Chapter 7

HOUSING AND NEIGHBORHOODS

Every neighborhood in Wayne should provide a positive living environment for its residents.

Wayne's existing and future housing stock is critical to the city's growth. Neighborhoods are among Wayne's most important economic development amenities, and the city's housing supply represents its single largest cumulative capital investment. Wayne has a strong mixture of rental- and owner-occupied housing that serves the long time residents and students. Yet the housing needs of many current and prospective residents remain unmet. The purpose of this chapter is to assess housing needs and strategies that will enable the city to increase overall production of housing and help to define future housing and community development directions.

Housing Characteristics

This discussion will examine major characteristics of Wayne's housing stock, focusing on housing values and affordability, housing tenure and occupancy, building permit activity and on the overall condition of housing in the community.

Housing Occupancy Characteristics

Table 7.1 summarizes housing supply and occupancy for Wayne and the state of Nebraska. This comparison illustrates the demand for rental housing in Wayne. Between 1990 and 2000 the number of owner occupied units in Wayne increased by 3% compared to the state at 12%. Conversely, the number of renter occupied units in Wayne increased by 17% compared to the state wide increase of 7%. The overall percentage of rental occupied units in Wayne is also higher than for the state as a whole, a trend that is true for other college communities. Median home value and median contract rent both increased at a slower rate for the city than the state as a whole.

Housing Values and Rent Levels in Wayne

Tables 7.2 and 7.3 display the 2000 distribution of home values and contract rents in Wayne. Single-family home values are evenly distributed between $50,000 and $125,000. Nearly 39% of the city's owner occupied units were valued between $50,000 and $80,000 and another 37% between $80,000 and $125,000. Contract rent in Wayne is heavily influenced by the college student rental market. Nearly 60% of the city's units rent for $200 to $400 a month. The 88 units renting over $500 include a number of homes converted into investment property to be rented to students. Values and rent costs in the city have remained fairly constant, increasing by less than the state wide median (see Table 7.1). Although a decrease in enrollment at WSC has influenced vacancy rates, community input has indicated that it has yet to have an effect on rental rates. However, it is likely that this could eliminate some of the lower end, lower quality rental properties in the community. In general, competition for units from students makes the rental market more challenging for local workers seeking rental units.

Housing Affordability Analysis

The pricing of a community's housing supply in relation to the income of its residents helps determine whether the city's housing is affordable for its citizens. A household budget must be divided among basic housing costs, other essential needs, and costs to maintain the house. Households that spend a disproportionately large share of their incomes for basic housing have less money for other essentials and fewer resources to maintain their homes and neighborhoods.

Housing affordability in Wayne is complicated by several factors, these include:

- *Student Population – Rental Market.* A large number of students in the rental housing market can skew any affordability analysis. They have some of the lowest incomes in the community, creating lower than normal household incomes, however, their rents are often subsidized by parents. A group of students living together can also afford higher rental rates than a single family, resulting in a number of single-family homes converted to rental units for students.

- *Student Population – Owner Occupied Market.* Student housing influences the owner-occupied market as well as the rental market. While many homes fall between $50,000 and $100,000, participants in the public input process noted that these homes are picked up quickly as investment property or are in poor condition after years of student housing. Participants also indicated that the number of these units might not be as numerous as they were during the 2000 census. Input from realtors indicated that there are more choices than 10 or 15 years ago and that the majority of the houses on the market are priced between $50,000 and $125,000. However, this does not reflect the quality of the housing on the market. The current trend seems to be toward a turn over in investment property. Although the price range of these homes may be favorable to first-time home buyers, many of them will remain as rental properties because of quality, location, and other factors.

Table 7.1: Change in Key Housing Occupancy Indicators

	Wayne				State of Nebraska			
	1990	2000	Change 1990-2000	% Change 1990-2000	1990	2000	Change 1990-2000	% Change 1990-2000
Total Housing Units	**1,830**	**1,963**	**133**	**7.30%**	**660,621**	**722,668**	**62,047**	**9.40%**
Owner Occupied Units	1,015	1,045	30	3.00%	400,394	449,317	48,923	12.20%
% Owner Occupied	55.50%	53.20%			60.60%	62.20%		
Renter Occupied Units	690	805	115	16.70%	201,969	216,867	14,898	7.40%
% Renter Occupied	37.70%	41.00%			30.60%	30.00%		
Vacant Units	125	113	-12	-9.60%	58,258	56,484	-1,774	-3.00%
Vacancy Rate	6.80%	5.80%			8.80%	7.80%		
Median Value	48,600	76,700	28,100	57.80%	50,000	88,000	38,000	76.00%
Median Contract Rent	219	286	67	30.60%	348	491	143	41.10%

Source: U.S. Census Bureau

- *Affordable housing for Workers*. Wayne has a strong industrial base that includes Great Dane and Heritage Homes; however, many of their workers live outside of Wayne. A community affordability analysis that contrasts residents' incomes to available housing does not include this market. Community input indicated that these workers were finding housing at lower cost, and sometimes higher quality, in the surrounding small towns. A survey distributed to these workers by Wayne Industries and the Chamber also indicated that many of them were scared away from the Wayne market by the perception that the tax rate was significantly higher. Concern over this issue has led the city to work toward lowering the rate to levels comparable to communities of similar size in the state. In addition, the services and facilities provided to Wayne by these taxes greatly exceed many surrounding communities which include the new Activity Center and Library/Senior Center facility.

- *Lot costs*. Under the city's existing development policies cost for lot improvements are assessed to the developer. These assessments are then passed on to the homebuyer, making it difficult to develop new affordable housing in Wayne. Smaller communities in the region are often subsidizing these costs putting Wayne at a competitive

Table 7.2: Owner Occupied Housing Values, Wayne, 2000

Value Range	Number of Units	% of Total
Under $25,000	3	0.30%
25,000-40,000	41	4.30%
40,000-50,000	53	5.60%
50,000-60,000	134	14.20%
60,000-70,000	103	10.90%
70,000-80,000	128	13.60%
80,000-90,000	113	12.00%
90,000-100,000	117	12.40%
100,000-125,000	114	12.10%
125,000-150,000	55	5.80%
150,000+	82	8.70%
Total	943	100%
Median Value	$76,700	

Source: US Census Bureau

Table 7.3 Renter Occupied Units: Contract Rent Distribution, Wayne, 2000

Rent Range	Number of Units	% of Total
Under 200	96	12.30%
200-300	202	25.80%
300-400	258	33.00%
400-500	139	17.80%
500-600	41	5.20%
600+	47	6.00%
Total	783	100.00%
Median Contract Rent	$286	

Source: US Census Bureau

disadvantage.

Table 7.4 is an analysis of affordable housing based on 2000 Census data. The table compares the quantity of housing that is affordable for each income group. This affordability analysis is based on owner-occupied units value being two to two and a half times a household's total income and affordable rental units (including utilities) being about 30% of a household's monthly income. In this analysis, a positive balance indicates a surplus of housing within the affordability range of each income group, while a negative balance indicates a shortage.

The table indicates a shortage of housing for those households making less than $25,000 a year and those making more than $50,000. The shortage of units for households under $25,000 is likely less then this analysis would indicate. The majority of residents in this range are college students or seniors on fixed incomes. The students will double up in higher rental units and often have assistance with paying for housing. The seniors on fixed incomes often have their homes paid for. Community input indicated a shortage of housing for those making between $25,000 and $50,000; however, many of these units are being filled by higher income residents. These units may have quality issues, are picked up quickly as rental properties when they come on the market, or are filled by students in the lower income brackets.

There are other factors that the analysis does not take into account. A number of workers in local manufacturing jobs, that start at $10 an hour, are living outside the city. This is an untapped market for the community that would quickly fill the market for housing priced at less than $100,000. Recent construction has focused on market rate units, a continued shortage of units for higher-income households suggests a continuing market for "move-up" housing. Occupancy by high-income households in relatively low-cost housing creates competition that may make it more difficult for moderate-income families to find affordable housing. In the coming years Wayne will be challenged to capitalize on existing affordable housing and development of new affordable housing.

Table 7.4: Housing Affordability

Income Range	% of City Median	% of Households	Number Households in Each Range	Affordable Range for Owner Units	Number of Owner Units	Affordable Range for Renter Units	Number of Renter Units	Total Affordable Units	Balance
$0-25,000	0-90%	46.11%	853	$0-50,000	108	$0-400	571	679	-174
$25,000-49,999	91-180%	24.76%	458	$50,000-99,999	659	$400-800	206	865	407
$50,000-74,999	181-270%	18.81%	348	$100,000-149,999	187	$800-1250	28	215	-133
$75,000-99,999	271-361%	5.73%	106	$150,000-200,000	37	$1250-1500	0	37	-69
$100-150,000	362-541%	4.05%	75	$200-$300,000	54	$1500-2500	0	54	-21
$150,000+	Over 541%	0.54%	10	$300,000+	0	$2500+	0	0	-10
Median	$27,730								

Source: US Census Bureau, 2000; RDG Planning & Design, 2006

Housing Development Needs

Table 7.5 presents the current estimated income distribution (by percent of households) in Wayne, paired with affordable monthly housing costs for each income range. In this table, affordable monthly housing costs include utilities and represent about 30% of a household's monthly income. These target costs are matched to strategies that can deliver housing affordable to each income range. For example, programs that are most appropriate to families earning between $25,000 and $35,000 can produce housing with monthly costs between $625 and $875, including utilities, corresponding to houses with mortgages in the range of $50,000 to $80,000. Strategies that can deliver housing in this price range include rehabilitation of existing housing, manufactured housing, and affordable single-family development using financing devices such as deferred second mortgages. These strategies are considered in more detail in the Housing and Development Policies portion of this plan.

Table 7.6 presents a ten-year housing development and pricing program for Wayne, based on the city's relative income distribution. The program provides production targets for various cost ranges of rental and owner-occupied units. The development program is based on the following assumptions:

- New development in Wayne will be about 65% owner-occupied and 35% renter-occupied housing. These percentages are then applied to the unit demand identified in Table 3.5. The percent of owner-occupied is higher than the 2000 distribution, however, the student population is unlikely to increase significantly. In addition, recent drops in student enrollment have actually created some rental vacancy, which were

Table 7.5: Housing Income and Recommended Housing Strategies, 2006

Income Target	Number of Households 2005	% of Households	Affordable Monthly Housing Costs (including utilities)	Price Ranges for Ownership Housing	Appropriate Housing Types and Strategies
Under $15,000	394	21.2%	$0-375	Less than $30,000	•Public housing •Section 8 certificates •Section 42 tax credit rentals •Existing housing rehab grants
$15,000-24,999	463	24.9%	$375-625	$30,000-60,000	•Section 42 tax credit rentals •Mobile home/manufactured housing •Housing rehab grants •Acquisition with rehab grants/loan.
$25,000-34,999	225	12.1%	$625-875	$60,000-90,000	•Existing housing rehab •Market rate rentals •Affordable single-family development
$35,000-49,999	235	12.6%	$875-1,250	$90,000-125,000	•Market rate rentals •Affordable single-family development •Subdivision development with infrastructure assistance
$50,000-74,999	350	18.8%	$1,250-1,875	$125,000-190,000	•Market-based single-family •Subdivision development with infrastructure assistance
$75,000+	192	10.3%	$1,875+	Over $190,000	•Market-based single-family •Subdivision development through special assessments

Source: RDG Planning & Design, 2005

extremely low in the early 1990s. For these reasons new construction in the next ten years is more likely to focus on owner-occupied units.

- The proportion of the demand for units is based on the percentage of households in Table 7.5.

- Owner-occupied housing will be distributed generally in proportion to the income distribution of households for whom ownership is a realistic strategy. Some of the market for lower-cost owner-occupancy may be shifted toward market rate rentals.

- Lower-income households will generally be accommodated in rental development.

The analysis indicates a need for about 32 owner-occupied units with prices below $125,000 and 30 units with effective rents below $625 in current dollars, for a total of 62 "affordable" units. Therefore, to meet this projected need, a housing program for Wayne should establish an average annual production target of about 6 affordable units. These numbers are dependant on Wayne meeting its growth goals laid out in Chapter One and could be further influenced by actions that expand Wayne's market. These include:

- Major employment expansions.

- Housing developments that can attract people from surrounding regions, such as substantial senior housing developments or a project that attracts more workers to live in Wayne.

It is important to note that the need for affordable housing is met indirectly through a filtering process. A unit that meets the needs of a high-income, empty-nester household may encourage that household to sell their current home to a moderate-income family. Filtering processes rarely satisfy the total affordable housing need, but they do realistically address part of the market demand.

Table 7.6: Ten Year Housing Development and Pricing Program, 2005-2015

	2005-2010	2010-2015	Total
Total Need	54	55	109
Total Owner Occupied	35	36	71
Affordable Low: $60-90,000	8	8	16
Affordable Moderate: $90-125,000	8	8	16
Moderate Market: $125-190,000	12	13	25
High Market: $190-250,000	4	4	8
High End: Over $250,000	3	3	6
Total Renter Occupied	19	19	38
Assisted: Less than $400	7	7	14
Affordable: $400-625	8	8	16
Market: Over $625	4	4	8

Source: RDG Planning & Design, 2006

Housing and Development Policies

Preservation of existing housing and development of new housing to support growth are vital elements of Wayne's community development strategy. While land use and community investment strategies are important to housing planning, specific efforts are needed to address housing priorities. This section considers initiatives which, if combined with existing programs, can help address major priorities.

The city's primary housing challenges include:

- Preserving and upgrading Wayne's existing stock of generally sound housing.
- Stimulating production of affordable lots that are regionally competitive.
- Continuing to develop new housing for the senior and older adult market.
- Encouraging new housing investment in the city's older neighborhoods.
- Developing an effective, multi-faceted neighborhood conservation and rehabilitation program.

Wayne's housing and neighborhood development policy should build on its existing stock of housing by implementing the following policies:

A LENDERS' CONSORTIUM
REHABILITATION AND HOUSING CONSERVATION
AFFORDABLE LOT SUPPLY
BUILDER/CITY COMMUNICATION
SENIOR HOUSING
DOWNTOWN HOUSING

PROGRAM COMPONENTS: HOUSING & DEVELOPMENT

A Lenders' Consortium

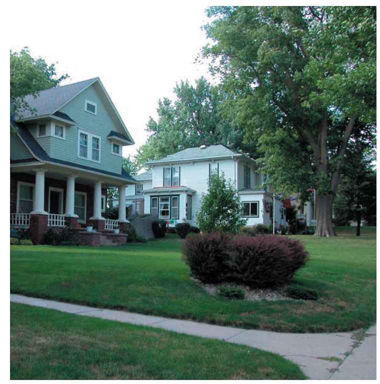
Rehabilitation & Housing Conservation

Affordable Lot Supply

Builder/City Communication

Senior Housing

Downtown Housing



A LENDERS' CONSORTIUM

Wayne should investigate creating a lender's consortium through its Community Housing Development Corporation or Northeast Nebraska Economic Development District to develop needed housing types.

The Wayne Community Housing Development Corporation provides an excellent housing purchase/rehab/resell program that has been very successful for the city. A second step in making more affordable housing available involves creating a consortium of local lenders to share the risk of lending for higher risk projects. The consortium approach can help spread the risk involved with lending for unconventional projects. Also, the city can use housing funds to insure the projects, inject grant assistance, and thereby leverage limited housing dollars.

The central missions of the consortium should include:

- *Construction and long-term financing of key project* types that are identified in the community as high priorities. This may include financing of both private and nonprofit projects.
- *Construction lending to private builders of affordable housing*, particularly single-family or duplex/townhouse projects. Interim financing using a community housing investment fund can help involve small builders in the development of key housing types, while lowering the risk to builders in marginally profitable price ranges. A construction loan pool eases the flow of capital to strategic project types, and shifts the complete risk for these projects

PROGRAM COMPONENTS: HOUSING & DEVELOPMENT

A Lenders' Consortium

Rehabilitation & Housing Conservation

Affordable Lot Supply

Builder/City Communication

Senior Housing

Downtown Housing

from individual enterprises to the private community at large. It permits small businesses to realize economies of scale by building a group of houses as part of a project, rather than individual, scattered units one at a time. In addition, this shift of the risk allows builders to expand an inventory of available speculative houses.

- *Mortgage financing* to low and moderate-income buyers. The consortium may be a mortgage lender to bankable low and moderate-income buyers who fall outside of normal underwriting standards for institutions. A consortium shares the risk of these mortgages among lenders. In these situations, the consortium may hold the mortgage notes in its own portfolio, as secondary markets are not always available.

- *Rehabilitation financing.* The consortium may be the financier of a community rehabilitation program, which again shares the private side exposure among the community's institutions and a housing authority's capital fund.

Capitalization of the consortium and its programs should be accomplished as follows:

- *Proportionate funding by lenders.* An equitable model would be participation in individual loans or in the construction loan pool proportional to overall assets.

- *Corporate contributions and investments.* Investments by Wayne's business community may be a source of working capital for construction financing or long-term financing of key development projects.

- *State Community Development Block Grants (CDBG)* and other housing funding programs.

REHABILITATION AND HOUSING CONSERVATION

Wayne should expand existing rehabilitation and code enforcement efforts into a comprehensive, multi-faceted rehabilitation and neighborhood development program.

Housing rehabilitation is a particularly important priority for Wayne. Based on the 2000 census, a quarter of the city's housing was built before 1940. While the housing supply is in generally sound condition, there are a number of units in need of minor rehabilitation and maintenance repairs. The city has been working hard to address the more severe cases, especially those properties that are not owner-occupied. The following initiatives should be implemented in order to address additional rehabilitation issues.

A Property Maintenance Standards Program

The best conservation programs combine awareness of the need for reinvestment with the tools to finance home repairs and rehabilitation. The strategy begins with a Property Maintenance Standards Program; an effort that encourages voluntary compliance with community standards and establishes a legal basis for code enforcement. Components of this program include:

- *Preparing and distributing a Property Standards Manual.* This should be a friendly and clear document that sets out the expectations that Wayne as a community has for individual building and property maintenance. It can also help to provide useful information, such as sites to dispose of or recycle unwanted household items.

- *Organizing voluntary efforts through church and civic groups to assist seniors and* *disabled people with property maintenance*, including fix-up items, painting, routine repairs, and disposal of trash and other items. The involvement of WSC students in this type of initiative provides them with additional community interaction and increased "ownership" in the community.

- *Review and modify the city's current Property Maintenance Ordinance,* assuring that the ordinance clearly addresses those items that have the greatest impact on life safety, visual quality, and preservation of community maintenance standards.
- *Backing up the property* maintenance standards program with rehabilitation financing. Possible funding sources are discussed below.
- *"Better Landlords Bureau",* a voluntary investor association/peer group and seal of approval for rental properties. Investment property owners in Wayne have already formed a landlord association, this program would take the organization to the next step, creating a peer review process and seal of approval on rental properties.

Comprehensive Rehabilitation Programs

Many of Wayne's housing units require at least moderate repairs or rehabilitation. A coordinated rehabilitation strategy, operating on a reliable, multi-year basis, is vital to ensure preservation of a critical supply of existing housing. A comprehensive rehabilitation program, appropriate to the respective needs of individual residential areas, should include four program types. These include:

- *Emergency repair program.* For very low income residents an emergency repair program should be established. This type of program is usually funded through Community Development Block Grant (CDBG) funds in the form of grants or forgivable loans.
- *Direct rehabilitation grant programs.* This program would make direct forgivable loans and grants to homeowners from CBDG funds. The program is most appropriate to homeowners with low incomes who are not otherwise bankable.
- *A leveraged rehabilitation loan program.* This approach leverages private loan funds (often through the FHA Title I Home Improvement Loan program) by combining private loans with CDBG or other public funds to produce a below market interest rate for homeowners. The program works most effectively in moderate income neighborhoods with minor rehabilitation needs and some demand for home improvements. It is effective in expanding the amount of improvements completed by a fixed amount of public funding. Loans in a leveraged loan program can be originated through individual lenders or through the proposed lenders' consortium. The experience of local lenders with FHA Title I can help expedite implementation of this program.
- *Energy Efficiency Loans.* Funding should be leveraged through the city owned utility to provide loans that improve the energy efficiency of older homes. These low interest loans or no-interest loans could be used by anyone in the community to replace windows, heating and cooling systems, or any other upgrades that improve the energy efficiency of the home.

The city already has a very successful acquisition/rehab/resale program managed by the Community Housing Development Corporation. This highly successful program does have

PROGRAM COMPONENTS: HOUSING & DEVELOPMENT

A Lenders' Consortium

Rehabilitation & Housing Conservation

Affordable Lot Supply

Builder/City Communication

Senior Housing

Downtown Housing

PROGRAM COMPONENTS: HOUSING & DEVELOPMENT

- A Lenders' Consortium
- Rehabilitation & Housing Conservation
- **Affordable Lot Supply**
- Builder/City Communication
- Senior Housing
- Downtown Housing

limitations; therefore, other available approaches should be leveraged when possible.

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

AFFORDABLE LOT SUPPLY

Wayne should encourage the private development of workforce housing by providing an incentive program to finance infrastructure for moderately-priced houses.

The community participation process identified a need for affordable lots. Under the city's current development procedures, lot improvements are assessed to the developer creating lot costs that makes development of affordable housing prohibitive. The city should work to assure a supply of affordably priced lots within the city and in new development areas. This will be essential if Wayne's housing market wants to be competitive with surrounding markets. Programs include:

- An Infrastructure Bank. Many factors that contribute to housing cost are beyond the control of municipal policy. However, public improvements can be addressed by city policy. One approach is an infrastructure bank; a concept that provides front-end city financing for public improvements by reimbursing the homebuilder or developer for these costs. The value of these improvements then becomes a subordinated mortgage, due only on sale of the property. This technique is attractive because it is primarily a private market program that finances items in the public domain and provides a payback to the city at the point of sale.

- Public or shared risk initial financing of urban infrastructure for subdivisions through benefit fee district and special assessment districts should be evaluated to expedite subdivision development. This reduces the front-end risk of lot development to the subdivider, important in a market with long-term lot absorption.

- Utilization of Tax Increment Financing to fund infrastructure improvements and bring down or eliminate lot improvement costs to the developer.

- Any program should also include redevelopment of existing lots that begins with a site assessment and definition process that maps vacant sites and lots, seriously deteriorated buildings, "anchor" structures, and current reinvestment efforts. Blighted areas have been designated in the city and the TIF mechanism should be used to make necessary infrastructure improvements to these mapped sites.

- The city may also choose to implement a redevelopment process that would acquire strategic sites to be sold to builders for construction of affordable units. This type of approach has been implemented with some lots in the northeast part of the city. Any expansion of this type of program should require that homes be affordable to low- to moderate-income buyers.

All of these programs should be tied to requirements for development of affordable units.

BUILDER/CITY COMMUNICATION

Along with maintaining high standards, Wayne should develop clear lines of communication between the city and the development/building community, streamline approval processes and expedite customer service

City officials have the difficult problem of satisfying two customers – the general public and the development community. If they occur, conflicts, delays, and procedural misunderstandings can increase frustrations on all sides and make the city appear unfriendly to development. The city and construction/development industry should institute a regular program to maintain partnerships and continue good communication. Components of this effort should include:

- Preparation of a Developer and Builder's Guide that clearly defines (in a friendly and accessible way) city building code, inspection, and regulatory policies and procedures.
- Regular (monthly or bi-monthly) roundtable meetings to discuss issues of common concern to address conflicts before they become serious.

PROGRAM COMPONENTS: HOUSING & DEVELOPMENT

SENIOR LIVING

Wayne should encourage construction of independent living residential development for seniors.

Wayne can provide an excellent living environment for senior citizens. Its small town atmosphere, and health and educational services can attract retirement age residents from the surrounding region. Wayne State College provides an excellent opportunity for seniors. Colleges and universities around the country are capitalizing on the growing number of senior by attracting retirement age alumni back to the community. Seniors can return to a place that has special meaning to them, offers expanded educational opportunities, and provides quality community services. The college also has an opportunity to tap into a group of educated and experienced individuals that add to the learning environment on campus.

By utilizing the community development corporation, Wayne may also combine senior housing development with an acquisition/rehab/resale program to provide maintenance-free housing to its existing senior residents. As an example, the Community Housing Development Corporation could partner with the City of Wayne to build one or two-bedroom attached units, with a target cost of (for example) $80,000 per unit. The CDC agrees to purchase the senior resident's current home at $50,000. That home is then rehabilitated and resold. If the rehabilitation cost of the house is an additional $25,000, total sale price for a substantially new house may be $80,000. Proceeds from the sale of the house are then used by the senior as a substantial downpayment on the new attached unit. The balance is amortized, with an approximate monthly cost of $300. Assuming that additional costs for maintenance and utilities are $125 per month, the new housing unit costs the senior household $425 per month, a moderate price for an appropriate new ownership unit.

PROGRAM COMPONENTS: HOUSING & DEVELOPMENT

- A Lenders' Consortium
- Rehabilitation & Housing Conservation
- Affordable Lot Supply
- Builder/City Communication
- Senior Housing
- **Downtown Housing**

DOWNTOWN HOUSING

Wayne's historic downtown could offer innovative, amenity-rich housing that would appeal to significant market groups.

Communities of all sizes have proven the popularity of downtown housing and its ability to play an important role in business district reinvestment. Downtown housing can also take advantage of specific incentives such as historic tax credits that provide additional equity in projects. Downtown Wayne has significant upper level building resources that offer opportunities for adaptive reuse, while many of these have been tapped into, opportunities still exist. Such projects can take advantage of programs such as:

- Community Development Block Grant (CDBG) or HOME funds. These funds can provide gap financing for low and moderate-income housing in downtown districts. They are typically used to reduce private capital needs, producing housing costs affordable to the target population.
- Section 42 (Low-Income Housing Tax Credit). This is an investment tax credit in projects that reserve a specific percentage of units for low-income residents.
- Historic Tax Credits. This program offers an investment tax credit of up to 20% to qualified investors for rehabilitation of buildings on or eligible for listing on the National Register of Historic Places. Rehabilitation must be consistent with the Secretary of the Interior's Standards for Historic Rehabilitation.
- Tax Increment Financing (TIF). TIF uses the added taxes created by a redevelopment project to finance improvements related to the project.