

Exhibit A

CITY OF LEXINGTON, NEBRASKA



LB840 PLAN - WORKFORCE HOUSING PLAN.

PREPARED FOR:
CITY OF
LEXINGTON, NEBRASKA

PREPARED BY:
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INTRODUCTION

This **City of Lexington, Nebraska LB840 Plan - Workforce Housing Plan** provides a **Current Housing Stock Assessment** and **Housing Target Demand** to assist the City in developing necessary programs and partnerships to create new housing for a growing workforce and general population. The analysis includes the identification of **housing “target” demand** for both **new housing development** and **housing rehabilitation activities**, including **by income sector, target populations and price points**, with an emphasis on the development of **housing for the local workforce**.

The City of Lexington is desiring to add the activity of **workforce housing development** to the City’s Local Option Municipal Economic Development (LB840) Plan. As set forth in the Section 18-2710.02 Nebraska Revised Statutes, if a proposed economic development program involves the making of grants or loans for the construction or rehabilitation, for sale or lease, of housing as part of a Workforce Housing Plan, the proposed Plan shall include:

- (1) An assessment of current housing stock in the City, including both single-family and market rate multi-family housing;
- (2) Whether the plan will also include housing for persons of low or moderate income under Section 18-2710.01;
- (3) Such other factors, as determined by the City, which are particularly relevant in assessing the conditions faced by existing businesses in recruiting new employees; and
- (4) Such other factors, as determined by the City, which are particularly relevant in assessing the conditions faced by persons seeking new or rehabilitated housing in the City.

*A Dawson County Area, Nebraska, Housing Study with Strategies for Affordable Housing, including the City of Lexington, was completed in 2018. While the **Housing Study** remains a useful tool in guiding the development of housing programs and partnerships throughout the Dawson County Area, this **Workforce Housing Plan** provides a summary of relevant research and data pertaining specifically to the City of Lexington. The remainder of this **Plan** will be divided into four sections, addressing each of the aforementioned Plan components.*

CURRENT HOUSING STOCK ASSESSMENT.

Population Trends.

Table 1 presents **population trends and projections** for the City of Lexington, in comparison to Dawson County, as per the **Dawson County Area Housing Study**. By 2023, the population of the City of Lexington is projected to increase to 10,603, a 1.5 percent increase from the 2018 population of 10,447. An **Economic Development (ED) Boost** scenario, which accounts for the creation of 700 new full-time employment opportunities in the Dawson County Area by 2023, results in a projected population of 11,040 for Lexington, by 2023. This increasing population is reflected by an increase in the number of jobs and workforce households in the Community by 2023.

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2023</u>	<u>% Change 2018-2023</u>	<u>2023 ED Boost*</u>
Lexington	6,601	10,011	10,230	10,447	10,603	+1.5%	11,040
Dawson County	19,940	24,365	24,326	24,322	24,291	-0.01%	24,936

***The “Economic Development (ED) Boost” relates to a scenario of creating 700 full-time employment opportunities in the Dawson County Area, by 2023, would create an estimated population increase of 658, including an estimated additional 280 households in the Area.**

Source: 1990, 2000, 2010 Census; 2011 & 2016 Census Estimates.
Hanna:Keelan Associates, P.C., 2018.

Household Tenure.

Table 2 highlights the total number of households found in the Community of Lexington, as of 2018, as well as the number of owner and renter households. An estimated 3,384 households existed in Lexington in 2018, consisting of 2,031 owner households and 1,353 renter households. The number of both owner and renter households in the Community is projected to increase by 2023, to an estimated 2,056 owner and 1,411 renter households.

<u>Year</u>	<u>Households</u>	<u>Owner</u>		<u>Renter</u>	
		<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
2000	3,095	1,978	63.9%	1,117	36.1%
2010	3,180	1,991	62.6%	1,189	37.4%
2018	3,384	2,031	60.0%	1,353	40.0%
2023	3,467	2,056	59.3%	1,411	40.7%

Source: 2000 & 2010 Census
Hanna:Keelan Associates, P.C., 2018.

The 2010 Census recorded a total of 3.17 persons per household in Lexington. This is significantly higher than the State of Nebraska rate of 2.53 persons per household. In 2018, Lexington recorded 3.05 persons per household. This is projected to decline slightly, to 3.02 persons per household by 2023.

Housing Vacancy Deficiency (Demand).

Table 3, Page 3, identifies the **occupancy/vacancy status** of both owner and rental housing units in the City of Lexington, Nebraska, in 2018. **Housing vacancy deficiency** is defined as the overall number of vacant units lacking in a Community, whereby the total percentage of vacant, year-round, and code acceptable housing units is less than 6 to 7 percent. A vacancy rate of 7 percent is the minimum rate recommended for Lexington, to have sufficient housing available for new and existing residents.

In 2018, the City of Lexington contained an estimated 3,670 housing units, consisting of 2,108 owner and 1,562 rental units. Of the 3,670 housing units, an estimated 286 were vacant, leading to a total housing vacancy rate of 7.8 percent. A majority of vacant housing units in Lexington, 73 percent, were rental units.

An Adjusted Housing Vacancy Rate (AHVR) only considers owner and rental housing that is available for rent or purchase and meets local housing development codes and standards.

As of 2018, the AHVR for the City of Lexington was 2.9 percent. This includes an estimated AHVR for owner housing of 2.1 percent and 4.4 percent for rental housing. **This concludes that Lexington has an overall, as well as an owner and rental housing vacancy deficiency.**

TABLE 3	
HOUSING STOCK OCCUPANCY/VACANCY STATUS	
LEXINGTON, NEBRASKA	
2018	
a) Housing Stock	3,670
	(O=2,108; R=1,562)
b) Vacant Housing Stock	286
c) Occupied Housing Stock	3,384
*Owner Occupied	2,031
*Renter Occupied	1,353
d) Housing Vacancy Rate*	7.8% (286)
*Owner Vacancy	3.6% (77)
*Renter Vacancy	13.4% (209)
e) Adjusted Vacancy Rate**	2.9% (115)
**Owner Vacancy	2.1% (46)
**Renter Vacancy	4.4% (69)
* Includes all housing stock, including seasonal and substandard housing.	
** Includes only year-round vacant units available for rent or purchase, meeting current housing code and modern amenities. Does not include vacant units either not for sale or rent, seasonal units, or units not meeting current housing code.	
Source: 2012-2016 American Community Survey. City of Lexington, 2018. Hanna:Keelan Associates, P.C., 2018.	

The cost of housing in any community is influenced by several factors, though primarily the cost of construction, availability of land and infrastructure and the organizational capacity of the community to combine these issues into an applicable format and secure the appropriate housing resources, including land and money. The Lexington Community is challenged to organize necessary resources to meet the needs of residents, including both financial and organizational resources.

Table 4 identifies the current and projected median rent and owner housing value for the Community of Lexington. The 2016 American Community Survey estimated a median rent of \$688 and a median owner housing value of \$83,600. The City of Lexington is significantly below the State of Nebraska median rent and owner housing value for 2016, which recorded a median rent of \$745 and a median owner housing value of \$137,300.

As of 2018, Lexington experienced a median owner housing value of \$86,900, and median rent of \$702. Both the median owner housing value and median rent are expecting to increase by 2023, to \$99,000 and \$739, respectively.

<u>Year</u>	<u>Median Rent</u>	<u>Median Value Owner Housing</u>
2000	\$467	\$61,900
2016*	\$688	\$83,600
2018	\$702	\$86,900
2023	\$739	\$99,000

*Specified Data Used. 2016 Estimate subject to margin of error.
Source: 2000 Census, 2012-2016 American Community Survey Estimate.
Hanna:Keelan Associates, P.C., 2018.

Cost Burdened Households.

According to HUD standards, a housing unit is considered to have problems if overcrowded (more than one person per room) and/or if the household lacks complete plumbing. **Table 5** identifies the number of cost burdened, both owner and renter, households by income range in Lexington.

In 2018, an estimated 467 owner households in Lexington, or 23 percent of all owner households, were cost burdened or had housing problems. Additionally, an estimated 688 renter households in the Community, or 50.8 percent of all renter households, were cost burdened or had housing problems.

Substandard Units / Overcrowded Conditions.

A substandard unit, as defined by HUD, is a unit lacking complete plumbing or one that includes more than 1.01 persons per room, including bedrooms, within a housing unit. The 2000 and 2010 Census; Dawson County Assessor’s Office and field observations completed by Hanna:Keelan, produced data identifying substandard housing units and housing units having overcrowded conditions.

TABLE 5 ESTIMATED OWNER & RENTER HOUSEHOLDS BY INCOME COST BURDENED WITH HOUSING PROBLEMS LEXINGTON, NEBRASKA 2013 & 2018		
<u>Owner</u>	2013*	2018
<u>Inc. Rng.</u>	<u># / #CB-HP</u>	<u># / #CB-HP</u>
0-30% AMI	105 / 95	114 / 92
31-50% AMI	130 / 60	154 / 61
51-80% AMI	405 / 185	466 / 196
81-100% AMI	260 / 75	302 / 74
<u>101%+ AMI</u>	<u>815 / 55</u>	<u>995 / 44</u>
Totals	1,715 / 470	2,031 / 467
<u>Renter</u>	2013*	2018
<u>Inc. Rng.</u>	<u># / #CB-HP</u>	<u># / #CB-HP</u>
0-30% AMI	230 / 170	186 / 173
31-50% AMI	385 / 245	421 / 297
51-80% AMI	380 / 160	370 / 165
81-100% AMI	160 / 35	204 / 37
<u>101%+ AMI</u>	<u>125 / 15</u>	<u>172 / 16</u>
Totals	1,280 / 625	1,353 / 688
*Specified data		
# = Total Households # = CB-HP = Households with Cost Burden – Housing Problems		
Source: U.S. Department of Housing & Urban Development, CHAS Data Query Tool. Hanna:Keelan Associates, P.C., 2018.		

Housing structural conditions provided by the Dawson County Assessor’s Office identified **394 housing units in “Fair” condition and an additional 37 units in a “Badly Worn” condition** in the City of Lexington. During the next five years, these housing structures should be targeted for moderate to substantial rehabilitation or demolition/replacement. Units targeted to be demolished should be replaced with appropriate, modern, safe and decent housing units, with a special focus on the local workforce populations. **As per the 2012-2016 American Community Survey, 206 housing units in Lexington were experiencing overcrowded conditions and 18 units lacked complete plumbing.**

Affordable Housing Stock

With the population and number of housing units projected to increase by 2023, it is important that an appropriate, affordable housing stock of various types be available in the Community, including housing for the existing and future workforce, retirees and the elderly. Residents and local housing stakeholders have expressed a need for larger, more affordable housing units to meet the demand of families, as well as an active role in housing rehabilitation for homes that are cost effective for such activity.

Table 6 identifies the occupancy of selected affordable rental housing options in the City of Lexington. A total of **nine affordable rental housing programs were reviewed in Lexington**, via the **Dawson County Area Housing Study**, comprising a total of **325 units**. These programs are financially supported by any one or more funding sources, including the Nebraska Investment Finance Authority’s LIHTC and CROWN Credit-To-Own Housing Programs, USDA-Rural Development and the Department of Housing and Urban Development and include single family, duplex and multifamily apartment complexes. At least 90 percent occupancy was being reported in six of these rental housing programs.

**TABLE 6
OCCUPANCY OF SELECTED AFFORDABLE RENTAL HOUSING OPTIONS
DAWSON COUNTY AREA COMMUNITIES, NEBRASKA
2018**

<u>Name & Address</u>	<u>Year</u>	<u>Units</u>	<u>Project Type</u>	<u>Rent Range</u>	<u>Occupancy/Wait List</u>
Lexington Public Housing Authority 609 E. 3 rd St. Lexington, NE 68850		2-Bd: 15 3-Bd: 12 4-Bd: 5	HUD	30% Income 2-Bd: \$475 3-Bd: \$628 4-Bd: \$675	91% Yes
Dawson Estates 909-1003 Reagan Drive Lexington, NE 68850	2008	3-Bd: 15	NIFA (LIHTC) CROWN	\$632	100% Yes (17)
Eagle Run Apartments 809 Erie Street Lexington, NE 68850	1994	104 Total Units	USDA-RD	30% of Income	N/A
Eastlawn Apartments/Homes Scattered Sites Lexington, NE 68850	1964/ 1980	Apts: 1-Bd: 46 2-Bd: 3 SF/Dup. 2-Bd: 7 3-Bd: 20 4-Bd: 5	HUD Elderly/ Multifamily	30% Income Apts: 1-Bd: \$486 2-Bd: \$550 SF/Dup. 2-Bd: \$495 3-Bd: \$628 4-Bd: \$669	Apts: 100% Yes (7) SF/Dup. 100% Yes (61)
Pioneer Homes Scattered Sites Lexington, NE 68850	2000s	3-Bd: 7	HUD Multifamily	30% of Income	N/A
Legend Oaks II West 20 th Street Lexington, NE 68850	2014	2-Bd: 18	NIFA (LIHTC)	2-Bd: \$412-\$445 3-Bd: \$478\$488	N/A Yes

CONTINUED:

TABLE 6 (CONTINUED)

**OCCUPANCY OF SELECTED AFFORDABLE RENTAL HOUSING OPTIONS
DAWSON COUNTY AREA COMMUNITIES, NEBRASKA**

2018

<u>Name & Address</u>	<u>Year</u>	<u>Units</u>	<u>Project Type</u>	<u>Rent Range</u>	<u>Occupancy/Wait List</u>
Lexington Estates Scattered Sites Lexington, NE 68850	2015	3-Bd: 12	NIFA (LIHTC)	\$627	100% Yes (10)
The Row at Lexington Scattered Sites Lexington, NE 68850	2017	4-Bd: 20	NIFA (LIHTC) & Market Rate	\$800-\$1,000	100% N/A
Southhaven Apartments 1116 Wagon Wheel Lane Lexington, NE 68850	1980s	1-Bd: 8 2-Bd: 20 3-Bd: 8	USDA-RD HUD Multifamily	30% Income 1-Bd: \$388 2-Bd: \$420 3-Bd: \$443	86% Yes (5)

N/A = Not Available.

Source: Project Developers & Property Management Agencies, 2018.

Nebraska Investment Finance Authority, 2018.

Hanna:Keelan Associates, P.C., 2018.

HOUSING DEMAND POTENTIAL

The identification of the **housing “target” demand** in the City of Lexington, with an emphasis on housing for the **local workforce, includes units targeted to persons of low-, moderate- and high-income, as well as various target populations and price points.** The assessment of the current housing stock allowed for the determination of the housing demand potential.

Overall Housing Unit Target Demand.

Table 7, Page 11, identifies the estimated housing target demand for the City of Lexington, by 2023. Community leadership and local housing stakeholders and providers need to be focused on this housing target demand and achieving reasonable goals that will effectively increase the quantity and quality of housing throughout the Community.

The total estimated **housing target demand** in the **Community of Lexington, by 2023, is 306 housing units, including 138 owner and 168 rental units,** at an estimated development cost of **\$63.4 Million.** Of the 306 new housing units, an estimated **14 units** should be targeted for **Downtown Lexington, consisting of four owner and 10 rental housing units.**

The **ED Boost** scenario, which accounts for the creation of 700 new full-time employment opportunities in the Dawson County Area by 2023, results in a projected target demand of **496 total housing units, including 212 owner and 284 rental units,** at an estimated development cost of **\$100.92 Million.**



**TABLE 7
ESTIMATED HOUSING TARGET DEMAND
LEXINGTON, NEBRASKA
2023**

	<u>Target Demand*</u>		<u>Total Target Demand</u>	<u>Est. Required Target Budget (Millions)</u>
	<u>Owner</u>	<u>Rental</u>		
Medium (Pop. Proj.):	138	168	306**	\$63.4
ED Boost (Pop. Proj.):	212	284	496	\$100.92

*Based upon **new households**, housing for cost burdened households, replacement of occupied **substandard/dilapidated housing stock** (including housing stock experiencing **plumbing, overcrowded conditions**), absorb **housing vacancy deficiency** of structurally sound housing units, build for “**pent-up**” **demand** and calculation for local housing development capacity.

**Includes Downtown Housing Demand: 14 Total Units (Four Owner and 10 Rental Units).

Source: Hanna:Keelan Associates, P.C., 2018.

Housing Demand By Income Sector.

Table 8, Page 12, identifies **household area median income (AMI)**, for Dawson County, including the City of Lexington, while **Table 9, Page 12**, identifies the **estimated housing target demand by income sector** for Lexington, by 2023. The Lexington Community should focus on addressing the owner housing needs and demands of individuals and families who have an AMI of 31 percent or higher. For rental housing, programs assisting families and individuals of all income sectors will need to be examined. A majority of housing development in the City of Lexington should be directed at persons and families between 81 and 125 percent AMI.

**TABLE 8
HOUSEHOLD AREA MEDIAN INCOME (AMI)
DAWSON COUNTY, NEBRASKA
2018**

	<u>1PHH</u>	<u>2PHH</u>	<u>3PHH</u>	<u>4PHH</u>	<u>5PHH</u>	<u>6PHH</u>	<u>7PHH</u>	<u>8PHH</u>
30% AMI	\$13,200	\$15,050	\$16,950	\$18,800	\$20,350	\$21,800	\$23,350	\$24,850
50% AMI	\$21,950	\$25,050	\$28,200	\$31,300	\$33,850	\$36,350	\$38,850	\$41,350
60% AMI	\$26,340	\$30,060	\$33,840	\$37,560	\$40,620	\$43,620	\$46,620	\$49,620
80% AMI	\$35,100	\$40,100	\$45,100	\$50,100	\$54,150	\$58,150	\$62,150	\$66,150
100%AMI	\$43,900	\$50,100	\$56,400	\$62,600	\$67,700	\$72,700	\$77,700	\$82,700
125%AMI	\$54,875	\$62,625	\$70,500	\$78,250	\$84,625	\$90,875	\$97,125	\$103,375

Source: U.S. Department of Housing and Urban Development.
Hanna:Keelan Associates, P.C., 2018.

**TABLE 9
ESTIMATED YEAR-ROUND HOUSING DEMAND BY INCOME SECTOR
LEXINGTON, NEBRASKA (MEDIUM POPULATION PROJECTION)
2023**

	<u>Income Range</u>					<u>Totals</u>
	<u>0-30% AMI</u>	<u>31-60% AMI</u>	<u>61-80% AMI</u>	<u>81-125% AMI</u>	<u>126%+ AMI</u>	
Owner	0	8	22	42	66	138
Rental	10	42	28	72	16	168

Source: Hanna:Keelan Associates, P.C., 2018.

Housing Demand By Target Populations/Workforce Sector

Target populations include elderly, family and special needs populations, per **Area Median Income (AMI)**. The housing types in Lexington include both owner and rental units of varied bedroom sizes. This will allow housing developers to pinpoint crucial information in the development of an affordable housing stock for the right population sector. The majority of new housing options in the Community should be directed towards family populations, especially the local workforce.

The **Dawson County Area Housing Study** identified housing target demand **for specific population groups** by 2023, as provided in **Table 10, Page 14**. An estimated 342 units were recommended to be targeted for the workforce population of the County. **In the City of Lexington, an estimated 193 housing units, consisting of 85 owner and 108 rental units should be targeted for the workforce population, by 2023.**



**TABLE 10
HOUSING DEMAND POTENTIAL – TARGET POPULATIONS
DAWSON COUNTY AREA, NEBRASKA COMMUNITIES
2023**

HOUSEHOLD - AREA MEDIAN INCOME (AMI)							
<u>OWNER</u>							Workforce
<u>UNITS</u>	<u>0%-30%</u>	<u>31%-60%</u>	<u>61%-80%</u>	<u>81%-125%</u>	<u>126%+</u>	<u>TOTALS</u>	<u>Sector</u>
Elderly (55+)	0	0	10	28	64	102	24
Family	0	2	30	95	40	167	148
Special							
<u>Populations¹</u>	<u>0</u>	<u>6</u>	<u>4</u>	<u>2</u>	<u>0</u>	<u>12</u>	<u>2</u>
Subtotals	0	8	44	125	104	281	174
RENTAL							
<u>UNITS*</u>	<u>0%-30%</u>	<u>31%-60%</u>	<u>61%-80%</u>	<u>81%-125%</u>	<u>126%+</u>	<u>TOTALS</u>	Workforce
Elderly (55+)	4	20	14	28	10	76	12
Family	8	48	37	70	6	169	154
Special							
<u>Populations¹</u>	<u>6</u>	<u>6</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>16</u>	<u>2</u>
Subtotals	18	74	55	98	16	261	168
Totals	18	82	99	223	120	542	342

* Includes Credit- or Lease-to-Own units.

¹ Any person with a special housing need due to a cognitive and/or mobility disability.

NOTE 1: Housing demand includes both new construction and purchase-rehab-resale or re-rent.

NOTE 2: **Workforce Housing Need:**

Lexington: Owner – 85 Units; Rental – 108 Units.

Source: Hanna:Keelan Associates, P.C., 2018.

Five-Year Housing Action Plan.

A “**Dawson County Area Five-Year Housing Action Plan**” was prepared for the Dawson County Area, including the City of Lexington, to address all aspects of housing, including new construction, housing rehabilitation, the removal of “bad” housing, the reuse of infill residential lots, appropriate housing administration and code and zoning enforcement. The greatest challenge for the City of Lexington will be to develop housing units for low- to moderate-income families, with special attention given to workforce households. In total, Lexington should strive to build up to **306 new units; 138 owner and 168 rental housing units, by 2023.**

The following chart presents the “**general**” housing development programs, with a focus on housing for workforce populations, proposed for the City of Lexington during the next five years, to ensure housing development exists as an ongoing community and economic process. Identified is both rental and owner housing, estimated costs and the percentage and estimated costs of “**gap financing**” that will be needed to produce affordable housing for all age and income sectors. “Gap Financing” will need to be delivered in the form of LB840 dollars, Tax Increment Financing, Low-Income Housing Tax Credits, HOME Funds, Nebraska Affordable Housing Trust Funds, Community Development Block Grants, State and Local Foundations, and other Federal, State and/or Local funding sources available for affordable housing development.



	<u>Activity.</u>	<u>Est. Total Cost.</u>	<u>“Gap Financing”.</u>
1.	<p>Single Family Rental, CROWN Rent-To-Own Program, 24 Housing Units, all Workforce Units:</p> <p>Scattered Site, Mixed Income, 3+bedroom single family homes with standard amenities to meet the affordable housing needs of low- to moderate-income workforce households (51% to 80% AMI).</p>	\$5,700,000.	60% \$3,420,000
2.	<p>General Rental Housing Program, 144 Housing Units (84 Workforce Units):</p> <p>Scattered Site, Mixed Income, duplexes, triplex and multifamily units, consisting of 2 & 3 bedrooms with standard amenities, to meet the affordable rental housing needs of low- to moderate-income households, including workforce families and individuals (51% to 125% AMI).</p>	\$24,100,000.	35% \$8,435,000
3.	<p>Family Homeownership Initiative, 138 Housing Units (85 Workforce Units):</p> <p>Mixed Income, single family units, 3+ bedroom units, attached and/or detached, with standard amenities to meet the affordable housing needs of low- to upper-income households (51%+ AMI), including workforce families and individuals. Units can include both new construction and units for purchase-rehab-resale.</p>	\$39,000,000.	35% \$13,427,000

ASSESSMENT OF CONDITIONS FACED BY BUSINESSES IN RECRUITING NEW EMPLOYEES.

Economic Profile

The Dawson County Area enjoys many economic development benefits. In addition to having the ability to utilize local tax dollars for economic development purposes, via LB840, the City of Lexington is also recognized as an “Economic Development Certified Community” which means, as per the Nebraska Department of Economic Development, have *“demonstrated preparedness for business growth and are ready to meet the needs of companies seeking new business and industrial locations.”*

The City of Lexington also has a designated “**Opportunity Zone**” to allow for modern community and economic development programs. The **Tax Cuts and Jobs Act of 2017** allowed for all State Governors to designate Census Tracts as “Opportunity Zones” to promote investment and economic development activities in areas deemed “low income and/or economically disadvantaged.” Developers choosing to construct facilities and buildings on sites in an opportunity zone can take advantage of various tax incentives and deferrals as a means of creating economic opportunities in these areas.

As per the Nebraska Department of Economic Development website, a Census Tract qualifies as an opportunity zone if it meets the following criteria:

- a) The tract poverty rate was at least 20%, or:
- b) If located in a metropolitan area, the tract’s median family income did not exceed 80% of the greater of (i) the median family income in the metropolitan area or (ii) the statewide median family income, or;
- c) If located in a non-metropolitan area, the median family income for such tract did not exceed 80% of the statewide median family income.

Census Tract #9684, in Lexington, is a designated “Opportunity Zone”.

The following is a review of relevant labor force data, annual employment trends and the identification of major employers for Dawson County, which includes Lexington, Nebraska. This information closely reflects the statistics and economic environment for Lexington.

Employment Trends.

Table 11, Page 20, identifies trends in employment for Dawson County, Nebraska. Between 2005 and 2018, the unemployment rate in Dawson County ranged from a high of 5.2 percent to a low of 2.7 percent. During this period, the total number of employed persons increased by 351. By 2023, an estimated 12,589 employed persons will be employed in Dawson County, with an unemployment rate of 2.6 percent.

Employment By Type.

Table 12, Page 21, highlights employment by workforce sector for Dawson County. Data obtained from the Nebraska Department of Labor highlights Dawson County's largest employers in 2018. An estimated 11,340 persons work in a non-farm place of employment. The largest concentration of workers are employed in the Local Government, Retail Trade, Wholesale Trade, Health Care & Social Services and Accommodation & Food Service sectors.

**TABLE 11
EMPLOYMENT DATA TRENDS AND PROJECTIONS
DAWSON COUNTY, NEBRASKA
2002-2023**

<u>Year</u>	<u>Number of Employed Persons</u>	<u>Change</u>	<u>Percent Unemployment</u>
2002	11,873	--	4.0%
2003	12,093	+220	4.2%
2004	12,073	-20	4.3%
2005	11,752	-321	4.4%
2006	12,037	+285	3.2%
2007	12,011	-26	3.0%
2008	12,110	+99	4.0%
2009	11,881	-229	4.7%
2010	11,825	-56	5.2%
2011	12,026	+201	4.3%
2012	12,031	+5	4.5%
2013	12,129	+98	3.6%
2014	12,243	+114	2.8%
2015	12,440	+197	2.7%
2016	12,628	+188	3.1%
2017*	12,224	-404	2.4%
2023	12,589	+365	2.6%
2002-2023	11,873-12,589	+716	4.0%-2.6%

*Estimate as of October, 2017.

Source: Nebraska Department of Labor, Labor Market Information, 2018.

Hanna:Keelan Associates, P.C., 2018.

TABLE 12	
WORKFORCE EMPLOYMENT BY TYPE	
DAWSON COUNTY, NEBRASKA	
2018	
<u>Workforce</u>	
Non-Farm Employment (Wage and Salary)	11,340
Agriculture Forestry, Fishing & Hunting.	0
Mining, Quarrying and Oil/Gas Extraction.	*
Utilities.	18
Construction.	347
Manufacturing.	*
Wholesale Trade.	531
Retail Trade.	995
Transportation & Warehousing.	405
Information.	85
Finance & Insurance.	365
Real Estate & Rental/Leasing.	17
Professional, Scientific & Technical Services.	179
Management of Companies & Enterprises.	93
Administrative/Support/Waste.	318
Educational Services.	*
Health Care & Social Assistance.	711
Arts, Entertainment & Recreation.	107
Accommodation & Food Service.	678
Other Services (except Public Administration).	399
Federal Government.	106
State Government.	149
Local Government.	2,008
*Data not available because of disclosure suppression.	
Source: Nebraska Department of Labor, Labor Market Information, 2018. Hanna:Keelan Associates, P.C., 2018.	

Major Employers.

In addition to agriculturally-based employment business activity, major employers in the Dawson County Area include, but are not limited to Tyson Fresh Meats, VVS Canteen, Nebraska Plastics and Paulsen Inc. Each of these companies employs over 300 employees, with Tyson, located in Lexington, employing over 2,700. An additional six companies in the Area employ between 250 and 500 people. **A significant boost in employment opportunities is possible with the addition of 700 new jobs in the Dawson County Area, including the City of Lexington. These and other employers could form a partnership to create various owner and rental housing types, including single room occupancy/transitional housing for their employees.**

Several programs and organizations of economic and community development are available to Lexington residents. **Dawson Area Development** provides the technical assistance needed to attract, grow and retain employment and economic opportunities for the Community, by providing grant and resource development and project implementation. **West Central Nebraska Development District, the Lexington Housing Authority** and other local, both public and private/non-profit organizations and Foundations also provide economic, community and housing development support in the Community.

City of Lexington/Major Employer Involvement in Housing Development.

Discussions with City of Lexington leadership highlighted an active, ongoing relationship between City leadership/administration and local major employers. The City's largest employer, Tyson Fresh Meats, has contributed \$500,000 towards land acquisition in the City for the purpose of developing housing for the local workforce. Additionally, other employers including Lexington Public Schools and Lexington Police Department are actively implementing ways to support housing development to help with recruiting new teachers and police officers for employment. These and other creative initiatives should be utilized by all major employers in and around Lexington to ensure good community stewardship and the continuation of advancing affordable housing development in the Community.

ASSESSMENT OF CONDITIONS FACED BY PERSONS SEEKING NEW OR REHABILITATED HOUSING.

Availability of Affordable Housing for Workforce and Others.

The estimated, overall **adjusted housing vacancy rate** for Lexington, Nebraska, is **less than 3 percent**. This percentage represents a housing shortage. Housing shortages exist for affordable starter homes and three-bedroom rental apartments and houses. The lack of affordable homes impacts both businesses and job stability, in Lexington; business expansion and employee securement is difficult without an available supply of affordable workforce housing choices.

Housing Rehabilitation & Demolition

Housing rehabilitation or preservation activities are important for the City of Lexington. The field analysis completed as an activity of the **Dawson County Area Housing Study** included both a field assessment of the condition of the existing housing stock and data available with the Dawson County Assessor's Office. Overall, the housing stock throughout the Area is in "Average" condition, suggesting that a large number of homes are in need of one or more forms of moderate rehabilitation activities including, but not limited to: siding, window and door replacement, paint, plumbing repairs, porch repairs and landscaping.

"Pockets" of areas where houses have deteriorated to the extent of needing substantial rehabilitation, or in some cases, demolition, exist in the Community of Lexington. Generally, these pockets are located near the Downtown "core" and/or the oldest neighborhoods of the Community. Housing that is not cost effective to be rehabilitated should be targeted for demolition and replacement to take advantage of the existing infrastructure for new affordable housing development. **Other community development activities should complement housing redevelopment and rehabilitation activities. This includes street paving, street lighting and sidewalk installation, implementing nuisance abatement and community cleanup activities and other local incentives that enhance vehicular and pedestrian safety.**

Table 13 identifies the **estimated rehabilitation and demolition target demand** for the **City of Lexington**, by **2023**. Up to **169 units** could be targeted for **rehabilitation in the Community** at an estimated cost of **\$5.74 Million**. An additional **61 housing units** are considered **not cost effective for rehabilitation and should be demolished**. The estimated cost of demolition will range, depending on acquisition of the housing unit.

TABLE 13	
ESTIMATED TARGET HOUSING REHABILITATION / DEMOLITION DEMAND* LEXINGTON, NEBRASKA	
2023	
# Rehabilitated / Est. Cost \$ (Million)	Demolition
169 / \$5.74	61
<small>*Based upon County Assessor Records & Field Assessment. Source: Hanna:Keelan Associates, P.C., 2018.</small>	

Land being occupied by “bad and unsafe” housing located in Lexington should be secured in a single, Community-Wide “Land Bank,” reserved for future housing development. Local public, private and non-profit housing groups, in partnership with Dawson Area Development, will need to take a proactive role in housing development and rehabilitation activities in the Community. It is recommended that the City consider tools of redevelopment such as LB840 Community Development Block Grants, Tax Increment Financing, etc. to assist in revitalizing the Community’s housing stock.

The City of Lexington should address and identify vacant land suitable for new housing development. These areas should generally be free of natural and man-made constraints to growth, such as floodplains and steep topography, but located in close proximity to current developments and Community amenities. Additionally, the Community should continue the designation of **“Redevelopment Areas”** where Tax Increment Financing (TIF) could be used as a tool of **“Community Enhancement”** for blighted and substandard properties. TIF can be used for public infrastructure and utility improvements associated with both new residential development and housing preservation/rehabilitation activities. .

In 2018, the Nebraska State Legislature passed “Legislative Bill 496,” which allows for the use of TIF to assist in financing the development of workforce housing.

Recent Housing Development/Rehabilitation Activities

The City of Lexington has taken an aggressive role in developing housing for local and prospective populations in an effort to expand housing availability and choice in the Community. The following highlights current and recent efforts in creating housing opportunities in Lexington:

- Lexington has invested heavily in utilizing Tax Increment Financing (TIF) for development projects involving housing. The **Illustration** below highlights the location of five designated “**Redevelopment Areas**” in the City where TIF is frequently used. They include large portions of central and southern Lexington, as well as in the northwest portion of the Community along Nebraska State Highway 21.
- The City has invested in the installation of public infrastructure to spur new and supplement existing development. The City of Lexington invests in a 15-year payback program, via property and sales tax, to make development projects become a reality in the City.
- An average of two “spec” housing units per year are constructed and funded by the Lexington Community Development Agency.
- The “Southwest Workforce Housing Project” has been a major undertaking for Lexington, but has been providing new housing and land development opportunities for the Community. The Project proposes the development of 320 housing units, including 116 single family, 30 duplex and 144 multifamily housing units. To date, 73 units have been completed with an additional four units under construction. The City projects a total of 44 housing units to be developed as part of the Project in 2019.
- A total of 85 single family lots are available in northwest Lexington with a goal of attracting medium density residential development. City infrastructure is in place with this development project.
- In addition to workforce housing development, the City is also supporting the development of a 12 unit condominium project for the local senior/retiree population. This is important to the effort of providing housing choice for seniors, as well as opening up single family homes for new and prospective workforce families for Lexington.

