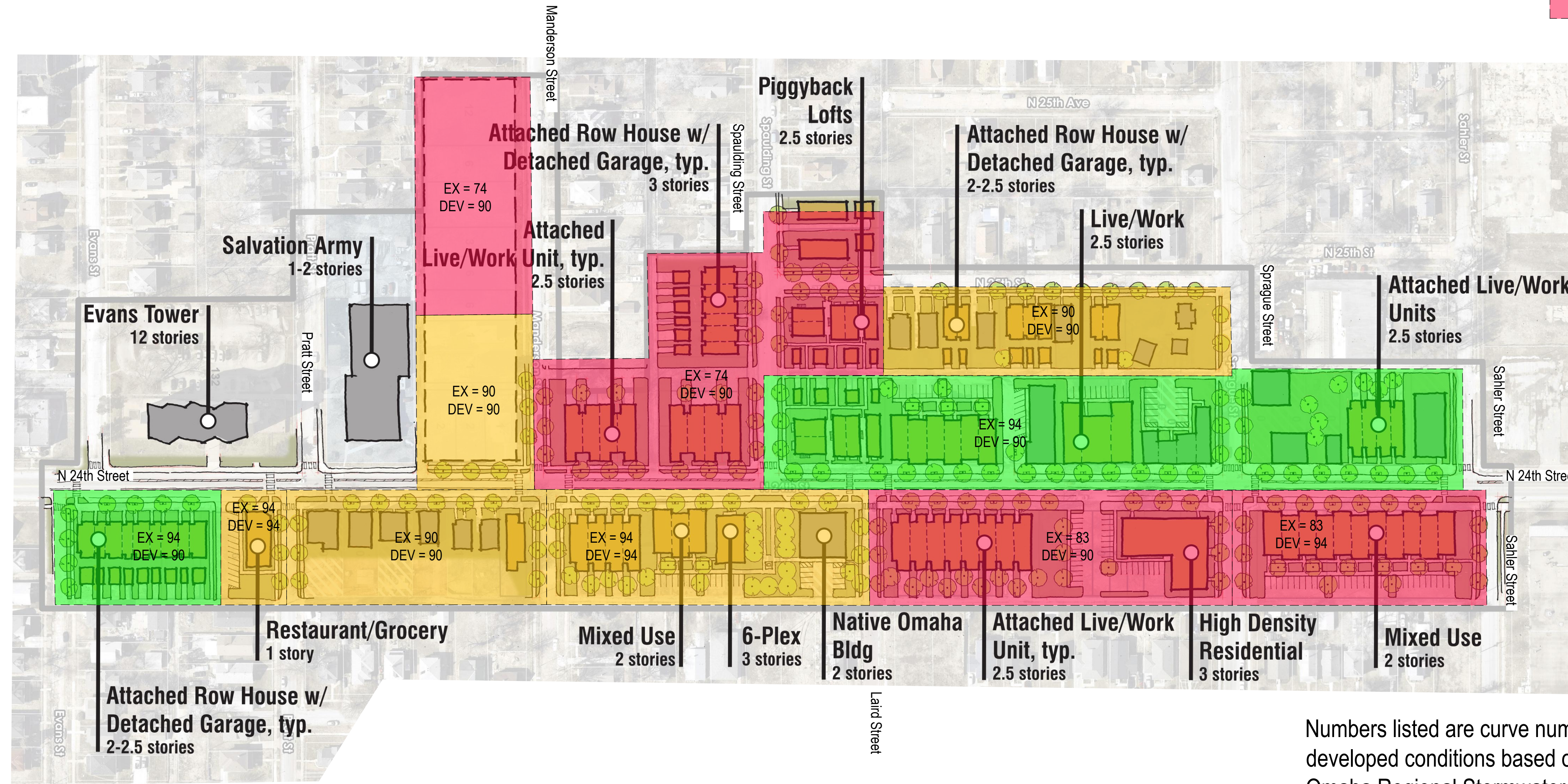
The City of Omaha provided the sewer quarter section maps for the area. After reviewing these maps, connecting the sanitary to the existing system should not be a problem as plenty of stubs are available. In fact, there are two stubs available to most of the existing lots within the study area.

In summary, this plan overcomes the stormwater management challenges common to redevelopment projects by the using the proposed green space near the Native Omaha Building for a "regional" bio-retention basin, planning underground storage near Sprague Street to maximize use of the land on those blocks, and utilizing block-level methods when possible on blocks that decrease impervious area.

Appendices

- Curve Number Comparison
- Proposed Drainage Improvements
- Cost Estimate





LEGEND

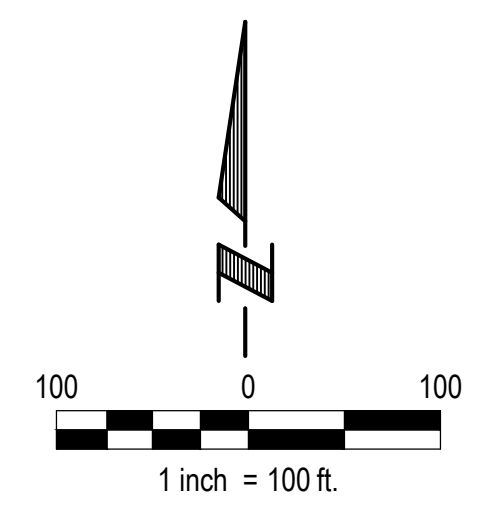
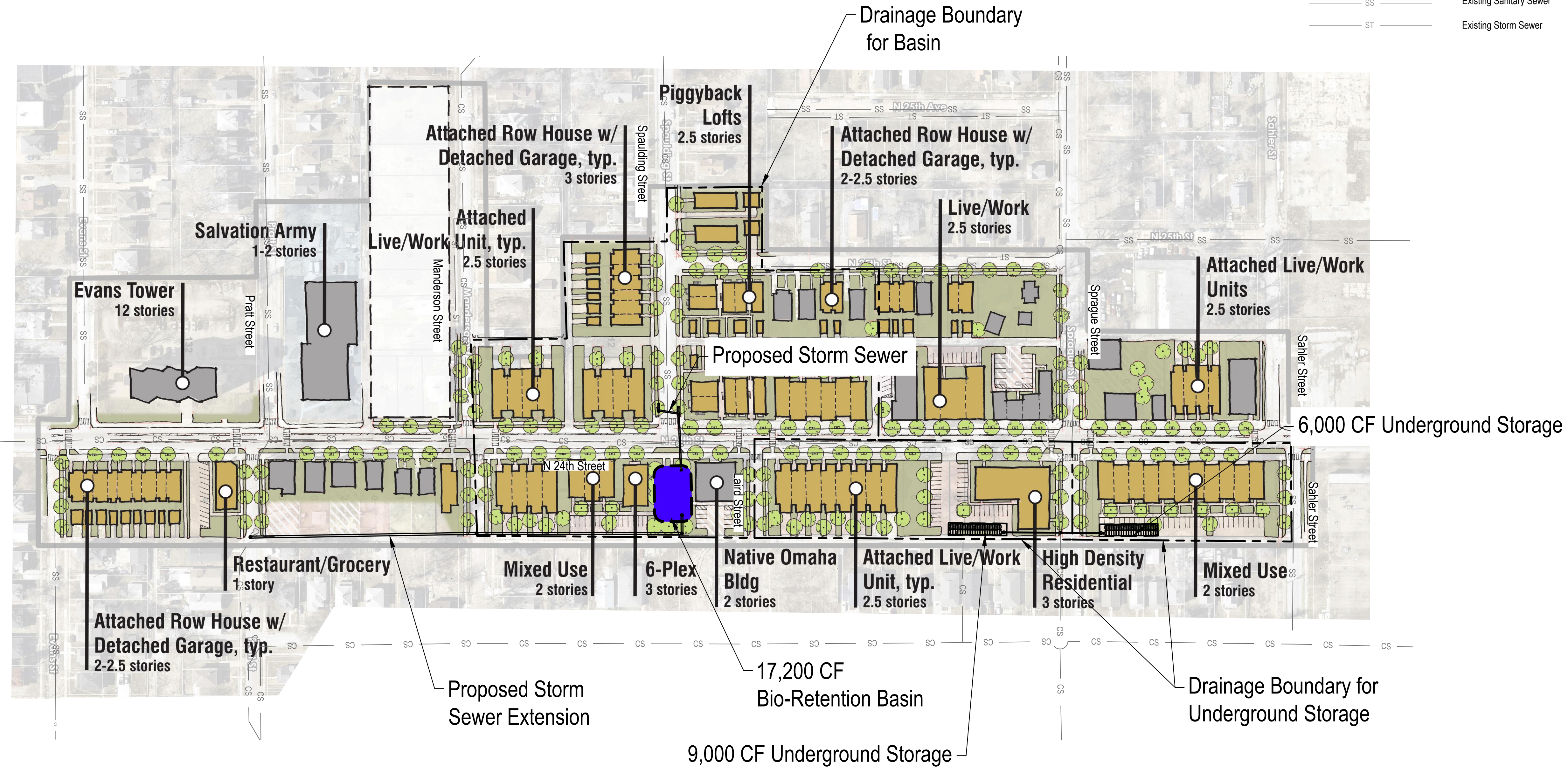
- Decreased Impervious Area
- Negligible Change in Impervious Area
- Increased Impervious Area

Numbers listed are curve numbers for existing and developed conditions based on methodology from the Omaha Regional Stormwater Design Manual



Revisions	Date	Description

Proj No:	2019.232.001
Date:	2/19/2020
Designed By:	CW/E
Drawn By:	JMB
Scale:	AS SHOWN
Sheet:	1 of 1



LEGEND

	Storm Sewer System
	PCSMP Basin Perimeter
	Existing Combined Sewer
	Existing Sanitary Sewer
	Existing Storm Sewer

E & A CONSULTING GROUP, INC.
 Engineering • Planning • Environmental & Field Services
 10906 Mill Valley Road, Suite 100 • Omaha, NE 68154
 Phone: 402.895.4700 • Fax: 402.895.3599
 www.eaag.com



MANDERSON MARKET
 ENGINEER'S MEMORANDUM
 OMAHA, NEBRASKA

PROPOSED DRAINAGE
 IMPROVEMENTS

Revisions	Date	Description

Proj No:	2019.232.001
Date:	2/19/2020
Designed By:	CW/E
Drawn By:	JMB
Scale:	AS SHOWN
Sheet:	1 of 1

3/8/2020 10:52 AM K:\Projects\2019\232\001\Engineering\CAD\Files\Civil\Site\SITE-000.dwg

MANDERSON MARKETPLACE
CONCEPT LEVEL STORMWATER MANAGEMENT COST ESTIMATE
2/19/2020
CALEB BEASLEY

UNDERGROUND STORAGE (East Side of 24th Street, Laird Street to Sahler Street)

	QUANTITY	UNIT	UNIT COST	TOTAL COST
UNDERGROUND STORAGE (SE Corner 24th & Sprague)	9000	CF	\$ 12	\$ 108,000
UNDERGROUND STORAGE (NE Corner 24th & Sprague)	6000	CF	\$ 12	\$ 72,000
CONSTRUCT 15" STORM SEWER	160	LF	\$ 60	\$ 9,600
CONSTRUCT MANHOLE TO CONNECT TO 108" SEWER	1	EA	\$ 25,000	\$ 25,000
REMOVE AND REPLACE PAVEMENT (Sprague)	134	SY	\$ 75	\$ 10,050
UNDERGROUND STORAGE TOTAL				\$ 224,650

BIO-RETENTION BASIN AND STORM SEWER EXTENSION (Native Omaha Building)

	QUANTITY	UNIT	UNIT COST	TOTAL COST
BIO-RETENTION BASIN	1	LS	\$ 30,000	\$ 30,000
CONSTRUCT 18" STORM SEWER (Across 24th Street)	150	LF	\$ 60	\$ 9,000
CONSTRUCT 18" FLARED END SECTION	1	EA	\$ 1,500	\$ 1,500
REMOVE AND REPLACE CURB INLET (24th & Spaulding)	3	EA	\$ 5,000	\$ 15,000
REMOVE AND REPLACE MANHOLE (24th & Spaulding)	1	EA	\$ 5,000	\$ 5,000
CONSTRUCT 30" STORM SEWER (Basin to Pratt)	750	LF	\$ 100	\$ 75,000
CONSTRUCT MANHOLE TO CONNECT TO 30" SEWER	1	EA	\$ 10,000	\$ 10,000
REMOVE AND REPLACE PAVEMENT (24th)	250	SY	\$ 75	\$ 18,750
REMOVE AND REPLACE PAVEMENT (Alley)	1250	SY	\$ 60	\$ 75,000
BIO-RETENTION BASIN AND STORM SEWER EXTENSION TOTAL				\$ 239,250



RESIDENTIAL MARKET ANALYSIS

**24TH STREET CORRIDOR STUDY
OMAHA, NEBRASKA**

OCTOBER 29, 2019

**PREPARED FOR:
VIREO
AND
OMAHA – COUNCIL BLUFFS
METROPOLITAN AREA PLANNING AGENCY**

**PREPARED BY:
APPLIED REAL ESTATE ANALYSIS, INC.**

CHAPTER I.

INTRODUCTION AND SUMMARY OF FINDINGS

INTRODUCTION

Applied Real Estate Analysis (AREA), Inc., is one member of a team of planners and designers led by Vireo and contracted by the Metropolitan Area Planning Agency to prepare a housing market and multimodal transportation study for the North 24th Street Corridor in Omaha. The North 24th Street Corridor is defined as both sides of 24th Street from Ames Avenue on the north to Cuming Street on the south. AREA's role is to assess the housing market in Omaha and the area surrounding the 24th Street Corridor. This report attempts to quantify current and future demand for housing in and around the 24th Street Corridor.

Defining the Market Area. The 24th Street Corridor is located within a larger area known as "North Omaha," which extends from 72nd Street on the west to Carter Lake on the east, and from Cuming and Dodge on the south to Interstate 680 on the north. However, for purposes of this study, AREA defines the market area as a smaller area than North Omaha, generally bounded by 42nd and 40th streets on the west, I-680 on the north, the Missouri River on the east, and Dodge Street on the south (see Map 1: Market Area). The boundaries of the market area were determined on the basis of comparable demographics and neighborhood characteristics as well as physical barriers and overall distance from the downtown area. The market area consists of seventeen census tracts (2, 3, 4, 5, 6, 7, 8, 11, 12, 16, 51, 52, 53, 59.02, 60, 61.02, and 62.02)

Housing Market Analysis

Demographics. This report first studies the market background by reviewing the demographic profile, including population, households, racial makeup, age and income distribution, and employment in Omaha and within the market area.

Supply and Demand. In Chapter 3 the overall demand for housing is quantified and segmented by type of households (students, singles/families, seniors), as well as the housing demand by income level. In the second half of Chapter 3 we examine existing and future housing supply by reviewing existing units, recent developments, occupancy rates, and planned developments.

Preferences. Chapter 4 discusses the results of surveys conducted by AREA and Vireo, as well as feedback from workshops with stakeholders and community residents.

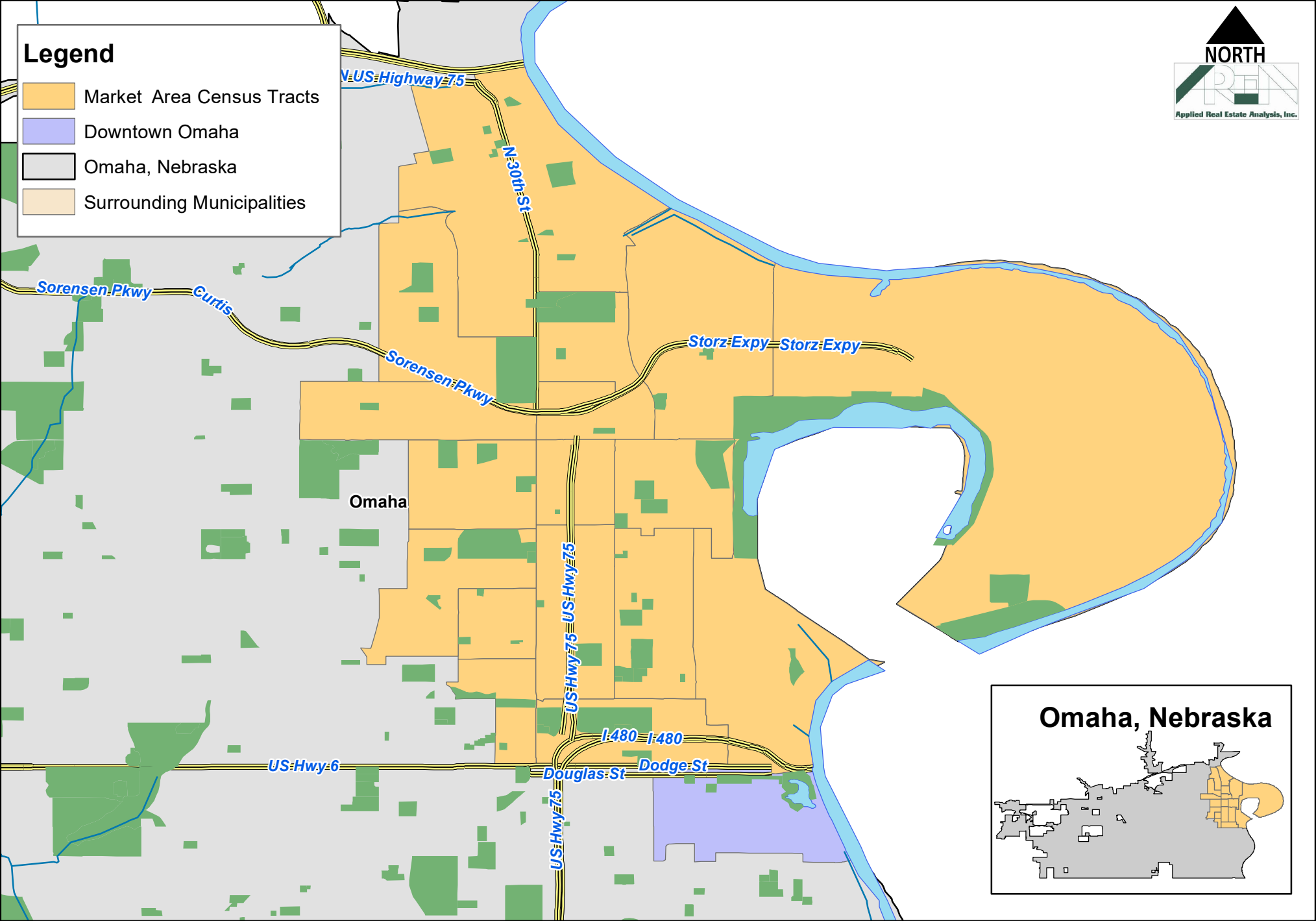
Conclusions and Recommendations. Finally, in Chapter 5 AREA presents the conclusions drawn from the information gathered in this undertaking, along with several recommendations.

SUMMARY OF FINDINGS

AREA's analysis indicates that:

- From 2000 to 2017, the market area's population has decreased slightly (0.4 percent per year), while the City of Omaha's population has grown by 1.0 percent per year.
- However, the market area's population is projected to experience growth between 0.4 percent and 1.0 percent per year over the next 10 to 20 years.
- The market area's population as a percentage of the city population has decreased since 2000 (from 12 percent to 9.4 percent).
- The market area is more racially diverse, with equal numbers of African Americans (45 percent) and whites (43 percent), than the city as a whole, which consists of 12 percent African Americans and 78 percent whites.
- The median income of market area households, at \$27,056, is almost 50 percent less than the city's overall median income of \$53,789.
- Over 55 percent of market area households have income less than \$35,000.
- The majority of the market area has seen little or no new unsubsidized residential development, but the southeast part of the market area, close to downtown, has recently seen rapid development of market rate apartments. Overall the market area experienced new construction of approximately 167 units per year from 2012 through 2017, based on analysis of city of Omaha building permit data.
- Depending on the level of population growth, the market area will need between 90 and 195 new housing units per year over the next 10 to 20 years to accommodate population and household growth and replace demolished units. A substantial portion of these units will need to be affordable units, generally requiring some level of subsidy.
- No additional student-based housing is projected as necessary for the foreseeable future (5 to 10 years).
- The market area will need an average of 17 to 27 new senior affordable housing units per year over the next 10 to 20 years to accommodate population growth, aging of the population, and the existing shortage of affordable senior units.
- Single-family and 2-unit residential properties have been selling at low prices in the market area, with average sale prices below \$50,000 in the last 2-3 years.

Map 1. Market Area



Source: Applied Real Estate Analysis, Inc. and U.S. Census Bureau.

Conclusions and Recommendations

AREA concludes that while the 24th Street corridor and the overall market area have seen limited market rate development activity in past years, its many strengths are gradually attracting more and more development that will lead to the long-term revitalization of the area. AREA recommends pursuing a mix of both affordable residential properties and mixed-income developments throughout the corridor. In the near term (next 4-6 years), the southern half of the market area offers the most promising sites with the greatest probability of success. AREA also recommends development of a mix of building styles to create a neighborhood setting that appeals to broad segments of the overall market and creating higher density sites where possible (rather than exclusively single family and town homes). The higher densities will particularly help in support of the eventual development of retail, restaurant, and entertainment sites that are desired and planned in several nodes along the 24th Street corridor.

CHAPTER II. DEMOGRAPHICS AND TRENDS

Population. AREA reviewed the U.S. Census Bureau’s Decennial Censuses in 1950 through 2010 and American Community Survey (ACS) five-year estimate statistics from 2010 through 2017 (Exhibit 1) to project population estimates for 2027 and 2037. The city of Omaha’s population grew rapidly from 1950 to 2000, averaging 0.88 percent per year, reaching a population of 390,000 in 2000. The city grew at half that rate from 2000 to 2010, at 0.44 percent per year. However, since 2010 the population growth rate returned to steady growth through 2017, averaging 1.85 percent per year. The long-term growth rate near 1 percent per year is expected to continue for the foreseeable future, with Omaha’s population reaching 565,000 by 2037.

Although long-term data are not available for the market area census tracts, its growth was stagnant from 2012 to 2017, declining slightly during that period from 43,751 to 43,374. AREA estimates that the market area’s population will resume growth, at rates similar to the city’s past growth, as developers add residential units to the largely underdeveloped and underutilized land. We estimate market area population growth in a range from 0.4 percent to 1.0 percent per year, reaching a population between 47,000 and 53,000 by 2037.

**Exhibit 1.
Population and Household Trends, 2000–2017**

	2000	2010	2012	2017
Market Area				
Population	46,640	44,660	43,751	43,374
Average annual growth		-0.43%	-1.02%	-0.17%
Households	16,134	15,305	14,925	15,008
City of Omaha				
Population	390,007	407,334	412,689	463,081
Average annual growth		0.44%	0.66%	2.33%
Households	156,738	162,627	179,349	196,683

Source: U.S. Census Bureau; Applied Real Estate Analysis, Inc.

Race and Ethnicity. The market area population is 45 percent African American and 43 percent white, as compared to 12 percent and 78 percent, respectively, for all of the city of Omaha. The higher concentration of African Americans is in large part due to the history of redlining in Omaha, which forced African Americans to live almost exclusively in the North Omaha neighborhood. After redlining was outlawed, more affluent African Americans gradually moved out of the area, causing the neighborhood to become less income diverse.

Exhibit 2.

Racial and Ethnic Demographics, Market Area and City, 2017

Race	2017	2017 Percentage
Market Area		
African American	19,519	45%
White	18,515	43%
Asian	1,590	4%
American Indian/Alaska Native	454	1%
Pacific Islander	81	0%
Some other race	1,152	3%
Two or more races	2,063	5%
Total Population	43,374	100%
City of Omaha		
African-American	57,055	12%
White	361,982	78%
Asian	16,196	3%
American Indian/Alaska Native	2,413	1%
Pacific Islander	292	0%
Some other race	10,606	2%
Two or more races	14,537	3%
Total Population	463,081	100%
Ethnicity		
Latino-Market Area	4,854	11%
Latino-City of Omaha	63,255	14%

Source: U.S. Census Bureau; Applied Real Estate Analysis, Inc.

Income Distribution. The estimated 2017 median household income for the market area, at \$27,056, is almost 50 percent lower than the citywide median income of \$53,789. Over 55 percent of market area households have income under \$35,000, and over 72 percent of household incomes are less than \$50,000.

Exhibit 3.

Household Income Distribution, 2017

Household Income	Market Area		City of Omaha	
	Number of Households	Percentage	Number of Households	Percentage
Below \$15,000	3,634	24.2%	21,660	11.9%
\$15,000 to \$24,999	2,607	17.4%	18,268	10.0%
\$25,000 to \$34,999	2,062	13.7%	17,608	9.7%
\$35,000 to \$49,999	2,594	17.3%	27,046	14.8%
\$50,000 to \$74,999	2,052	13.7%	33,716	18.5%
\$75,000 to \$99,999	1,055	7.0%	21,982	12.1%
\$100,000 to \$149,999	682	4.5%	23,873	13.1%
\$150,000 or more	322	2.1%	18,104	9.9%
Total	15,008	100.0%	182,257	100.0%
Median income: Estimated for market area		\$27,056		
Median income: City of Omaha		\$53,789		

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimate; Applied Real Estate Analysis, Inc.

Age Distribution. The market area has a larger population of children and young people aged 19 and younger than the city of Omaha as a whole, with 34.3 percent of the population compared to 27.8 percent. It also has a lower percentage of persons aged 20 to 34 than Omaha overall (21.9 percent versus 23.2 percent, respectively). At the other end of the age spectrum, the market area population of seniors aged 60 or older is 15 percent, compared to 18 percent citywide.

**Exhibit 4.
Age Distribution, 2017**

Age Range		Market Area		City of Omaha	
From	To	Persons	Percentage	Persons	Percentage
0	14	10,304	23.8%	97,452	21.0%
15	19	4,554	10.5%	31,325	6.8%
20	24	3,642	8.4%	33,207	7.2%
25	34	5,859	13.5%	73,884	16.0%
35	44	5,363	12.4%	57,919	12.5%
45	54	4,575	10.5%	57,452	12.4%
55	59	2,635	6.1%	29,217	6.3%
60	64	2,068	4.8%	25,822	5.6%
65	74	2,628	6.1%	32,980	7.1%
75	84	1,241	2.9%	16,052	3.5%
85	or older	505	1.2%	7,771	1.7%
Total		43,374	100.0%	463,081	100.0%

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates; Applied Real Estate Analysis, Inc.

Tenure. Both the market area and the overall city of Omaha have experienced a phenomenon seen in many communities after the Great Recession that was caused by the housing crisis, namely the clear shift toward renting instead of homeownership. As the table below shows, from 2012 to 2017 there was a 13 percent decrease in owner-occupied units in the market area and a 14 percent increase in renter-occupied units. We assume this trend will continue but that the pace of the shift will slow considerably in future years as painful memories of the housing crisis fade and millennials progress to family-building years.

As of 2017 the market area had a relatively high concentration of renters, with renters representing 56 percent of market area households as compared to 42 percent of all Omaha households. Within the market area the shift to renting has been proceeding rapidly, as in 2012 only 49 percent of households were renter-occupied. An estimated 44 percent of occupied households in the market area were owners in 2017, versus 58 percent in the city overall. Note that these levels differ significantly from the national averages of approximately 36 percent renters and 64 percent owners.

Exhibit 5.
Housing Tenure, 2017

	City of Omaha			Market Area		
	2012	2017	Percentage	2012	2017	Percentage
Owner-occupied units	96,532	105,373	58%	7617	6,652	44%
Renter-occupied units	67,716	76,884	42%	7308	8,356	56%
Totals		182,257	100%	14,925	15,008	100%

Source: U.S. Census Bureau; Applied Real Estate Analysis, Inc.

Housing Type. As of 2017, there were 17,640 housing units in the market area, 85 percent of which are occupied. Of the occupied housing units, 80 percent are single-family detached or attached houses. Just 6 percent of the market area housing units are located in two- to four-unit buildings, with 3 percent in small apartment buildings with five to nine units, and 11 percent in large buildings with 10 or more units.

Exhibit 6.
Occupied Housing Units by Units in Structure in Market Area, 2017

Units in Structure	2017	
	2017	Percent
Single-family detached	11,021	76%
Single-family attached	533	4%
2 to 4	880	6%
5 to 9	480	3%
10 to or more	1,584	11%
Subtotal	14,498	100%
Non-structure housing units*	510	
Total	15,008	

* Non-structure housing units include mobile homes, boats, RVs, vans

Source: U.S. Census Bureau; Applied Real Estate Analysis, Inc.

Employment Trends. Whereas growth in population and households drives demand for housing, increases in employment opportunities drives growth in population and households. During the period from 2010 to 2015, employment declined in the market area by 6 percent. More recent data are not yet available from U.S. Census OnTheMap,

but employment is expected to have rebounded somewhat or at least stabilized in the market area since 2015. The period from 2010 to 2015 captures a portion of the Great Recession, and these numbers may partially reflect the weakness in the larger economy during that period.

Exhibit 7.
Market Area Employment Trends

	2010	2015	Change 2010–2015	
			Number	Percent
Total All Jobs	34,253	32,210	-2,043	-6.0%
Agriculture, Forestry, Fishing and Hunting	24	0	-24	-100.0%
Mining, Quarrying, and Oil and Gas Extraction	0	1	1	
Utilities	364	181	-183	-50.3%
Construction	817	901	84	10.3%
Manufacturing	3,488	3,087	-401	-11.5%
Wholesale Trade	1,065	776	-289	-27.1%
Retail Trade	876	922	46	5.3%
Transportation and Warehousing	1,978	1,983	5	0.3%
Information	1,152	44	-1,108	-96.2%
Finance and Insurance	1,955	1,817	-138	-7.1%
Real Estate and Rental and Leasing	428	460	32	7.5%
Professional, Scientific, and Technical Services	814	1,294	480	59.0%
Management of Companies and Enterprises	594	1,072	478	80.5%
Administration/Support, Waste Management	656	546	-110	-16.8%
Educational Services	13,071	12,387	-684	-5.2%
Health Care and Social Assistance	2,850	2,590	-260	-9.1%
Arts, Entertainment, and Recreation	813	873	60	7.4%
Accommodation and Food Services	2,125	2,095	-30	-1.4%
Other Services (excluding Public Administration)	536	630	94	17.5%
Public Administration	647	551	-96	-14.8%

Source: U.S. Census OnTheMap; Applied Real Estate Analysis, Inc.

CHAPTER III.

HOUSING DEMAND AND SUPPLY

OVERALL HOUSING MARKET

AREA's housing supply and demand model provides an indication of the degree to which housing demand and production are in balance rather than a precise calculation of housing shortage or surplus. The housing demand model uses estimates of units built based on building permit data and U.S. Census estimates of housing units and households, which provide some margin for error. Because of construction delays, permits issued in one year often are not constructed until the following year. Also some permitted units may never be built, which could have been particularly true between 2008 and 2012 as the housing market collapsed. For the mid-decade analysis, the issue is complicated by the fact that estimates of population, population in households, and household size are all statistical estimates that sometimes have a fairly broad margin of error.

Exhibit 8 below shows a long-term view of the entire city of Omaha's building permits, from 1980 through 2017, and confirms the overall positive trend reflected in the city's population growth discussed earlier. Building permits show steady and consistent building activity throughout this period, with only a temporary slowdown in the wake of the national housing collapse from 2008 through 2012.

Data on building permits from the U.S. Census are only available at the city and metropolitan level, so the city of Omaha provided AREA with detailed building permit data by address for the years 2012 through 2019. This data enabled a much more accurate analysis of residential construction in the market area. Exhibit 9 shows the market area building permits by year issued. This city permit data indicates an average of 167 new units built per year from 2012 through 2017. The detailed building permit information in Exhibit 9 reveals that the recent surge of large market rate projects in the southeast part of the market area (near downtown) is responsible for 56% of all new units constructed in the market area from 2012 through 2018.

The forecast for new housing in future years depends on i) estimated population growth ii) demolitions/deconversions, iii) absorption of any existing excess housing supply, and iv) competitive housing supply in other parts of the city.

Population growth. As stated in Chapter II, AREA forecasts population growth in the market area between 0.4 percent and 1.0 percent per year over the next 10 to 20 years, resulting in a population between 47,000 and 53,000 by 2037. A small portion of the market area population lives in group homes (such as nursing homes and dormitories)

which are not classified as households. Assuming the percentage living in group homes will be the same in 2027 and 2037 as in 2017, we estimate between 42,300 and 47,600 persons will live in households in the

Exhibit 8.
Building Permits, Omaha 1980–2017

Year	Building permits issued by units in structure				Total
	1-unit	2-unit	3-, 4-unit	5+ unit	
1980	1,134	188	27	122	1,471
1981	561	66	19	159	805
1982	508	90	48	457	1,103
1983	1,348	126	15	287	1,776
1984	1,445	162	64	454	2,125
1985	1,405	112	14	351	1,882
1986	1,290	102	40	1,572	3,004
1987	1,219	68	8	553	1,848
1988	1,219	58	40	475	1,792
1989	1,248	56	4	666	1,974
1990	1,351	28	—	930	2,309
1991	1,461	26	—	358	1,845
1992	1,667	28	—	464	2,159
1993	1,755	46	24	488	2,313
1994	1,445	28	15	297	1,785
1995	1,377	40	8	706	2,131
1996	1,647	54	12	1,571	3,284
1997	1,533	58	36	1,608	3,235
1998	1,623	40	4	1,400	3,067
1999	1,980	68	46	560	2,654
2000	2,008	—	212	585	2,805
2001	2,175	8	12	495	2,690
2002	2,282	16	12	801	3,111
2003	2,581	26	—	308	2,915
2004	2,646	18	14	296	2,974
2005	2,870	48	35	509	3,462
2006	1,879	48	89	886	2,902
2007	1,905	22	19	681	2,627
2008	1,576	22	24	1,035	2,657
2009	1,542	6	6	314	1,868
2010	1,191	18	20	350	1,579
2011	1,160	6	6	662	1,834
2012	1,305	28	—	582	1,915
2013	1,567	22	7	974	2,570
2014	1,306	—	—	1,147	2,453
2015	1,498	—	—	1,135	2,633
2016	1,427	36	3	1,098	2,564
2017	1,533	—	3	1,694	3,230

Source: U.S. Census Bureau; Applied Real Estate Analysis, Inc.

Exhibit 9.
Market Area Residential Building Permits, 2012–2019

Housing Units				
Year Issued	Large Market Rate Projects [1]	Non-profit Developers and/or Affordable Projects [2]	All Other Projects	Total
2012	0	98	0	98
2013	0	42	3	45
2014	0	41	2	43
2015	328	113	71	512
2016	101	66	2	169
2017	71	36	26	133
2018	247	30	12	289
2019 (partial)	0	38	7	45
Total	747	464	123	1,334
Average per year 2012–2017	83	66	17	167
Average per year 2012–2018	107	61	17	184

[1] Projects included: Highline, Capital Place, Nichol Flats, 1415@The Yard, Capital District, and The Muse.

[2] Developers/land owners included: Seventy Five North, Habitat for Humanity, Holy Name Housing, Gesu Housing, Omaha Economic Development Corp., City of Omaha, and Omaha Municipal Land Bank.

Sources: City of Omaha; Applied Real Estate Analysis, Inc.

market area in 2037 (see Exhibit 10). Average household size has been increasing slightly in many communities but the recent trend in the market area is moving toward a slightly smaller average. Household size is assumed to stabilize at the 2017 level.

Demolitions. Despite the lack of growth in population and housing units in the market area from 2012 to 2017, the need for new housing continued, due to the number of housing units that were demolished, deconverted (from multiunit to single family), or converted to non-residential use, at approximately 75 per year, based on demolition data provided by the city of Omaha (see Exhibit 10). The rate of demolition is assumed to slow to approximately 30 units per year in future years.

Existing excess supply. As of 2017, U.S. Census data indicated that there were 876 vacant units for rent or sale. However, as of summer and autumn 2019, AREA’s review of residential properties for sale or rent show vacant properties between 300 and 450 units. This reflects a tight market with an overall vacancy rate between 2.0 to 2.8 percent, well below normal vacancy rates, and indicates no excess supply.

Exhibit 10.
Housing Demand Model for Market Area

	2012	2017	Projected 2027	Projected 2037	Projected 2027	Projected 2037
			0.4% annual population growth		1.0% annual population growth	
Population	43,751	43,374	45,141	46,979	47,912	52,925
Percentage of Population in Households	91.17%	89.96%	89.96%	89.96%	89.96%	89.96%
Household Population	39,889	39,020	40,069	42,263	43,102	47,612
Average Household Size	2.67	2.60	2.60	2.60	2.60	2.60
Number of Households	14,925	15,008	15,619	16,255	16,578	18,313
Owner-Occupied Housing units	7,617	6,652				
Renter-Occupied Housing units	7,308	8,356				
Number of Housing Units	17,757	17,640	18,358	19,106	19,486	21,524
Housing Unit Occupancy Rate	84.05%	85.08%	85.08%	85.08%	85.08%	85.08%
Vacancy rate, ownership units		2.4%				
Vacancy rate, rental units		7.9%				
		2012–2017	2017–2027	2027–2037	2017–2027	2027–2037
Demolitions and deconversions (per city of Omaha)		450	300	300	300	300
Net Gain (Loss) in Housing Units (per Census data)		(117)	718	748	1,846	2,039
Estimated New Units (per demolition and housing units)		333				
Estimated New Units (per city building permits)		1,000				
		2012–2017	2017–2027	2027–2037	2017–2027	2027–2037
Demand for New Units:						
-Based on Household Growth			610	640	1,570	1,730
Total new units needed (demolition + growth)			910	940	1,870	2,030
Annualized demand			90	95	185	205

Sources: U.S. Census Bureau, American Community Survey, 5-year estimates; City of Omaha; Applied Real Estate Analysis, Inc.

Note that Exhibit 10 provides detail of the market area housing demand and supply, including two different estimates of new housing units built from 2012 to 2017—one based on census and demolition data, and one based strictly on city of Omaha building permit data. As stated previously, the city permit data is considered more accurate.

Future Housing Needs. Overall, the projected population growth in the next 10 to 20 years, combined with demolitions and the existing tight housing market, will generate demand for approximately 90 to 195 new housing units per year through 2037, or a total of 1,850 to 3,900 units. The ultimate number of units needed within the market area depends partly upon perceptions of the market area and housing location preferences. If perceptions of North Omaha and market area neighborhoods change favorably, then growth could even exceed the indicated range.

The diverging paths of ownership and rental units makes projections of future demand more complicated, but we assume that many current owner-occupied units will be converted to rental units, thus netting out the divergent paths. If such conversions do not take place, however, then the vast majority of newly constructed housing supply will need to be rental units.

SEGMENTATION OF THE HOUSING MARKET

As the market area may require up to an additional 195 housing units per year, it is useful to parse overall demand into basic segments of the population. In this section we review the demand from students, seniors, and singles/families.

Student Housing

Supply and Demand for Student Housing. AREA evaluated the potential for development of student housing within the market area because Creighton University, with approximately 9,000 students, is located at the southern end of the study corridor.

Our research and analysis indicated that the market is not strong for additional student housing in the near future. Points that led to this conclusion include:

- Approximately one in four Creighton students can be housed on campus. There are 2,253 beds on campus, including 543 in the increasingly popular apartment format.
- Although not officially “campus” housing, the Atlas, with 732 units, is immediately adjacent to the Creighton Medical Center and was designed to appeal to students. Because this complex has a mix of one-, two-, and three-bedroom apartments, it can house over 1,000 persons.

- A new off-campus student housing complex, Muse, recently opened at 1005 North 20th Street, one block north of Cuming Street. This development has 247 units but because its unit mix includes two- and four-bedroom units, it can house approximately 500 students.
- Housing primarily serving Creighton students can therefore accommodate approximately 40 percent of the student population.
- In addition, there are numerous other apartment complexes immediately adjacent to the Creighton campus which target students, including:
 - Capital Rows is a four-building apartment complex located on the southeastern corner of 24th Street and Chicago Avenue, immediately south of the I-480. Its studio through two-bedroom units are specifically designed to appeal to students and furnished units are available.
 - Highline, 2223 West Dodge Street, is a conversion of the 17-story Northern Natural Gas Building. Its units and amenities are specifically designed to appeal to a younger clientele, and it is just one-third of a mile from the center of Creighton's campus.

The competitively priced housing options within walking distance of the Creighton campus are numerous and diverse. In addition to the large apartment complexes designed to appeal to students, there are single-family houses as well as numerous smaller and older apartment complexes around campus. The relative performance of the new Muse student housing development will provide a better indication of the strength of the market for purpose-designed student housing. With the diversity and affordability of housing options within the immediate vicinity, demand for additional purpose-built student housing is still at least five or more years in the future.

Senior Housing

Senior Housing Demand. According to U.S. Census data, as of 2017 there were a total of 9,077 persons aged 55 or older living within the market Area. Based on statistics from the American Association of Retired Persons, approximately 87 percent of persons over age 65 want to “age in place,” or remain in their current homes as they age. However, the predominantly lower-income profile of the market area suggests that the need for rent-controlled, affordable senior housing would often supersede the normal desire to age in place. If we assume that 25 percent of the current 55-and-over population needs senior housing that is also affordable, this would indicate demand for roughly 2,270 single-person units, or 1,510 housing units with average occupancy of 1.50 persons per unit.

Housing Supply for Seniors. Based on research of senior affordable apartments and assisted living facilities in the market area, 27 apartment communities were found with total 1,297 housing units. Assuming an average of 1.50 occupants per housing unit, these units would house approximately 1,945 seniors. Of the eight buildings for which occupancy information was available, the overall average occupancy rate was reported at 99.4%.

Comparing the potential demand for up to 1,510 units with the existing 1,297 senior affordable units implies that the current market is undersupplied by up to 210 units of affordable senior housing. The high occupancy rate appears to confirm that additional units would be readily absorbed, assuming they are sufficiently affordable. Furthermore, if population growth occurs as projected in the market area, and seniors in the area maintain the same percentage of the population (20.9 percent 55 and over), then an additional 750 to 2,000 seniors will live in the area by 2037, requiring between 125 and 330 additional affordable senior housing units (75 percent aging in place, 1.50 seniors per unit). Combining the estimated shortage of 210 units with the forecast for 125 to 330 additional units generates a potential need for 340 to 540 additional affordable senior housing units over the next 20 years.

In summary, significant additional affordable senior housing units are supported by the market demand, with absorption of approximately 17 to 27 units per year over the next 20 years. Note, however, that identifying precise thresholds of rent/price points, acceptability of locations within the market area, and segmentation of the senior housing market would require a more in-depth senior market analysis, beyond the scope of this report.

Housing for Singles and Families

Housing Demand

AREA projects an overall need in the market area for approximately 90 to 195 additional units of housing per year through the year 2037, for a total of between 1,850 and 3,900 units. Approximately 400 of those units (20 per year) will be needed for seniors, but no additional student housing is forecasted as necessary. This implies that demand from the remaining singles and families will be between 70 and 175 new housing units per year, or a total of 1,400 to 3,500 units over 20 years.

Discussions with Local Realtors. Based on discussions with local Realtors and leasing agents, both the rental and for-sale markets are robust in many sections of Omaha, including downtown, and several other neighborhoods close to downtown, such as Midtown, the Blackstone District, Benson, and the Dundee-Happy Hollow Historic District. In these stronger neighborhoods rental units lease up quickly, and for-sale properties find buyers within a few months. Realtors also indicate that the shift from owner-occupied units to renter-occupied units appears to be continuing as the rental

market is generally stronger than the for-sale market, partly due to a less-than-normal amount of residential properties listed for sale.

When asked about weak areas in the local housing market, agents explained that it can be difficult to lease units in weaker neighborhoods, mostly owing to perceptions of crime levels and the physical conditions/appearance of public areas and structures in those neighborhoods. Additionally, in most of the market area there are very few units available for rent or sale.

Housing Supply

New Construction of Housing Units. Based on the number of building permits issued in Omaha, in the period from 2012 to 2017, the average rate of construction was 2,560 units per year, of which approximately 6.5 percent, or 167 units per year, are estimated to have been built in the market area. We assume in future years the market area will capture a similar portion, or more, of the city's new housing units, as the market area represents 9.4 percent of the city's total population in 2017. The current rate of housing production will be sufficient to keep the market in balance if market area population growth is roughly in the middle of the range of AREA's projections. However, if population growth occurs faster (than 0.7 percent per year) or if demolitions continue at 75 or more units per year, then higher quantities of housing units will be necessary to keep the housing market sufficiently supplied.

The most active area of housing development within the market area is taking place in its southern portion: north of Interstate 480, east of U.S. Route 75, and close to downtown. Developers have been aggressively redeveloping the former industrial sites and other vacant and underutilized land in this area. Several apartment projects, including both new construction and adaptive reuse of former industrial buildings, have been completed in just the past few years. These apartment projects include the Nichol Flats (68 units), the Muse (270 units), 1415 @ The Yard (101 units), the Rochester (75 units), NoDo (46 units), the 9ines (46 units), and Tip Top (105 units). This trend is expected to continue to fill in vacant and underutilized sites, then continue to push further north into the market area. Most or all of these projects are too expensive for most current residents of the market area, but they offer validation and indicate its strengths and advantages. Specifically, the area has excellent proximity to downtown, the riverfront, Creighton University, TD Ameritrade Park, the CHI Health Convention Center and Sports Arena, Eppley Airfield Airport, as well as easy access to major highways. As population grows and available land close to downtown becomes more scarce, development will continue to push northward. Indeed, some participants in the July workshops noted that purchases of land have been taking place within the market area east of U.S. Route 75 and north of Cuming Street.

Vacancy Rates. The vacancy rate for ownership units stood at just 2.4 percent in 2017, which indicates a tight home ownership market. The market area vacancy rate of rental

units was 7.9 percent in 2017, which is toward the high end of a normal range, although based on market listings and discussions with property owners the rate has come down as of summer and autumn 2019. As stated above, AREA's review of vacant units for rent and for sale in summer and fall 2019 reflect a total vacancy rate between 2.0 and 2.8 percent of all housing units, which reflects a tight market and is particularly impressive in light of recent building activity.

Physical Characteristics of the Housing Stock. Although comparing the number of housing units to the number of households provides a general overview of how supply and demand are in balance, other factors indicate whether there is a need for additional housing. For example, some households desire a new house even if there is an adequate number of existing units from which to select a dwelling. Or, the existing available housing may be largely for rent when households are looking for a unit to purchase, or the sizes of houses available may be too large or too small for the households seeking housing.

Market Activity: Recent Residential Sales and Properties Listed For Sale

AREA collected a sample of 160 sales of single family properties in the market area over the last three years. Sale prices ranged from as low as \$8,000 to a high of \$162,000. The sale prices are generally very modest, with 80 percent of sales at or below \$54,000, and 90 percent of sales at or below \$90,000. The twenty highest sale prices in the sample averaged \$119,400 and tended to be in good to excellent condition.

A selectively focused review of residential properties listed for sale (as of August 2019) found only 24 properties available in the core of the market area, defined as east of 36th Street, south of Sorensen Parkway, and north of Cumming. Seventeen of these listed properties are in poor condition and in need of extensive repairs and renovation, with an average asking price of \$55,200, and seven of the listed properties are in fair to good condition, with an average asking price of \$127,700. All but one of the listed properties are single-family detached homes, with one listing of a two-unit building. One single family home with asking price of \$154,000 is a subsidized unit under the city of Omaha's Homebuy program.

New construction builders generally cannot build single-family homes for less than \$175,000 to \$200,000 in the market area, even with very low-cost land. Consequently, no new unsubsidized single-family homes are being built in the market area.

Workshop Discussions. AREA attended the workshops conducted by Vireo on July 30, 2019, which consisted of three two-hour discussions with community residents and stakeholders. There were four subgroup discussions, and AREA staff attended the discussions focused on development.

During the workshop discussions, several residents and local property owners commented on the extreme difficulty of obtaining a loan for a home purchase in the market area. The principal problem cited was that lenders' appraisals lack any good comparable sales, so the implied value in the appraisal is usually far below the contemplated purchase price of the property. AREA's research confirms this problem. This problem includes properties intended to be purchased and rehabbed. For example, several single-family properties currently listed for sale could be purchased for approximately \$50,000 to \$80,000 and then fully renovated for another \$100,000 to \$150,000, with total cost of \$150,000 to \$230,000, but the lender's appraisal might only indicate post-renovation value of \$100,000 to \$130,000. Generally, lenders will not make a loan with loan-to-value (LTV) over 100 percent, with the exception of an FHA 203(k) loan, which are explicitly designed for purchase and rehab projects, and which allow LTV up to 110 percent.

Apartment Market. Similar to the for-sale market, there are few rental apartments currently available in the core of the market area. As of mid-August 2019, there were only 23 rental properties listed on (Zillow.com and Apartments.com) in the area east of 36th Street, south of Sorensen Parkway, and north of Nicholas Street (one block north of Cuming Street). There is a notable exception to the lack of available rental units, however, in the area south of Nicolas Street and north of Cass Street, as was described in the above section discussing new construction units. These rental units are all in large multi-family buildings, close to downtown and priced with rent levels that are beyond the reach of the majority of current households of the market area.

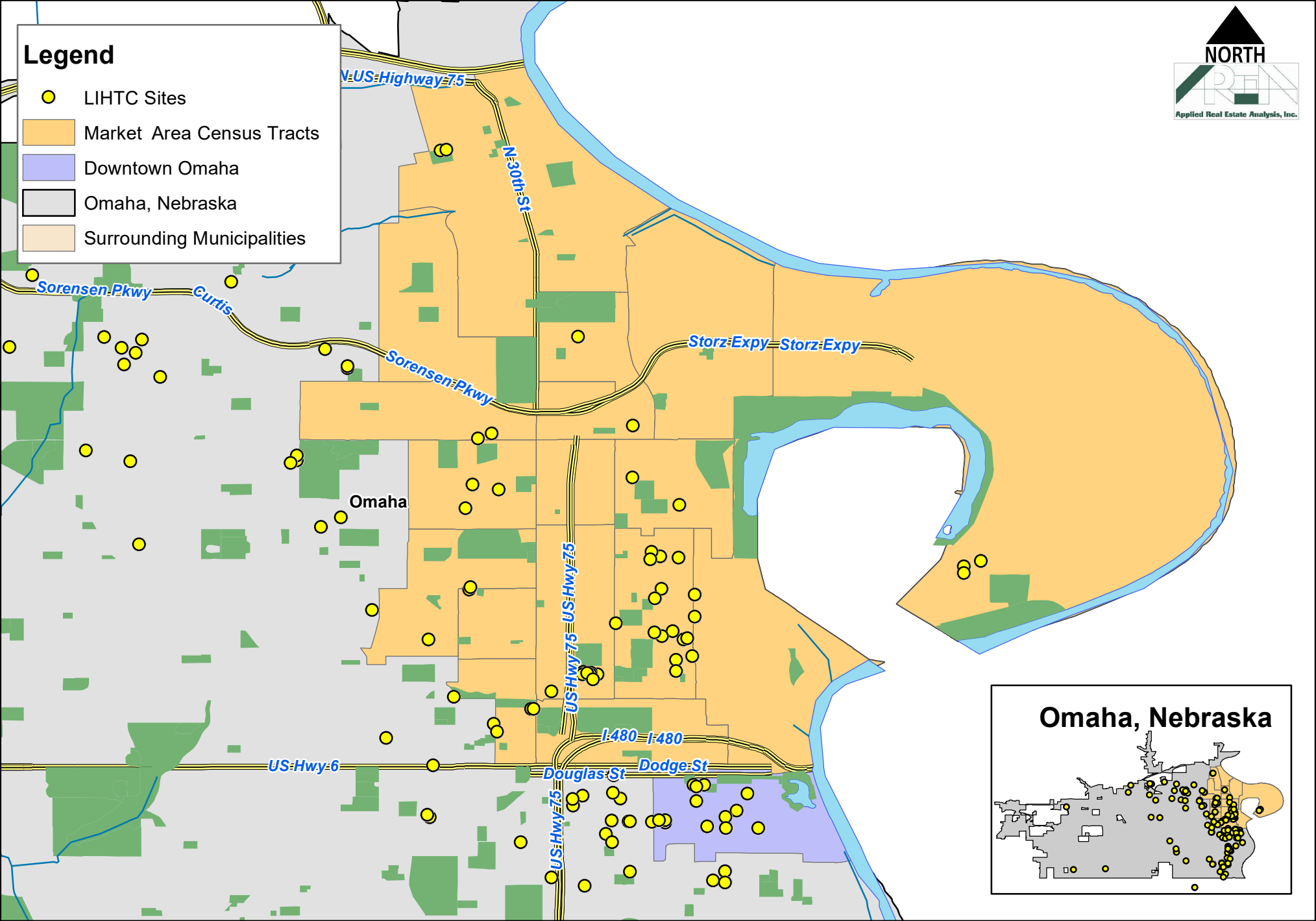
Exhibit 11.
Market Area Apartment Rents and AMI Levels

Bedrooms	Average of Sample Listings			
	1- to 4-unit	MF close to downtown *	50 Percent AMI Rent	60 Percent AMI Rent
Studio	none	\$840	\$752	\$903
1-bedroom	\$625	\$935	\$806	\$967
2-bedroom	\$800	\$1,430	\$967	\$1,161
3-bedroom	\$1,010	\$1,850	\$1,118	\$1,341
4-bedroom	\$1,200	\$3,000	\$1,247	\$1,497

* The multi-family (MF) buildings included in the sample are: Nichol Flats, Tip Top, The 9ines, Muse, 1415 @ The Yard, Rochester, Midtown Crossing, NoDo, and the Atlas.
 Sources: Apartments.com, Zillow.com, U.S. Department of Housing and Urban Development; Applied Real Estate Analysis, Inc.

Subsidized Apartments. There are a good number of apartments within the market area that are rented at affordable levels, mostly with maximum rents at 50 percent or 60 percent of the area median income. The maximum rents for these income levels, at each bedroom size are shown in Exhibit 11. The locations of these apartments, primarily funded with low income housing tax credits (LIHTC), are shown in Map 2: Low-Income Housing Tax Credit Sites. The 59 such properties found within the market area have a total of approximately 2,025 affordable units. Occupancy levels were generally not available, but the average occupancy rate is over 99 percent for the 16 properties for which occupancy levels were reported. As shown in Exhibit 3, there are over 6,240 households with income at \$25,000 or less, which is below the 50 percent AMI for any household size. Further there are 8,300 households with income at \$35,000 or less, many of whom would qualify for a 50 percent AMI unit of 2-bedrooms or more. This shows there are clearly insufficient rent-protected units in the market area relative household incomes.

Map 2. Low Income Housing Tax Credit (LIHTC) Sites



Source: Applied Real Estate Analysis, Inc. and U.S. Census Bureau.

CHAPTER IV.

HOUSING PREFERENCES

HOUSING OPINION SURVEY FINDINGS

To better understand the housing preferences of Omaha residents and their attitudes toward potential new housing in the North Omaha study area, a Vireo team member — Applied Real Estate Analysis, Inc. — conducted a housing opinion survey of Omaha residents. The housing opinion survey is one of two surveys conducted as part of the Forever North project to obtain information about current Omaha residents' attitudes toward the neighborhood and factors that would influence their decisions to live there. The housing opinion survey supplements the broad survey conducted by Vireo as part of the resident and stakeholder input process. That broad survey examined opinions toward a wide variety of neighborhood characteristics and issues, ranging from transportation preferences to new development types and building density preferences. In contrast, this housing opinion survey focused on key topics, including the following:

- Attitudes toward the City of Omaha and North Omaha as a place to live
- Survey respondents' current housing characteristics and locations
- Willingness of respondents to move to new housing
- Preferred housing types and locations, if respondents moved
- Factors affecting respondents' interest in and willingness to move to the study area

A total of 113 persons responded to the housing opinion survey using an online survey form. Staff with the City of Omaha alerted a variety of community organizations that the survey was available online and encouraged participation by potential respondents. Paper copies of the survey were also made available by City staff, and responses were entered into the online survey form.

The housing opinion survey provides qualitative information regarding existing housing and household characteristics of the survey respondents, their potential interest in moving to a different location, and preferences regarding housing types and neighborhood characteristics that might affect their willingness to move. Although the sample size is somewhat small and cannot be extrapolated to be statistically representative of housing opinions for all Omaha residents, the survey provides valuable insights into factors that might influence households' housing choices, especially potential housing in the North Omaha study area.

The complete survey and responses are attached to the housing market study. Key findings from the survey are presented below.

General Attitudes toward City and Neighborhoods. Nearly 40 percent of the respondents indicated that the city of Omaha is a better place to live now than it was three years ago, and 50 percent indicated that the city is the same as three years ago. Very few (12 percent) think that it is worse than three years ago. Similarly, 35 percent of respondents indicated that North Omaha is a better place to live than it was three years ago, and 42 percent indicated that it is about the same as it was three years ago. Only 7 percent think that the study area is a worse place to live now versus three years ago, but 17 percent of the survey respondents did not respond to this question. About 29 percent of the survey respondents rated North Omaha as a good or excellent place to live, 31 percent rated it fair, and 29 percent rated it poor. Well over half (56 percent) of the survey participants expect North Omaha to become a better place to live in the next three years.

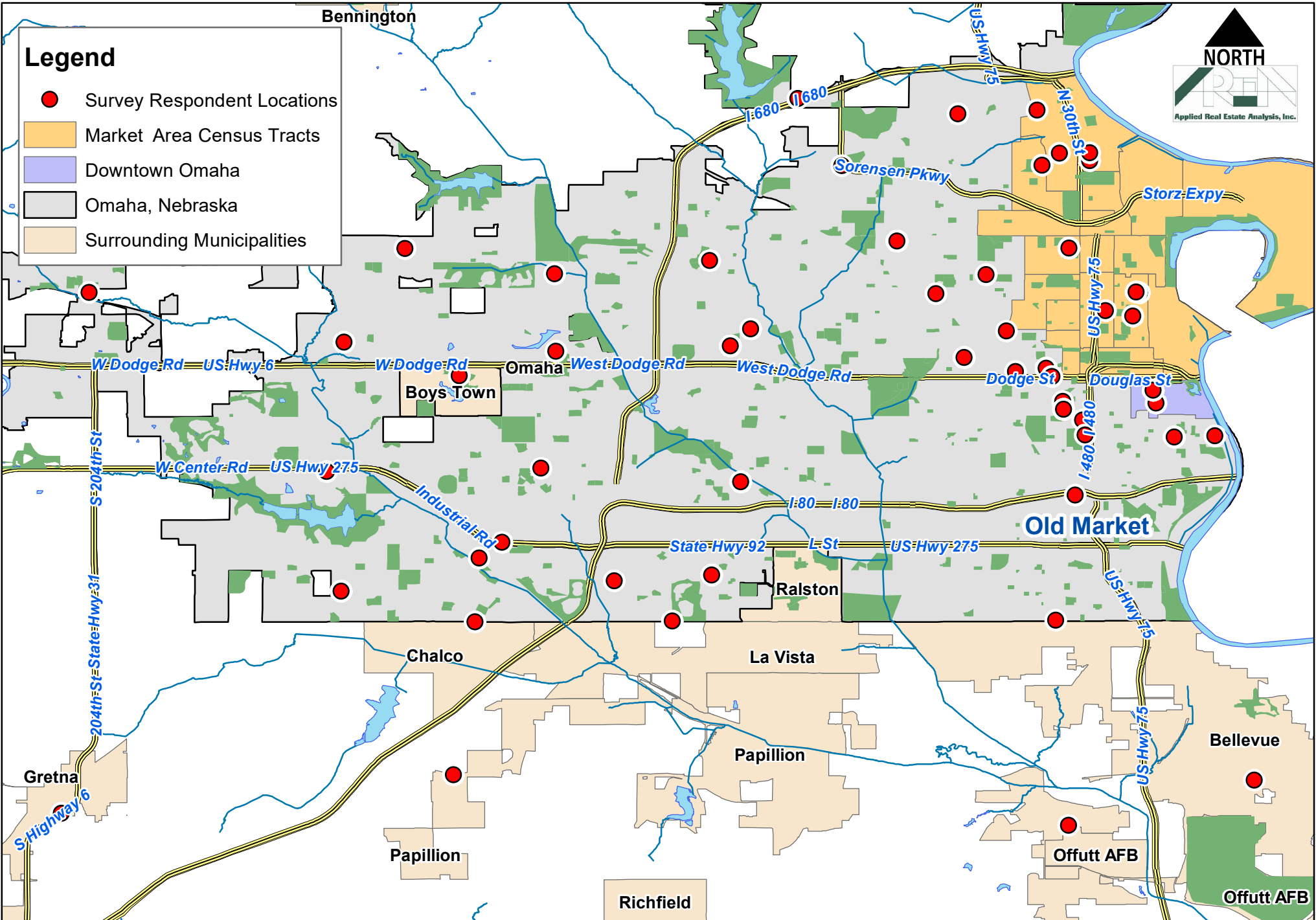
Housing Characteristics of Survey Respondents. As shown in Map 3: Survey Respondent Locations, the respondents to the survey currently reside in locations throughout the city of Omaha, with some concentrations in zip codes 68104, 68131, and 68105. Only 17 percent of the respondents have lived at their current location less than one year, and 35 percent have lived in their current home for one to three years. Over 36 percent have lived at the same location for over eight years.

An overwhelming 75 percent of respondents currently live in a single-family house. Nearly 60 percent indicated that their current home has six or more rooms, and 74 percent indicated that their housing has three or more bedrooms. The majority (74 percent) of respondents own their current home. For the 26 percent of respondents who rent, 64 percent pay less than \$900 per month for rent, and an additional 22 percent pay \$900 to \$1,249 per month. Only 23 percent of the homeowners have mortgage costs of \$1,200 to \$3,499 per month, and for 18 percent of owners, their current mortgage costs \$900 to \$1,249 per month. These existing housing costs suggests that any new housing options proposed for the study area will have to be very competitively priced to be attractive for the types of households who responded to the survey.

Factors Affecting Housing Location Decisions. Survey participants were asked to rate a variety of factors that people often consider when selecting a place to live. Each factor was rated on a scale from 1 to 5, with 1 as very important and 5 as not at all important. Factors that were most frequently rated very important by more than half of respondents included neighborhood safety/personal safety (62 percent) and housing quality/physical condition (55 percent of respondents). In addition, 48 percent of respondents indicated that housing affordability was very important, and 42 percent selected the condition/cleanliness of neighborhood streets as very important.

Satisfaction with Current Housing. Approximately 36 percent of respondents are very satisfied with their current housing, but 22 percent indicated that they would certainly move if they could afford it, and 15 percent indicated that they would probably move if

Map 3. Survey Respondent Locations



Source: Applied Real Estate Analysis, Inc. and U.S. Census Bureau.

they could afford it. About 47 percent indicated that they would probably or definitely not move, even if they could afford to do so.

For those households willing to move, respondents indicated the neighborhoods to which they would prefer to move. Only 1 percent of respondents selected North Omaha/the 24th and Lake Streets area as the location to which they would be interested in moving.

Future Housing Preferences. Perhaps unsurprising, as 74 percent of survey respondents are current homeowners, approximately 82 percent said they would prefer to purchase housing if they decided to move. The majority of survey participants (68 percent) would like a housing unit with three or more bedrooms.

Household Characteristics of Respondents. Because market research indicates that housing choices are often affected by the stage that individuals and household members have reached in their lives, we asked survey respondents to select the category that best described their current household. Approximately, 28 percent of the respondents described their household as a family with school-age children, and an additional 18 percent indicated that they have a family with children who are not yet school age. Only 24 percent of the respondents are single, divorced, or widowed with no children at home; 9 percent are families with no children; and just under 10 percent are single, full-time students over age 18 or single persons who just completed college. About one-third of respondents live in two-person households, and about half live in households with three or more persons. Consequently, this survey provides the most insights for preferences of traditional “family” households, many of whom have children, and less reliable information for other types of households.

Approximately 82 percent of the survey participants are currently employed, and 57 percent live in households where two or more people are currently employed. Many of the respondents (42 percent) are age 18 to 34. Only 21 percent are age 35 to 44, 13 percent are age 45 to 54, and 24 percent are over age 55. About 75 percent of the survey participants indicated their race as white/Caucasian, about 10 percent selected the black/African American category, and the remainder selected other racial categories, more than one race, or provided no response. Over 23 percent of the respondents indicated that their household income is over \$125,000. Only 31 percent indicated that they have a household income of less than \$50,000, which is slightly less than the \$53,789 median household income for Omaha.

CHAPTER V.

CONCLUSIONS AND RECOMMENDATIONS

SUMMARY OF FINDINGS

AREA's analysis indicates that:

- From 2012 to 2017, the market area's population decreased slightly (1 percent), while the City of Omaha's population grew by 12 percent.
- The market area's population as a percentage of the city population has been shrinking since 2000 (from 12 percent in 2000 to 9.4 percent in 2017).
- The market area is more racially diverse, with equal numbers of African Americans (45 percent) and whites (43 percent), than the city as a whole, which consists of 12 percent African Americans and 78 percent whites.
- The 2017 median income of market area households, at \$27,056, is almost 50 percent less than the city's overall median income of \$53,789.
- Over 55 percent of market area households have income less than \$35,000.
- The majority of the market area has seen little or no new unsubsidized residential development, but the southeast part of the market area, close to downtown, has seen rapid development of market rate apartments totaling 747 units from 2015 to 2019.
- The market area overall will need between 90 and 195 new housing units per year over the next 10 to 20 years to accommodate population and household growth and replace demolished units.
- No additional student-based housing is projected as necessary for the foreseeable future (5 to 10 years).
- The market area has a shortage of affordable senior housing units and will need an average of 17 to 27 new senior affordable units per year over the next 10 to 20 years to accommodate population growth, aging of the population, and the existing shortage.
- Thus, the market area will need between 70 and 170 new housing units per year for families and singles over the next 10 to 20 years (exclusive of senior and student units).
- Single-family and 2-unit residential properties have been selling at very low prices in the market area, with 90 percent of sale prices below \$90,000 in the last

2-3 years. These low sale prices inhibit new construction of market rate housing due to the difficulty of buyers obtaining a mortgage supported by market values.

CONCLUSIONS AND RECOMMENDATIONS

The 24th Street corridor and the market area overall offer tremendous strengths and advantages, particularly the area's excellent proximity to downtown, the riverfront, Creighton University, TD Ameritrade Park, the CHI Health Convention Center and Sports Arena, Eppley Airfield Airport, as well as easy access to major highways.

AREA concludes that while the 24th Street corridor and the majority of the market area have seen limited population growth and development activity in past years, its numerous strengths have recently begun to attract more and more development projects and will eventually lead to the long-term revitalization of the entire area. AREA recommends pursuing a mix of both affordable residential properties and mixed-income developments throughout the corridor. In the near term (next 4-6 years), the southern half of the market area offers the most promising sites with the greatest probability of success. AREA also recommends development of a mix of building styles to create a diverse neighborhood setting and appeal to a broad segment of the overall market, and creating higher density sites where possible (rather than all single family and town homes). The higher densities (perhaps 3 to 5 story apartment buildings) will help to create the necessary population density needed to support the eventual development of retail, restaurant, and entertainment sites that are desired and planned in several nodes along the 24th Street corridor.

Many participants in the workshops, both residents and other stakeholders, expressed concerns of avoiding displacement of existing residents in the process of attracting new development. In light of these concerns of displacement of residents and businesses, we recommend pursuing affordable projects, for singles, families, and seniors, that are sufficient in scale and overall quantity to ensure current households will have a place to live and remain in the community over the long term.