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Norfolk Study Has Application for Other Cities Concerned With Residential Land Development

Although this study covers only the City of Norfolk, those concerned with residential land development in any similar city might find applications here to their particular situations. The Center for Applied Urban Research could assist other cities in making similar studies, specifically directed toward meeting their own housing needs.

ACKNOWLEDGMENTS

This report is the result of a cooperative effort between the City of Norfolk and the Housing Division, Center for Applied Urban Research, University of Nebraska at Omaha. Mr. Richard Jannulewicz, Director of Norfolk's Health Department and Community Development Program, and Mr. Kay Agnew from Norfolk's Community Development Program contributed much time and effort to local data gathering. Garneth Peterson and Gene Hanlon from the Center for Applied Urban Research conducted the surveys of builders, lenders, and realtors. In addition, Ms. Peterson assisted in drafting the report. Scott Samson from the Center for Applied Urban Research provided excellent service in map preparation. The project was directed by Jack Ruff, Housing Coordinator for the Center for Applied Urban Research.

The estimated 1976 Norfolk population was 18,925, a 39 percent increase over the 1960 population of 13,640. Since 1960, manufacturing employment in Norfolk grew 408 percent, which may help explain the population expansion. The Greater Norfolk Corporation and the Industrial Action Committee work to attract new industries and develop land for them. Currently, about 2,575 acres of land are zoned for industry in and around Norfolk and sell for $2,000 to $10,000 per acre. An industrial park owned by the Greater Norfolk Corporation is located southeast of the City near U.S. 275 and the Chicago and North Western railroad line. Platted lots range from 1.2 to 6.7 acres.

A variety of manufacturers operate in Norfolk. Many of the products relate to agriculture, the major livelihood of the surrounding area. Manufacturers market farm scales and automatic livestock waterers, livestock and poultry feeds, and food products such as milk, cottage cheese, ice cream, eggs, butter, dressed beef, and pork sausage. Other industries make electronic products, medical supplies, concrete, and steel products.
As in other areas of the nation, Norfolk's housing problems stem from both a growing demand for housing and a slow rate of construction in relation to the growth of income. The Housing Assistance Need Survey for 1975 indicated that as many as 2,250 new rental units will be needed over the next four years. Both these factors indicate that there is a need for some sort of housing assistance. Approximately 50 percent of those requiring rental assistance are with incomes of less than $10,000. The City is utilizing Community Development Block Grant Funds to establish a rehabilitation program, construction programs, and that rehabilitation is not sufficient to provide adequate housing for all those who need it.

The Norfolk housing need which has received the least amount of attention is for single family housing. Although all families find it difficult to afford home ownership, three conditions indicate this problem: the age of existing Norfolk houses, the scarcity and cost of vacant lots, and the income of Norfolk residents in relation to the median family income of $14,382.

Age of Existing Units

One measure of the potential need for lower cost units is to examine the age of existing units. Although many older houses are in excellent repair and quite livable, age of structures in the Community Development Block Grant target area. An estimated 100 of the 199 single family units which were built in Norfolk in 1977 will be insufficient to meet the housing market in Norfolk. That shortage must be made up through the actions of builders and developers ready to provide moderate cost homes for young families and elderly households who often find it difficult to afford home ownership. Because 60 percent of homes in Norfolk were built before 1939, they may be too large for today's smaller families, and too expensive for young families, of an energy-conscious age. Although land costs are high, some lots in established areas of the city are available, and may be opened up as dilapidated structures are removed. In addition, new subdivisions may be organized for moderate cost housing. Rehabilitation of older homes will continue to meet a portion of the housing market needs. The Norfolk median family income of $12,915 in 1977 indicates that a strong market potential for moderate cost homes exists for builders and developers who want to fill the void.

Family Income and Housing Cost

Converting 1975 Census data income information to family cost dollars, the 1977 median family income for Norfolk may be estimated at $12,915 and the 1975 median income at $14,184 for building costs.

This essentially means that more than one-half (probably closer to two-thirds) of Norfolk's families find it difficult to afford the average single family newly constructed unit without some sort of offset the difference between housing cost and family income. The following table presents the income information (Table 2).

The Cost of Renting

The number of available vacant lots suitable for new housing in Norfolk is inadequate. This shortage has resulted in lot prices which inhibit the ability of a builder to finance new construction. The following table presents the income information (Table 2).

Housing stock has grown considerably since 1970. That expansion has contributed to the availability of rental units. From 1970-1975, 912 units were authorized for the housing market in Norfolk. Of these units, 528 were apartment or duplex units (41% apartment and 6% duplex units).

Seacrest and Cost of Vacant Lots

The number of available vacant lots suitable for new housing in Norfolk is inadequate. This shortage has resulted in lot prices which inhibit the ability of a builder to finance new construction. In the survey of builders, the 13 who provided information related to the lowest and ability between builders. The lower cost home buyers, and opinions on housing needs and costs in Norfolk. Almost all the respondents indicated that they had built single family homes, and seven had built multi-family dwellings. Surprisingly, 14 builders responded that they would build more multi-family housing in the future. If there is a need for multi-family housing in Norfolk, no problem should be encountered in finding builders to construct these units.

During 1977, the majority of homes built in Norfolk were part of a new home and that was an interest credit loan.

### Table 1: Percentage of Existing Housing Units Constructed Before 1970 in Nebraska

<table>
<thead>
<tr>
<th>City</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Beatrice</td>
<td>63</td>
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<tr>
<td>Norfolk</td>
<td>60</td>
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<tr>
<td>Grand Island</td>
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<tr>
<td>Kearney</td>
<td>52</td>
</tr>
<tr>
<td>North Platte</td>
<td>51</td>
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<tr>
<td>Bellevue</td>
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</table>

### Table 2: Status of Norfolk Housing Projects

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Total</th>
<th>Handicapped (4 or less)</th>
<th>Handicapped (5 or more)</th>
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</thead>
<tbody>
<tr>
<td>Owner Households</td>
<td>1,600</td>
<td>815</td>
<td>785</td>
</tr>
<tr>
<td>Renovated Households</td>
<td>815</td>
<td>500</td>
<td>315</td>
</tr>
<tr>
<td>Additional Families Expected to Benefit</td>
<td>21</td>
<td>5</td>
<td>16</td>
</tr>
<tr>
<td>Total Housing Assistance Need</td>
<td>2,544</td>
<td>1,245</td>
<td>1,308</td>
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</table>

### footnote 1

Households are defined as requiring assistance if they occupy a substandard structure; b) are overcrowded, or c) have low income.
Survey of Norfolk Lenders

Financial institutions in Norfolk were consulted to determine the amount and character of lending throughout 1977. Approximately 300 home loans were made by the three Norfolk savings and loans and the FMHA in 1977 for new or existing homes. The percentage of all loans financing new homes ranged from 5 percent by one institution to 25-33 percent by the other three, and in the case of the condominium financing going toward existing dwellings. New homes were most often located in new subdivisions. One institution estimated only 50 percent of new homes financed were in new subdivisions, but the figures for the other three were 75-80 percent, 90-100 percent, and 100 percent.

The lenders were asked to identify what proportion of the loans were made to new families, to families with existing homes. The lowest numbers of loans are in Norfolk, and the highest in the lowest categories.

### T able 3

<table>
<thead>
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<th>Total Number of Lenders A gencies</th>
<th>Three Peaks</th>
<th>Two Peaks</th>
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The proportion of working women is likely to increase in the future.

Although no direct test of this latter hypothesis was made, an analysis of the relationship between the working status of women respondents and their attitude was done. This analysis indicated some significant differences in attitude between women in different workforces status-strata. Women who worked were much more in favor of the attitude statement than those who were classified as keeping house (39 percent), and those who worked full time were more likely to favor mothers working (71 percent). The extremer-most and least agreement with the attitude-came from other groupings. Those who worked were classified as living in rural households (77 percent) and those who were retired were least in favor (27 percent). The relationship between general happiness and a favorable attitude toward mothers working is displayed in Table 2. The proportion of working women is more likely than the other women to support the idea of working mothers.

The relationship of age to the attitude questions also blurred other apparent findings. For instance, if age was not controlled, women over 60 in rural or non-farm areas were less likely to favor working mothers than those under age 60 (27 percent and 40 percent respectively). For men over 60 the proportions were almost identical and considerably lower (28 percent and 29 percent respectively) who favor working mothers under the conditions stated.

WORK IN PROGRESS

Work in progress during November at the Center for Applied Urban Research includes the following studies and reports. The principal investigator on each project is also listed.

- The Demand for Moorage Space in the Lower Great Lakes Metropolitan Area (Paul S. T. Lee)
- A Survey of Nebraska Women and Their Responses to Work (Murray Frost and Peggy Hein)
- The Impact of Rural Nebraska Industrial Development upon the Migration of Rural Youth (Armin K. Ludwig)
- Minority Perception and Use of Human Services in Rural Areas (Carole Hein)
- Evaluation of a Child Abuse Intervention Program (Genevieve Burch and Caroline Davis)
- Omaha and Regional Demographic and Economic Indicators (Gene Hasnol)
- Agricultural Tenancy and Unpaid Housing Inventory in the Greater Omaha Area
- A Housing Allocation Formula for Nebraska Cities of the First Class (Jack Ruff)
- The Use of Correlation and Regression Analyses: Prediction of Accidents in Bus Operator Hourly Wages (Murray Frost)

The last two studies mentioned have been completed. Preliminary research was begun on:

- A Study of the Developmental Accomplishments of Nebraska Leaders with Various Degrees and Types of Training and/or Expertise Enhancement Development (Murray Frost, editor)
- Minority Perception and Use of Human Services in Rural Areas: A Study of African American and Mexican American Populations (Genevieve Burch and Carol Davis)
- Population Movement: Migration into and out of Nebraska
- A Study of the Feasibility of Establishing a Pershing County Personnel Data Exchange Program