

RESOLUTION NO. 2022-27

A RESOLUTION APPROVING WORKFORCE HOUSING INCENTIVE PLAN.

The City of Wayne, Nebraska, a Municipal Corporation (the “City”), has determined it to be desirable to undertake and carry out urban redevelopment projects in certain areas of the City that are determined to be blighted and substandard and in need of redevelopment; and

The Community Development Law, Chapter 18 Article 21, Reissue Revised Statutes of Nebraska, as amended (the “Act”) prescribes the requirements and procedures for the planning and implementation of redevelopment projects, including redevelopment projects involving construction of workforce housing; and

The City has prepared an Incentive Plan for construction of housing in the municipality targeted to house existing or new workers in the City of Wayne, Nebraska, a copy of which is attached hereto as Exhibit “A;” and

The City published and mailed notices of a public hearing on such Incentive Plan pursuant to the section 2115.01 of the Act, and has on the date of this Resolution held a public hearing on the proposal to approve the Incentive Plan; and

The City has reviewed the Incentive Plan and determined that such incentive plan is necessary to prevent the spread of blight and substandard conditions within the Municipality, will promote additional safe and suitable housing for individuals and families employed in the municipality, and will not result in the unjust enrichment of any individual or company.

BE IT RESOLVED by the Mayor and the City Council of the City of Wayne, Nebraska, that:

1. The Incentive Plan is necessary to prevent the spread of blight and substandard conditions within the municipality, will promote additional safe and suitable housing for individuals and families employed in the municipality, and will not result in the unjust enrichment of any individual or company.
2. The Incentive Plan is approved in the form attached as Exhibit “A.”
3. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED this 5th day of April, 2022.

THE CITY OF WAYNE, NEBRASKA,

By _____
Mayor

ATTEST:

City Clerk

**WORKFORCE HOUSING INCENTIVE PLAN FOR THE
MUNICIPALITY OF WAYNE, NEBRASKA
PURSUANT TO THE NEBRASKA COMMUNITY DEVELOPMENT LAW**

Introduction:

The 2018 Nebraska Legislature passed Legislative Bill 496 (the “Bill”) which amended the Nebraska Community Development Law (the “Act”). The Bill was signed by the Governor in May of 2019. Before the Bill was passed, tax increment financing (TIF) was generally limited to pay costs of site purchase, utility extension, public infrastructure, sidewalks, planning and certain rehabilitation expenditures. The Bill, among other items, provided that TIF may be used for the actual construction of new workforce housing and rehabilitation costs exceeding 50% of assessed valuation on residential workforce housing units.

Prior to utilizing TIF for workforce housing, the City must (a) receive a housing study within the last 24 months and (b) hold a hearing on an incentive plan for the use of TIF for workforce housing.

Workforce housing means:

(a) Housing that meets the needs of today's working families; (b) Housing that is attractive to new residents considering relocation to a rural community; (c) Owner-occupied housing units that cost no more than two hundred seventy-five thousand dollars (\$275,000) to construct or rental housing units that cost not more than two hundred thousand dollars (\$200,000) per unit to construct. For purposes of this subdivision (c), housing unit costs shall be updated annually by the Department of Economic Development based upon the most recent increase or decrease in the Producer Price Index for all commodities, published by the United States Department of Labor, Bureau of Labor Statistics; (d) Owner-occupied and rental housing units for which the cost to substantially rehabilitate exceeds fifty percent (50%) of a unit's assessed value; and (e) Upper-story housing. §18-2103 (32) R.R.S.

Rural community means any municipality in a county with a population of fewer than one hundred thousand (100,000) inhabitants as determined by the most recent Federal Decennial Census. The Wayne County 2020 Census indicates a population of 9,697. §18-2103 (30) R.R.S.

In 2022, the City of Wayne (the “City”) received a housing study entitled “Wayne, Nebraska Community Housing Study with Strategies for Affordable Housing” (the “Study”). The Study noted that the greatest challenge for the City of Wayne, during the next five years, will be to develop housing units for workforce persons and families, elderly households, off-campus students and special populations.

The law requires that a Workforce Housing Incentive Plan be necessary to prevent the spread of blight and substandard conditions within the municipality, promote additional

safe and suitable housing for individuals and families employed in the municipality, and will not result in the unjust enrichment of any individual or company.

This Workforce Housing Incentive Plan shall be effective for the City of Wayne, Nebraska, until modified pursuant to the Act.

TIF for workforce housing for each project is to be implemented pursuant to a redevelopment plan recommended by the Wayne Community Redevelopment Authority (CRA), and approved after hearing by the Wayne City Council pursuant to the Act. This Workforce Housing Incentive Plan is intended to incent development of workforce housing that supports current and prospective employees of local and area businesses and public service corporations. **IT IS NOT INTENDED AND WILL NOT BE USED TO CONSTRUCT HIGHER END HOMES OR CUSTOM BUILT HOMES.**

All redevelopment contracts between the CRA and a redeveloper providing TIF benefits for workforce housing will be negotiated on a case-by-case basis with TIF incentives to be determined by the CRA in amounts required to accomplish the goal of incenting the development of safe and decent workforce housing in the City of Wayne. The CRA shall document that each project utilizing TIF for workforce housing shall not unduly enrich the redeveloper. This shall be accomplished by examining proposed profit on each owner-occupied residence and the return on investment of each apartment project. Each redevelopment plan is unique, and the capacity of each redeveloper is different.

In each redevelopment contract for workforce housing, the CRA shall set standards appropriate for each workforce housing development project related to residence or apartment size, construction standards, costs and rental rates. Workforce housing TIF incentives will be provided subject to the following requirements.

All redevelopment contracts between the CRA and a redeveloper providing TIF benefits for workforce housing will be negotiated on a case-by-case basis with TIF incentives to be determined by the CRA, and approved by the City Council, in amounts required to accomplish the goal of incenting the development of safe and decent workforce housing in the City of Wayne. The CRA shall document and shall only agree to provide TIF benefits to a redeveloper seeking TIF for workforce housing after a determination is made by the CRA that the project is consistent with the requirement of Community Development Law, as amended from time to time, the applicable redevelopment plan and this Workforce Housing Incentive Plan, as well, after a determination is made, that the project will not result in unjust enrichment of any individual or company. In each redevelopment contract for workforce housing, the CRA shall set standards appropriate for each workforce housing development project related to residence or apartment size, construction standards, costs and rental rates.

The redeveloper must disclose a detailed project budget, including a construction budget and sale price that is reasonable and consistent with construction costs in the City of Wayne. The redeveloper shall provide the CRA with actual costs for the completed

project. (**Note, residential rehabilitation costs are an allowable TIF expenditure under the Act without necessity of qualifying for workforce housing approval.**)

On all redevelopment projects requesting workforce housing TIF, the CRA shall consider acceptable returns on investment for the type of housing proposed including cap rates.

Approved by Wayne City Council on _____.