

NEBRASKA TAXPAYERS FOR FREEDOM ISSUE PAPER:

PROPOSED OMAHA “AFFORDABLE HOUSING” PLAN WILL HARM TAXPAYING RESIDENTS.

BACKGROUND. In the 2022 legislative session, a majority of state senators passed 2 bills that would expand “affordable housing” in NE communities. We place quotation marks around “affordable housing,” because this phrase is merely a preferred liberal name for government subsidized housing, a noxious plague for taxpaying homeowners, landlords, and businesses nationwide. **LB 1024**, sponsored by liberal State Sen. Justin Wayne, appropriated \$20 million for subsidized housing in Omaha. **LB 800** authorized taxpayer funds to develop and implement subsidized housing action plans. Authorization for cities of the first and second class and villages to include grants, loans, and other funding for the construction of housing as part of a subsidized housing action plan. Previously in the 2021 session, senators passed **LB 44**, a bill to force cities to allow cheap subsidized housing in established neighborhoods despite current zoning disallowing it. The City of Omaha has drafted a subsidized housing action plan, made public in Oct. 2022. The city held several public forums, at which citizens could view the plan, comment, and ask questions. The majority of individuals attending these gatherings appeared to support this taxpayer-subsidized proposal. However, most citizens are not aware of the harsh consequences that will ensue, if the city council votes to support this plan.

THE ACTION PLAN DRAFT. The suggested plan would disburse subsidized housing throughout Omaha. The purpose of this Housing Affordability Action Plan is to outline strategies, so that all residents of Omaha have a choice of housing type and location, regardless of income.¹ A requirement for a specific percentage of subsidized housing within each Omaha area.² Greater population diversity, including age diversity, supposedly merits a need for greater housing diversity.³ A supposed need to create better incentives for subsidized housing, including revising city policies regarding financing and expansion of financing tools. The objective is to expand housing assistance programs and the number of subsidized units.⁴ The goal is to create a development fund to expand and protect the number of subsidized housing units, the city administering the fund in partnership with the housing industry. This fund would pay for subsidized housing construction, rehab, and land acquisition and infrastructure development.⁵ Projects expedited in areas to become mixed-income neighborhoods.⁶ Objectives set for lessening economic segregation and ensuring zoning regulations that encourage affordability and housing variety.⁷ A policy of density bonuses, so that in areas of Omaha with little subsidized housing, a density bonus for construction of such housing.⁸ Provisions would include reducing minimum parking requirements to allow more street parking, reduced setbacks, and increased building density. Permitting higher density housing will greatly increase the speed of construction of units. Further objectives include reducing restrictions on housing types and lot size.⁹ Subsidies of \$5,000 or less to help individuals quickly find housing. Subsidies for rent and utility programs.¹⁰ An implementation committee would consist of city staff, housing lobbyists, housing developers, nonprofits, and state agencies. The Planning Board, Mayor, and City Council will document the goals and strategies, providing approval for implementation, course of action, timelines, and needed resources.¹¹ Education for residents in all areas of the city regarding destigmatizing non-single-family dwelling residential types and subsequent removal of neighborhood opposition as a roadblock to siting low-cost dwellings.



FUNDING SOURCES. The injection of federal pandemic funds is available to expand the local subsidized housing market, huge dollar amounts not seen for decades. Omaha would use this funding to create additional subsidized housing with increased housing type options instead of spending it on direct needs caused by the pandemic.¹² The project could obtain funding from city housing bonds, the interest and principal paid by taxpayers. The city could charge a fee to all

¹ Omaha Housing Affordability Action Plan Draft (OHAAPD), 10-25-22, p. 1.

² Ibid., p. 24.

³ Ibid., p. 4.

⁴ Ibid., p. 9.

⁵ Ibid., p. 15.

⁶ Ibid., p. 18.

⁷ Ibid., p. 23.

⁸ Ibid., p. 33.

⁹ Ibid., p. 17.

¹⁰ Ibid., p. 29.

¹¹ Ibid., p. 31.

¹² Ibid., p. 11.

new housing developers who fail to meet subsidized housing mandates. Or, the city could use General Fund monies generated from property taxes.¹³ A property tax relief program for low-income households while the rest of us subsidize their residency.¹⁴ In a cost share model, the taxpayer would share 30% to 50% of construction costs with the developer.¹⁵ Funding would provide rental assistance and supportive services to exit people from homelessness and help them stabilize in permanent housing.¹⁶

LANDLORDS VILIFIED. The text refers to predatory landlords, who supposedly discriminate based on tenant source of income, and possible rent control.¹⁷ Project boosters want to revise the landlord registration process to allow more time to pursue landlord violations, allow more frequent inspections of multi-family units, and punish landlords for circumventing the process.¹⁸ Expanded programs to help those facing eviction or foreclosure. For example, expanding



the Tenant Assistance Project, which provides legal aid to tenants in Douglas Co. Eviction Court. These efforts would include a tenant right to a lawyer, at no charge, requiring a change in city ordinances.¹⁹ Tightening of the landlord registration program and eviction court procedure. Changing the process for notifying those summoned to eviction court. Aiming to create and preserve subsidized housing by restricting rental rate increases.²⁰ Landlords required to accept tenants on general assistance and assistance from Region 6 Behavioral Health. Add source of income as a protected class to the city Human Rights

ordinance. Landlords must recognize income from welfare payments, child support payments, and other sources of income added as a protected class. More training in fair housing for landlords,²¹ acknowledging the loss of almost 7,000 affordable units, resulting in fewer options for lower income households.²² The proposal chastises the city for creating unsafe and substandard housing by its intentional policy choices, such as a weak inspection program, not holding landlords truly accountable, and minorities more often found in eviction court without an attorney.²³ Complaints that some landlords prefer immigrants as tenants, because if they cannot speak English, then they cannot complain, that affordable housing purchased by landlords then displace owner-occupied homes with expensive, crowded, rentals.²⁴

ZONING OVERRIDES. Over 80% of the city residentially-zoned land does not allow attached units or multifamily housing.²⁵ The proposal, if adopted, would override existing city zoning ordinances in order to place subsidized housing units in areas now prohibited. Zoning ordinance modification would provide additional residential use types, including triplexes, quadplexes, and apartment houses in strictly single-family areas. Allowing more congested parking areas.²⁶ Supposed need for a variety of housing sizes, types, and values, with need for a greater variety of zoning to allow higher density housing.²⁷

TIF USE. The original intent for tax increment financing (TIF) was to develop and rehabilitate decaying urban and rural areas, not to place subsidized housing in economically viable neighborhoods. Plan advocates wish to change state law to allow TIFs for subsidized housing projects, require a percentage of subsidized housing to have TIFs, and expedite such projects in poor neighborhoods.²⁸ Suggestions to require contributions to an affordable housing fund for TIF projects that do not have a minimum number of subsidized units. Require TIF projects that remove unsubsidized affordable housing to replace such housing units at a rate of at least one for one. Non-residential TIF projects that remove unsubsidized

¹³ Ibid., p. 16.

¹⁴ Ibid., p. 28.

¹⁵ Ibid., p. 23.

¹⁶ Ibid., p. 28.

¹⁷ Ibid., pp. 9,12.

¹⁸ Ibid., p. 21.

¹⁹ Ibid., p. 29.

²⁰ Ibid., p. 30.

²¹ Omaha Housing Affordability Action Plan Public Engagement Report Draft (OHAAPPERD), 10-25-22, p. 31.

²² OHAAPD, p. 6.

²³ OHAAPPERD, p. 29.

²⁴ Ibid., p. 37.

²⁵ OHAAPD, p. 5.

²⁶ Ibid., p. 17.

²⁷ OHAAPPERD, p. 27.

²⁸ OHAAPD, p. 18.

affordable housing units would pay into an affordable housing fund. Forcing developers receiving TIF to provide a specific amount of subsidized housing in their developments.²⁹

PLAN SUPPORTERS. The cheering section includes Habitat for Humanity, leftist Together, Inc., and the Greater Omaha Chamber of Commerce.



TAKE ACTION NOW. Passage of this ordinance will mean low-cost, multi-unit taxpayer-subsidized housing forcibly placed in established, well-maintained neighborhoods all over the city. Property values will plummet while property taxes continue to rise. Hard-working residents who invested savings in their properties will suffer. Neighborhoods will decline and decay, as crime, noise, and drugs proliferate in stable neighborhoods. Landlords and developers will face additional expense and harsh regulations. A better alternative would remove existing burdensome landlord regulations, so that additional low-cost housing would become available as rental units. Allow

private developers to build modest homes on abandoned land parcels. The Omaha City Council will vote on this socialist scheme on Dec. 6. Using the information above, lobby your city council member to vote NO on this affordability action plan. Email netaxpayers@gmail.com for city council contact information and join our NTF *City Watch Project*.

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²⁹ OHAAPPERD, p. 36.