



# City of Franklin Housing Study

City of Franklin, Nebraska

March 2019



This page left intentionally blank.

# Table of Contents

<b>ACKNOWLEDGEMENTS</b>	3		<b>LABOR FORCE</b>	20
<b>DATA SOURCES</b>	5	<b>Chapter V</b>	<b>HOUSING PROFILE</b>	23
<b>EXECUTIVE SUMMARY</b>	7		<b>HOUSING SUPPLY</b>	23
<b>Chapter I INTRODUCTION</b>	9		<b>VACANCY STATUS</b>	25
<b>Chapter II MARKET AREA</b>	11		<b>HOUSING CONDITION</b>	27
<b>Chapter III DEMOGRAPHIC PROFILE</b>	13		<b>VISUAL HOUSING ASSESSMENT</b>	28
<b>POPULATION CHANGE</b>	13		<b>HOUSING AFFORDABILIT</b>	39
<b>AGE STRUCTURE</b>	15		<b>HOUSING DEMOGRAPHICS</b>	41
<b>POPULATION PROJECTIONS</b>	17		<b>HOUSING NEEDS AND OPPORTUNITIES</b>	43
<b>Chapter IV ECONOMIC PROFILE</b>	19	<b>Chapter VI</b>	<b>CONCLUSION</b>	49
<b>INCOME</b>	19			
<b>LOW TO MODERATE INCOME HOUSEHOLDS</b>	19			

## **TABLES PAGE**

1. Franklin's Population Change By Decade, 1940-2010	13
2. Franklin County Population Change by Decade, 1940-2010	14
3. Population Estimates of Franklin County Communities, 2010-2017	14
4. Composition of Franklin's Population	16
5. Franklin's Population Projection Through 2040	17
6. Low/Moderate Income Households	19
7. Franklin Owner & Renter Housing Tenure	23
8. Franklin Tenure by Household Size	24
9. Franklin Tenure by Age of Householder	24
10. Franklin Vacancy Rates	25
11. Franklin Home Values	39
12. Franklin Gross Rent	39
13. Housing Affordability Status	40
14. Home Value to Income Ratio Comparison	41
15. Franklin's Housing Needs Projection Through 2040	45
16. Franklin Household Income of	46

Homeowners Wanting to Upgrade	
17. Franklin Household Size of Homeowners Wanting to Upgrade	46
18. Franklin Household Income of Homeowners Wanting to Downsize	47
19. Franklin Household Size of Homeowners Wanting to Downsize	47
20. Franklin's Household Income of Renters Preferring to Own	48
21. Franklin Household Size of Renters Preferring to Own	48

## **FIGURES PAGE**

1. Franklin's Population by Decade, 1940-2010	14
2. Franklin County Population by Decade, 1940-2010	14
3. Franklin Population Compared to Similar Towns	14
4. Population pyramid example	15
5. Franklin's Population Pillar: Percentage by Age and Sex	15
6. Comparison: Average Household Size	16

7. Franklin Population Projection Through 2040	17
8. Franklin Annual Household Income	19
9. Unemployment Compensation	20
10. Average Weekly Wage	21
11. Year Structure Was Built	27
12. Do You Pay More Than 30% of Your Income Towards Housing?	39
13. Baby Boomer Cohorts Decennial Census Comparison	42

## **MAPS PAGE**

1. Market Area Population	11
2. Occupancy/Vacancy Status	26
3. Residence Rating	29
4. Structure Type	30
5. Tenure	31
6. Foundation Repairs Needed	32
7. Exterior Paint Needed	33
8. Siding Repairs Needed	34
9. Roof Repairs Needed	35
10. Porch Repairs Needed	36
11. Door Repairs Needed	37
12. Window Repairs Needed	38

Page Left Intentionally Blank



# Acknowledgements

The City of Franklin and the Franklin Zoning Board would like to thank the residents, property owners, and business owners who assisted in the development of Franklin's Housing Study. The City would also like to acknowledge Nebraska Investment Finance Authority (NIFA) for partial funding of the planning project that included the completion of the Housing Study.

As a component of the planning project, a detailed Community Needs Assessment Survey was conducted. The results of the survey provided a local detailed and comprehensive view of the attitudes and opinions of residents in relationship to housing. This information provided a solid foundation for this Housing Study, and the resulting report will provide community leaders valuable information as they seek to implement identified housing recommendations. The Zoning Board is appreciative of the local residents, employers, and employees who took the time to complete surveys.



Prepared By:



401 East Avenue, Second Floor, Post Office Box 79  
Holdrege, NE 68949-0079  
308-455-4470      [www.scedd.us](http://www.scedd.us)

This page left intentionally blank.

# Data Sources

## United States Census

Every decennial, the U.S. Census counts every resident in the United States. The Census gathers information as it relates to age, sex, race, Hispanic origin, household relationship, and owner/renter status. The 2010 Decennial Census data was used for this study as well as the 2000 Decennial Census for comparison. When comparing Census data with the American Community Survey, the Census Data will be more accurate, but may be less timely depending on the length of time since the census.

## American Community Survey

The American Community Survey (ACS) is conducted by the U.S. Census Bureau in between Decennial Censuses. In addition to population estimates and their characteristics, the ACS provides a lot of different data such as household income, household occupancy characteristics, year structures were built, etc. The survey is spread over five years (2012-2016); it uses a much smaller sample population than the Decennial Censuses. Every year a small portion of surveys are mailed out to people; the Census Bureau then makes estimates based on the numbers that were gathered over the five-year time span. The ACS reports the data as an estimate with a margin of error. The ACS states that there is

a 90 percent chance of accuracy within the margin of error reported on either side of the original estimate. When comparing the ACS with the Census data, the ACS will be more timely depending on the length of time since the most recent Census, but less accurate.

## Community Needs Assessment Survey

Results were utilized for the City of Franklin's Housing Study from the CNAS distributed by South Central Economic Development District, Inc. (SCEDD) in February 2017. Sixty-two percent (62%) of the households within the Franklin's city limits responded to the survey offering their input and opinions.

## SCEDD Field Survey

SCEDD conducted a field survey in February 2018. Data was collected on each home in Franklin. This data included an exterior assessment of the property condition, housing occupancy, and housing tenure.



This page left intentionally blank.

# Executive Summary

Housing is an essential building block and component to the continued future of the City of Franklin. Housing is not a “one size fits all” for every community. Community leaders and residents must be proactively involved in the assessment and improvement of the local housing market. It is vital and crucial to the recruitment of people to the community that there be a supply of well-maintained, affordable, and available housing options. It is a difficult task to project, with absolute certainty, a community's future housing demand. The challenge is twofold: an aging population as well as an aging housing stock that does not meet the “must haves” of today's home seekers (renters and buyers). As the community leaders seek to understand, and successfully address, the housing needs, community growth follows.

Franklin has experienced a 3% population decline between the two most recent decennial Census years. There was an 8% decline between the decennial years of 1990 to 2000. These numbers and the historical populations of Franklin should be investigated by local leaders to determine long-term shifts in population.

Franklin has an aging population. Fifty-four percent of the community is 45 or older. According to the 2017 ACS, 72 owner occupied homes (21% of Franklin's owner occupied housing) are owned by residents over the age of 75. Thirty-seven percent (126) of the owner occupied homes are owned by residents age 65 and over, contributing to a forecast of additional housing stock availability on the market over the next 10 to 20 years.

From 2000 to 2010, the City saw a slight increase in households—there were 440 households in 2000 and 443 in 2010. The household size also saw a minimal increase, from 2.18 in 2000 to 2.19 in 2010.

As is common in many rural communities, a majority (55%) of Franklin's housing stock was built before 1950, according to the U.S. Census.

By 2016, approximately 78% of all occupied homes were owner-occupied, while approximately 22% were renter-occupied. Over three quarters of the housing stock, 77% of both owner and renter occupied housing, was occupied by one or two persons.



The Housing Affordability Analysis comparing household incomes to home values appears to show a surplus of owner occupied homes valued at less than \$50,000. A more accurate interpretation of the data would be that the City has an undervalued housing stock, meaning people are living in less than what they can afford. Supporting this assumption is the household value to income ratio of 1.23, obtained by dividing the median home value by the median annual household income. Using this metric as an example, a household with an annual income of \$50,000 would live in a home valued at \$61,500. This undervalued market creates difficulties for new construction and limits new construction to residents who build custom homes and plan to stay in the home indefinitely. A new teacher or nurse will likely not build a new home because there is a high probability it won't be resold for enough to pay for construction costs.

It is estimated that the City has approximately 11 existing structures that are in a dilapidated condition and in need of demolition or major rehabilitation. An accepted assumption in the housing study analysis is that 1% of homes fall off the market each year due to age and conditions.

This page left intentionally blank.



# Chapter I

The City of Franklin is tucked into the rolling hills of Nebraska, near the Republican River. It is surrounded by verdant farmland, native prairie, springs, and creeks lined with massive walnuts, elms, and cottonwoods. Franklin is approximately .99 square miles and is located in the southern portion of Nebraska. U.S. Highway 136, an east-west bound Heritage designated highway in Nebraska, bisects it. It is almost equidistant from Kearney, Holdrege, and Hastings—3 urban hubs in the region: approximately 57 miles south of Kearney, 50 miles southeast of Holdrege, and 60 miles southwest of Hastings. Franklin is the county seat of Franklin County. According to the 2010 Census, Franklin's population was 1,000 residents.

The first settlers in the area were the nomadic forefathers of the Pawnee tribes. Some of the first European settlers near Franklin were fur traders; land speculators quickly followed. The Knight Colony began settling Franklin City, which had been founded in 1870 and named after Founding Father Benjamin Franklin, in the Fall of 1871.

Franklin is a rural community with several different industries, a strong school district, healthcare options, senior housing and services, and recreational facilities. The City hosts many festivals throughout the year. In June, residents can participate in the June Jamboree and hunt up a good deal at the Bargains on Byways. Motorcycle enthusiasts descend upon the community in August

# Introduction

for the BMW Bikers Rally. Every November, 4-H parents and kids gather to celebrate the continuation of leadership, citizenship, and life skills education. Every February, the Franklin County Quail Forever Chapter holds a youth mentor hunt as well as an annual banquet to raise funds for fostering upland bird habitat. The community comes together to celebrate the holidays—Easter egg hunts, Halloween parades, Parade of Lights, and Christmas in December. These unique characteristics bring in tourism and create a wonderful place to live.

In the Fall of 2016, the City of Franklin sought to determine the housing needs of the community. SCEDD undertook the comprehensive planning process to identify the local housing situation in Franklin. The goals of the housing study were to:

- Provide demographic data of the community
- Identify trends and changes in demographics
- Detail the economic situation of the community
- Analyze the current housing market
- Identify housing needs and opportunities

This housing study was completed by SCEDD with local assistance from the members of the Franklin Zoning Board, the City Council and staff, local employers and employees, and landlords. Financial assistance was provided in part by the Nebraska Investment Finance Authority (NIFA).

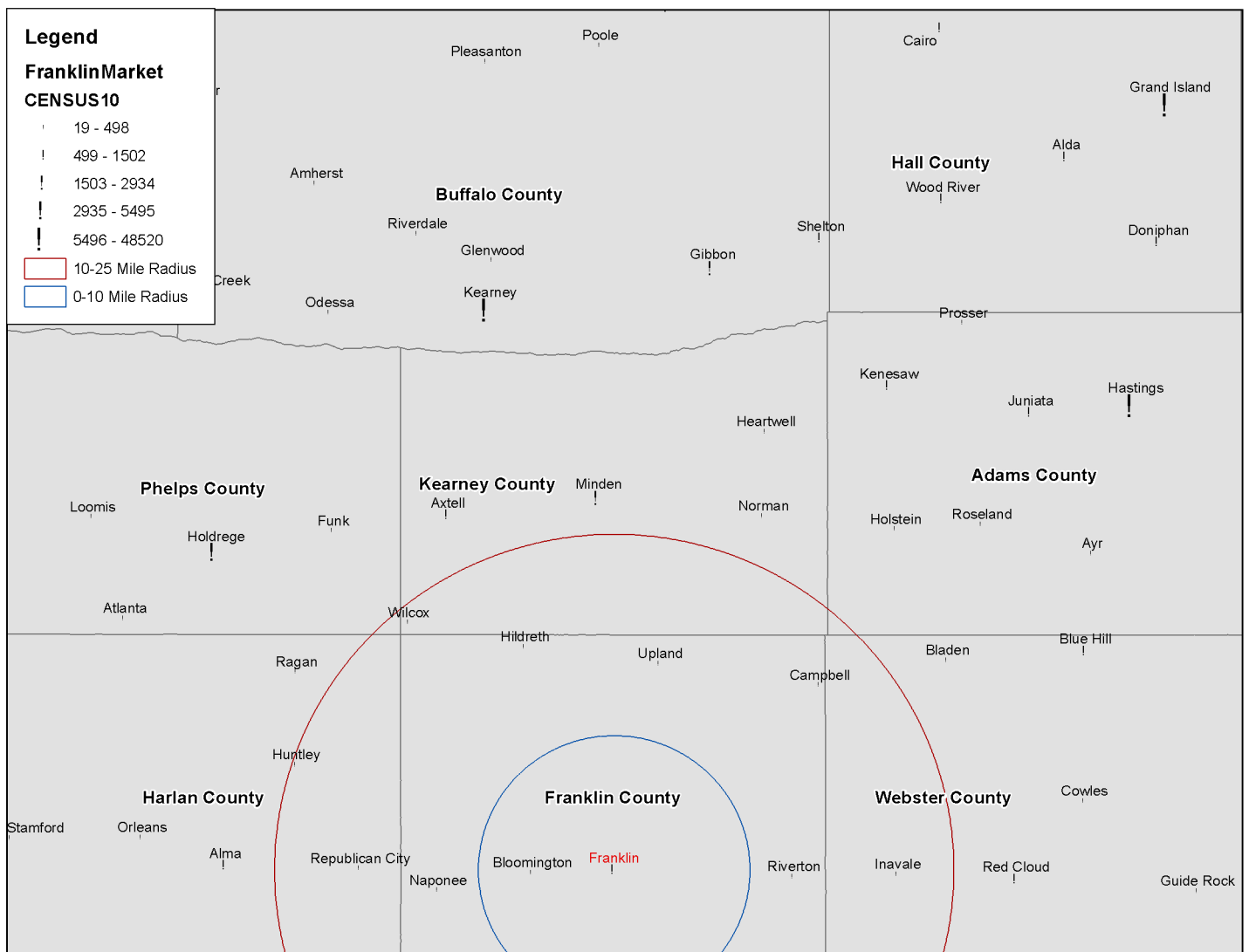


This page left intentionally blank.

# Chapter II

# Market Area

Franklin is the county seat of Franklin County. It is located in the southern portion of Nebraska. U.S. Highway 136, an east-west bound Heritage designated highway in Nebraska, bisects it. The primary market area is defined as an area covering a radius from 0 to 10 miles. The secondary market area is defined as the area within a radius of 10 to 20 miles. This radius reaches into Kansas. Franklin is almost equidistant from Kearney, Holdrege, and Hastings—3 urban hubs in the region: approximately 57 miles south of Kearney, 50 miles southeast of Holdrege, and 60 miles southwest of Hastings. According to the 2010 U.S. Census, Franklin with its population of 1,000 residents is the largest community in Franklin County.



Map 1

This page left intentionally blank.

# Chapter III

# Demographic Profile

A demographic profile analyzes the population in need of housing. The demographic make-up of a community gives a good indication of the housing needs for that community. Housing needs can be determined by looking at changes in population, as well as changes in the characteristics of a population. Population statistics for Franklin have been examined by accessing census data and other information available at the federal and state level. Past population trends were also used to project what Franklin's population may look like in the future.

It is interesting to see how different sources define our rural communities. Environmental Systems Research Institute (ESRI) created a Tapestry Segmentation system which divides U.S. residential areas into 67 distinctive segments based on socioeconomic and demographic characteristics to provide an accurate, detailed description of U.S. neighborhoods. Franklin is comprised of two Tapestry Segmentations (TS), Heartland Communities and Prairie Living. The following provides a summary of the two segmentations. It is important to remember these are generalities and do not necessarily depict the whole and true story of Franklin and its residents. However, many of these generalities about the City of Franklin might be considered accurate for most residents.

According to ESRI, the Heartland segmentation is a well settled and close-knit semirural and semiretired area. The majority of householders are primarily homeowners, many of whom have paid off their mortgages. These individuals embrace the slower pace of country life, but actively participate in outdoor activities and community events. The Heartland segmentation lean toward traditional

and patriotic acts; they support local businesses, buy American, and favor domestic driving vacations over foreign plane trips. To get around their semirural communities, residents tend to drive domestic trucks or SUV's.

The Prairie Living segmentation is typically a low-density neighborhood area. Two-thirds of the households are composed of married couples with or without children. Residents are slightly older and there is less diversity within the community. According to ESRI, the median household income is \$52,000.

Prairie Living individuals are hard workers who shop only when needed and stick to brands they know. They own and drive trucks, SUV's and ATV's. Faith and religion are strong influences in their lives. Radios are tuned to inspiration, faith, and country music stations. They own pets, watch TV via satellite, and shop at Walmart. When free time is available, they hunt, fish, attend country music concerts, and camp out.

## Population Change

**Table 1** below shows the change in the City of Franklin's population for every decade since 1940. **Figure 1** on page 14 is a visual representation of the same data. While the population increased by 29% between 1940 to 1950, since then the population has decreased.

**Table 2** and **Figure 2** on page 14 show the population history for Franklin County. While there are some similarities between the City of Franklin and Franklin County in terms of population change in certain decades, Franklin County has seen a continual and more dramatic decrease.

City of Franklin Population Change by Decade								
Year	1940	1950	1960	1970	1980	1990	2000	2010
Population	1,272	1,602	1,194	1,193	1,137	1,112	1,026	1,000
Percent Change		29%	-25%	0%	-5%	-2%	-8%	-3%

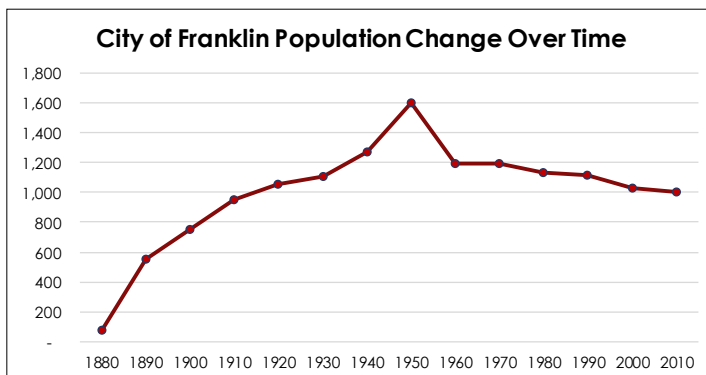
**Table 1 City of Franklin Population Change by Decades 1940-2010**

Source: Nebraska Department of Economic Development, U.S. Census

Franklin County Population Change by Decade								
Year	1940	1950	1960	1970	1980	1990	2000	2010
Population	7,740	7,096	5,449	4,566	4,377	3,938	3,574	3,225
Percent Change		-8%	-23%	-16%	-4%	-10%	-9%	-10%

**Table 2 Franklin County Population Change by Decades 1940-2010**

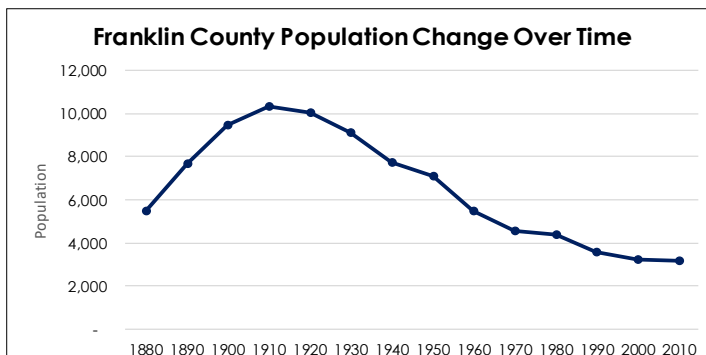
Source: Nebraska Department of Economic Development, U.S. Census



**Figure 1 City's Population Change and Projection**

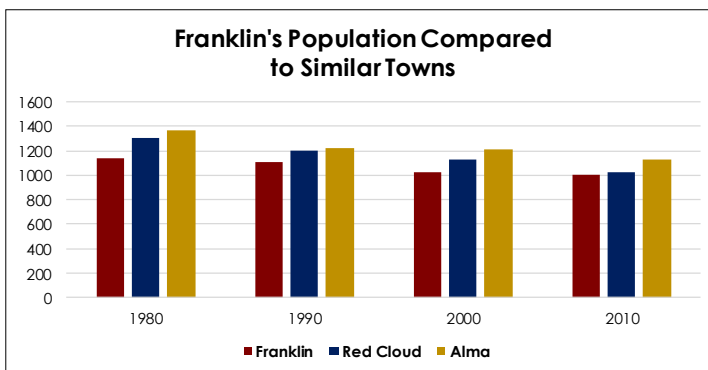
Source: U.S. Census, SCEDD

Because of our ever changing, fast paced world, it is also important to see what is happening in neighboring communities. **Table 3** and **Figure 3** below are comparisons of population changes with communities in Franklin County and neighboring communities. Since 2012, communities in and near Franklin County have experienced slight population fluctuation, with the overall population trending toward decline. This information shows community leaders that regardless of a community's size and location, population loss and fluctuation occur. To combat this, communities must work to retain existing population and attract new residents. Rural communities must work exceedingly harder to maintain a sustainable population base.



**Figure 2 Franklin County Population Change**

Source: U.S. Census, American Community Survey, 2017



**Figure 3 Population Comparison to Similar Towns**

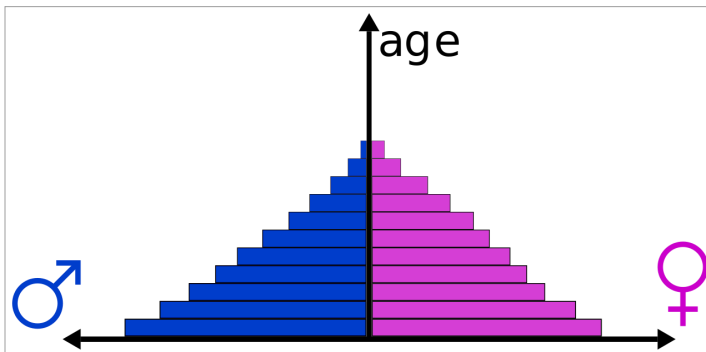
Source: Nebraska Dept. of Economic Development, 2017

Population Estimates of Franklin County Communities						
Year	2012	2013	2014	2015	2016	2017
Bloomington	102	99	99	97	98	98
Campbell	341	312	310	302	306	303
Franklin	982	950	944	918	932	919
Hildreth	372	360	359	352	353	352
Naponee	105	102	102	100	100	100
Riverton	89	86	85	84	84	84
Upland	142	138	135	133	136	135

**Table 3 Population Estimates of Franklin County Communities by Decades 2012-2017**

Source: U.S. Census, Annual Estimates of Population





**Figure 4 Example of Age Pyramid**

## Age Structure

Throughout our nation's history, the age structure of the population was typically viewed as a pyramid. As the illustration in **Figure 4** above shows, the wide base represents births. The graph narrows as people age. An age pyramid was an accurate representation of the nation's population structure as recently as 1970. The age pyramid approach was a valid theory and point of reference as our communities and housing were designed with an age pyramid point of view in mind.

More recently, the population pyramid is shifting to a population pillar, as illustrated in **Figure 5** below. The decline of fertility rates and healthcare advances that enable people to achieve a longer quality of life contribute to this shift in population among the age groups.

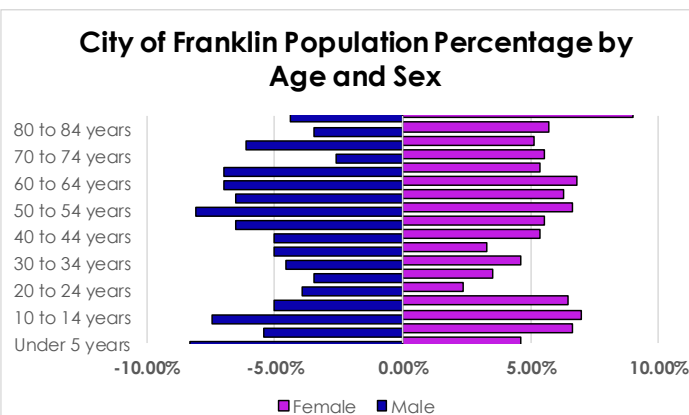
As adults age, this translates into an increasing number of households being maintained by older adults. This creates a need for more housing because housing units are not being made available to younger families as was the case during the pyramid structure example.

Even if population rates remain constant or increase slightly, the need for housing goes up as the population make-up shifts toward a larger percentage of adults with less children in the household.

**Figure 5** also depicts Franklin's population as counted during the 2010 Decennial Census. Franklin's population is similar to national trends. Analysis of the pillar indicates that the number of residents who are 45 and older is increasing. Given this trend toward an increasingly greying population, it has become increasingly important to focus on the impact that it has on housing.

**Table 4** on page 16 shows the age structure of Franklin's population as well as the changes in age structures from 2000 to 2010. During that time, Franklin saw an overall population decrease of 3%. The composition of Franklin's population will affect future population dynamics. The median age of residents increased slightly, shifting from 48 to 48.5. Franklin has seen a slight increase in their young adult population. There has been a significant increase in the number of children under 5 years of age as this group increased by 3.1%. There has been a 2.4% increase of people 20-24 years of age and .5% increase of people 25-34 years of age. These age cohorts are primarily raising families and working, which enhances Franklin's economic base. The largest increase was by 60% in the group aged 60-64 years of age. Most often adults in this age group are still working, which again enhances Franklin's economic base. The most significant loss in population occurred for those 75 years of age and older by 3.4%.

The aging population has led to a decrease in the number of persons per household due to the



**Figure 5 City of Franklin Population Pillar by Age & Sex**  
Source: U.S. Census, 2010



Composition of Franklin's Population							
Age	2000		2010		Change	% Change	Annual Growth/ Decline Rate
	Number	Percent	Number	Percent	Total	Over 10 Years	Over 10 Years
Total population	1,026	100 %	1,000	100%	-26	-3%	-2.0%
Under 5 years	48	4.7 %	63	6.3 %	15	31 %	3.1%
5 to 9 years	65	6.3 %	61	6.1 %	-4	-6 %	-0.6%
10 to 14 years	70	6.8 %	72	7.2 %	2	3 %	0.3%
15 to 19 years	68	6.6 %	58	5.8 %	-10	15 %	1.5%
20 to 24 years	25	2.4 %	31	3.1 %	6	24 %	2.4%
25 to 34 years	77	7.5 %	81	8.1 %	4	5 %	0.5%
35 to 44 years	131	12.8 %	93	9.3 %	-38	-29 %	-2.9%
45 to 54 years	110	10.7 %	133	13.3 %	23	21 %	2.1%
55 to 59 years	53	5.2 %	64	6.4 %	11	21 %	2.1%
60 to 64 years	43	4.2 %	69	6.9 %	26	60 %	6.0%
65 to 74 years	117	11.4 %	103	10.3 %	-14	-12 %	-1.2%
75 to 84 years	147	14.3 %	103	10.3 %	-44	-30 %	-3.0%
85 years and over	72	7 %	69	6.9 %	-3	-4 %	-0.4%
<b>Median age (years)</b>	<b>48</b>		<b>48.5</b>				

**Table 4 Composition of City of Franklin's Population Change and Annual Growth/Decline Rate**

Source: U.S. Census Bureau, 2010

population consisting of a greater number of adults and less children in the household. This means that more housing units are needed just to maintain population levels.

Over the past decade, the number of households in Franklin County has decreased from 1,485 in 2000 to 1,406 in 2010. Franklin County's average household size has also decreased from 2.34 in 2000 to 2.25 in 2010. In contrast, the City saw a slight increase in households during the same time period—there were 440 households in 2000 and 443 in 2010. The household size also saw a minimal increase, from 2.18 in 2000 to 2.19 in 2010.

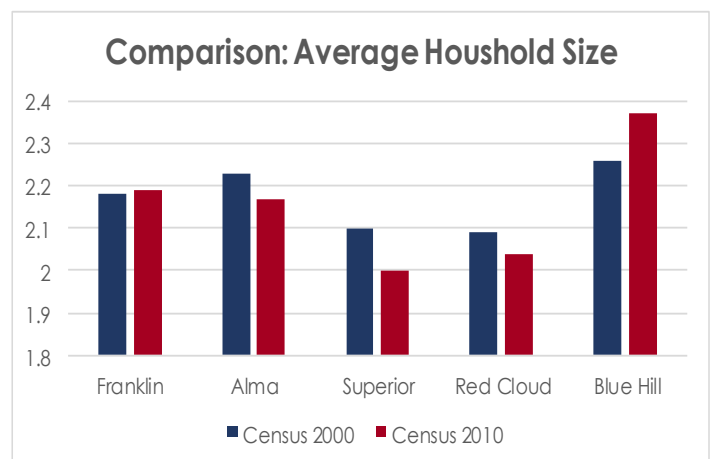
Household size is important because it shows the value of each occupied home in terms of contribution to the population. Average household size has been declining across the nation since 1900. In 1900, the national average household size was 4.60, so one housing unit contributed 4.60 persons to the population. In 1960, the national average household size had fallen to 3.29, and even more in the year 2000, when the average size was 2.59. When household sizes are decreasing, more housing units are needed just to maintain the population. Franklin's average household size appears to have

leveled; the 2020 census will provide a better picture of the metric.

**Figure 6** below compares the average household size with other similar communities in proximity. Franklin is one of two communities that didn't show a decline between the 2000 and 2010 census.

## Population Projections

Projecting Franklin's future population is important in determining the future housing needs of the community.

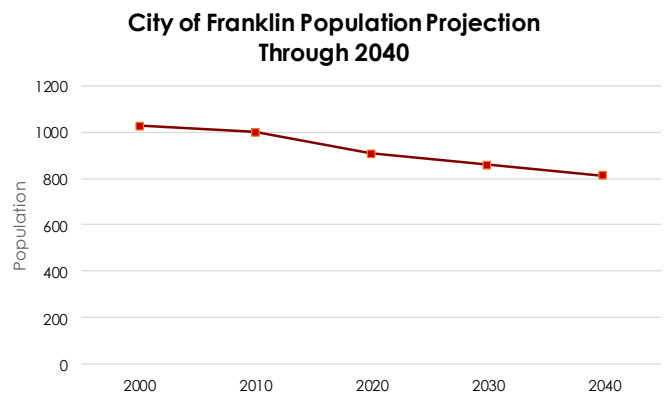


**Figure 6 Comparison of Average Household Size**

Source: U.S. Census Bureau, 2000, 2010

**Table 5** and **Figure 7** below show what Franklin's population might look like in 2020, 2030, and 2040 based on various historic trends, as taken from the "high series" from Franklin's Comprehensive Plan. As indicated, Franklin has experienced an average 4.3% population decline in its recent history based off of the 1990, 2000, and 2010 Census data. While it is impossible to accurately predict the future growth or decline of any Nebraska community, statistically speaking, it is safe to assume that decline may continue for many rural communities, including Franklin, if there is no intervening event to prevent this from happening. Therefore, it is imperative that the City find ways to retain the existing population and grow future population numbers to maintain viability.

There are many considerations and factors that impact an individual's decision for moving or staying in a community. As stated repeatedly in housing information throughout the state, housing directly correlates with population and quality of life for residents and must be studied to help maintain a population base that brings stability and quality of life to the community.



**Figure 7 City of Franklin Population Projection**  
Source: U.S. Census, Franklin Comprehensive Plan

City of Franklin Population Projection Through 2040				
2000	2010	2020	2030	2040
1,026	1,000	917	889	861

**Table 5 City of Franklin Population Projection through 2040**  
Source: U.S. Census, Franklin Comprehensive Plan

This page left intentionally blank.

# Chapter IV

# Economic Profile

## Income

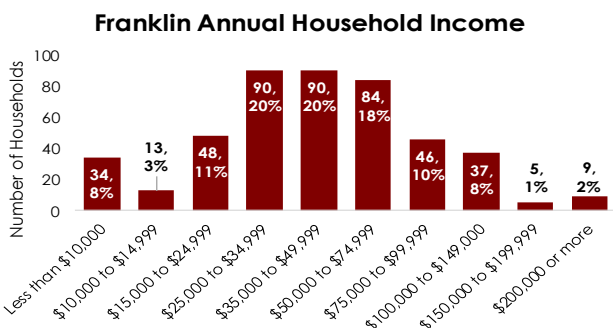
The link between income and housing decisions is indisputable. Income is fundamental to explaining housing needs, because it is the source of funds for homeowners' mortgage payments, property taxes, insurance and utilities, and renters' payment of rent and utilities. Household incomes vary by age of householder, tenure, race/ethnicity, and location. In addition, incomes in rural areas have traditionally been lower in comparison to the rest of the country.

**Figure 8** shows the annual household income for Franklin in 2016 inflation-adjusted dollars. Forty percent of residents made between \$25,000 and \$49,999 annually. There were 11% of residents who stated they make over \$100,000 per year; 22% of residents indicated that they make less than \$25,000 a year.

According to the ACS, the median household income in Franklin was \$47,500. Franklin County's median household income was \$46,531. These are both less than the Nebraska median household income, which was \$54,384.

## Low to Moderate Income Households

The incomes of some households limit their housing choices. Decent, affordable housing is a requirement to meet the needs of the low/moderate income (LMI) population and should be a goal of every community. Without it, many of these



**Figure 8 Annual Household Income**

Source: U.S. Census, 2016

households are very limited in options and frequently live in substandard units or pay a disproportionate amount of their household income towards housing costs. The ACS estimated that Franklin has a poverty rate of approximately 14% for all people. This is higher than the state of Nebraska as a whole, which has a 12% poverty rate for all people.

**Table 6** below shows the results of a random survey completed in conjunction with the Community Needs Assessment Survey (CNAS). Based on Federal guidelines for conducting income surveys, household size and income information were collected from 184 randomly selected households. Randomization procedures were followed in the calculation of households who met the criteria of the LMI population. Of the 184 randomly sampled households, 79 households, 43%, met the income threshold and were considered LMI.

Number of Low to Moderate Income Households in Franklin			
Household Size	Income Threshold	Number of Households	
		Threshold Met	Threshold Not Met
1	\$33,900	42	22
2	\$38,750	19	48
3	\$43,600	5	9
4	\$48,400	4	11
5	\$52,300	6	8
6	\$56,150	1	1
7	\$60,050	0	0
8	\$63,900	2	0
Not Indicated	n/a	0	6
Total Households		79	105
Total Persons		163	235
Percent Households		43%	57%
Percent Persons		41%	59%

**Table 6 Low to Moderate Income Households**

Source: U.S. Census

Labor Force

Primary economic information is only available on the county level. Most major employers are located in Franklin and nearby Hastings, Kearney, and Holdrege. Unemployment rates depicted in **Figure 9** below are reported for Franklin, Phelps, Harlan, and Webster Counties.

In Franklin County, between 2007 and 2017, the unemployment rate fluctuated between 2.3% to 4.3%. During December 2018, there was an estimated labor force of 1,466 people. Of those people, 1,424 were employed. This was an increase from a year prior. In December of 2017, there was an estimated 1,441 people in the labor force, of which 1,400 were employed.

Phelps County had an unemployment rate between 2007 and 2017 that fluctuated between 2.1% and 3.7%. In December 2017, there was an estimated labor force of 4,870 people. Of those, an estimated 4,692 people were employed. This was an increase in the labor force from 4,816 in December 2016. The number of people employed stayed the same during this time period.

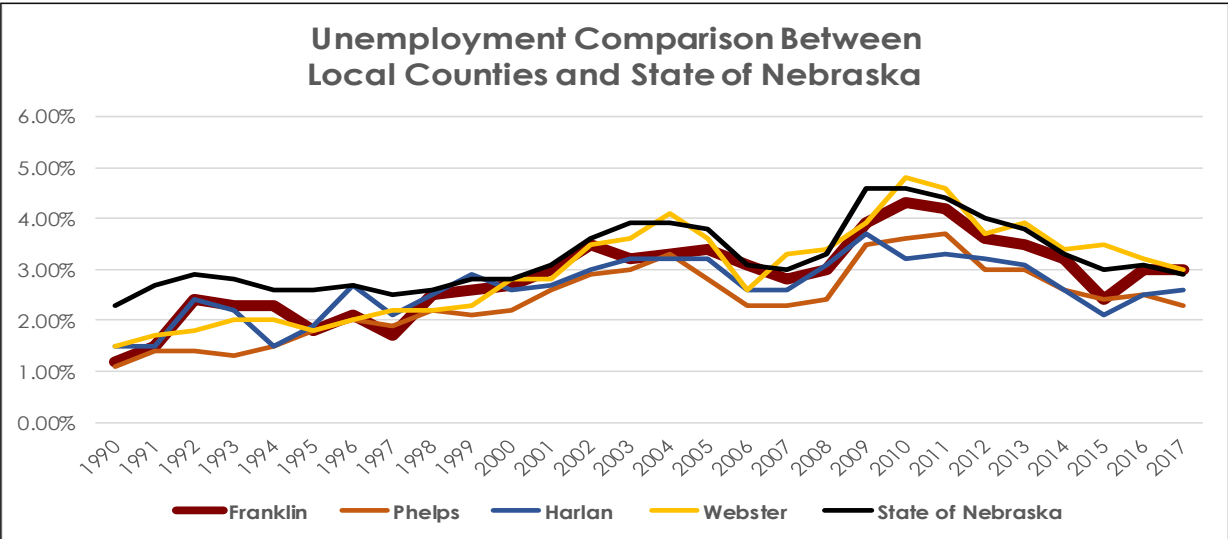
Harlan County had an unemployment rate between 2007 and 2017 that fluctuated between 2.1% and 3.7%. In 2017, there was an estimated labor force of 1,751 people. Of those, an estimated 1,706 people were employed. The unemployment rate was 2.6% correlating to 45 people unemployed.

Webster County had an unemployment rate between 2007 and 2017 that fluctuated between 3.0% and 4.8%. In 2017, there was an estimated labor force of 1,669 people. Of those, an estimated 1,619 people were employed. The unemployment rate was 3.0% correlating to 50 people unemployed.

The Nebraska Department of Labor creates long-term and short-term occupation employment projections for the nine Economic Development Regions in the state. The City of Franklin is located in the South Central Economic Region. Long-term projections for the South Central Region indicate an increase of 4,964 jobs by 2024. This will be an average annual growth opening of 496 jobs. There will be an average annual replacement opening of 1,943 jobs in the Region.

According to the Nebraska Department of Labor, there are approximately 59 open job positions available within 25 miles of Franklin. Twenty-five miles is generally considered a reasonable commute. The NEworks website is a reflection of employers who utilize the website; thus, the actual number of jobs available is likely to be higher.

The City of Franklin has a diverse number of locally-oriented services and retail businesses. The major employers in the City include Franklin Public Schools, Franklin County Hospital, and the Franklin Nursing Rehabilitation & Care Center. Its status as the county seat makes Franklin an economic driver in the area.

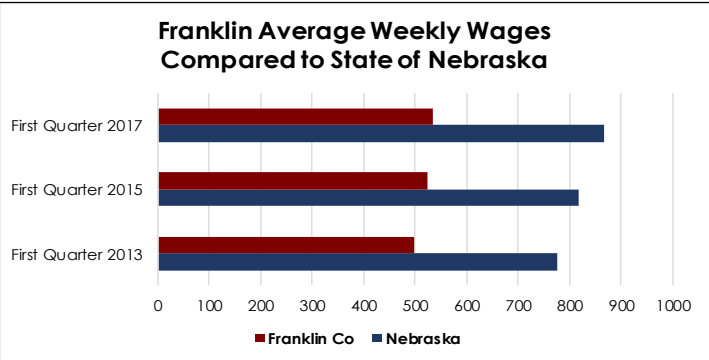


**Figure 9 Unemployment Comparison Between Local Counties and State of Nebraska**  
Source: Nebraska Department of Labor, Labor Market Information, Local Area Unemployment Statistics



According to the U.S. Census Bureau, there are approximately 539 workers aged 16 and over who live in the City of Franklin. Seventy-eight percent of Franklin's workers remain in Franklin County. Of this, 63% work in the City of Franklin, with 65% of workers traveling less than 10 minutes to reach their jobs. This is most likely attributed to the large agricultural work base in Franklin County. The primary means of transportation to work is by car, truck, or van, with 82% of commuters driving alone.

The average weekly wage in Franklin County as shown in **Figure 10** is less than that of the average weekly wage of the entire state. Average wages across the state are increasing at the same rate as those in Franklin County. On average, wages across both Nebraska and Franklin County increased nearly 9% between 2013 and 2017. Franklin County's average weekly wage was on par with those of other counties with similar traits. Harlan County and Webster County both saw a 9% increase in wages as well.



**Figure 10 Average Weekly Wage Comparison**

Source: Bureau of Labor Statistics, 2017

This page left intentionally blank.

# Chapter V

The housing profile describes the supply of housing, the adequacy in meeting local needs, and the affordability of the housing inventory in Franklin. Supply is shown in:

- The number of new and existing units
- Tenure
- Vacancy rates
- Market-rate rental housing
- Residential sales market

Adequacy is shown by the age of structures, quality characteristics, and substandard units needing demolition or rehabilitation. Finally, housing affordability is evaluated for both owner and renter occupied housing to determine local costs and the number of households experiencing cost burden. Affordability standards are established to delineate the maximum affordable housing costs for the area.

## Housing Supply

A community's existing housing supply affects the market choices of housing consumers within different income, age, and tenure groups. The number of units, the physical condition, and the vacancy rates for rented and owned units are all indicators of the local supply. Assessing the current condition of the housing market is important in identifying a community's housing stock and assessing how it fits with the needs of the population.

Nationally, homeownership reached an all-time high in 2005, according to the Census Bureau, but ownership rates have declined slightly in the last decade. However, homeownership remains popular in rural areas. While the overall

# Housing Profile

homeownership rate remains high, there is a wide gap between the ownership rates of low-income and higher-income households.

Low-income families are often constrained by:

- Inadequate information or understanding in how to purchase a home
- An inability to provide sufficient, stable income streams for debt service
- A lack of initial equity
- An inability to find a home of adequate quality in a desired location

According to the Housing Assistance Council, the predominance of homeownership in rural areas often overshadows the needs of rural renters. These individuals tend to have lower incomes and experience some of the most significant housing problems. With demographic shifts due to aging Baby Boomers in conjunction with a growth in single-person households in rural communities, the need for adequate and affordable rental housing in rural areas is still vitally important. Fifty-two percent of renters who responded to the CNAS indicated that it was very difficult or somewhat difficult for them to find their current rental.

**Table 7** shows a breakdown of the owner-occupied and renter-occupied housing units for the 2000 and 2010 U.S. Census and a comparison of the 2016 ACS estimate. In 2010, there were 1,737 occupied housing units. Franklin had an average household size of 2.19 persons per household. Mirroring the overall housing unit decrease, the number of owner-occupied housing units decreased. At the same time, the number of renter-occupied housing units increased.

Franklin Owner and Renter Housing Tenure						
HOUSING TENURE	2016	%	2010	%	2000	%
Owner Occupied Housing Units	1,389	81%	1,406	81%	1,485	85%
Renter Occupied Housing Units	331	19%	328	19%	261	15%
Total Occupied Housing Units	1,720	100%	1,734	100%	1,746	100%
<b>Table 7 Franklin Housing Tenure</b>						
Source: U.S. Census, American Community Survey 2000-2016						

The number of renter-occupied households increased by 27%, making up 19% of the occupied housing units in 2016, compared to just 15% in 2000. This percentage is comparable but slightly lower than other rural communities. Of the residents who responded to the CNAS, 17% identified as renters while 83% identified themselves as homeowners.

About 74% of the households in Franklin were one- or two-person households, with 33% consisting of one-person households and 41% consisting of two-person households. These numbers mirror the results of the 2017 CNAS. The CNAS responses indicated that three-quarters of Franklin households were one- or two-person households. The CNAS reported that 35% of households consisted of one person and 40% consisted of two people for a total 75%.

**Table 8** shows the number of persons per household for owner-occupied units and renter-occupied units. Two persons was the most common household size for owner-occupied households, with 139 of the 334 households consisting of two people. The renter-occupied units had the largest percentage of one-person households, with 64 of the 109 households being one-person households.

**Table 9** outlines the age of housing residents in Franklin. Summarizing owner occupied units:

- 8% of owners were under the age of 35
- 30% of owners were between the ages of 35-54
- 62% of owners were 55 and older

To summarize renter occupied housing units:

- 24% of renters were under the age of 35
- 24% of renters were between the ages of 35-54
- 52% of renters re 55 and older

Franklin Tenure by Household Size						
Household Size	Owner Occupied Housing Units	%	Renter Occupied Housing Units	%	Total Occupied Housing Units	%
1 Person	104	31%	64	59%	168	38%
2 Person	139	42%	17	15%	156	35%
3 Person	35	10%	12	11%	47	11%
4 Person	26	8%	7	6%	33	7%
5 Person	23	7%	3	3%	26	6%
6 Person	6	2%	2	2%	8	2%
7 or More Person	1	0%	4	4%	5	1%
Total Households	334	100%	109	100%	443	100%
<b>Table 8 Franklin Tenure by Household Size</b> Source: U.S. Census, 2010						

Franklin Tenure by Age of Householder			
Age of Householder	Owner Occupied Housing Units	Renter Occupied Housing Units	Total Housing Units
15 to 24 years	4	6	10
25 to 34 years	22	20	42
35 to 44 years	34	13	47
45 to 54 years	68	13	81
55 to 64 years	62	14	76
65 to 74 years	51	9	60
75 to 84 years	55	15	70
85 years and over	38	19	57
<b>Table 9 Franklin Tenure by Age of Householder</b> Source: U.S. Census, 2010			

## Vacancy Status

According to the 2012-2016 American Community Survey 5-Year Estimates, of the 566 housing units in Franklin, 110 units were considered vacant, giving Franklin a vacancy rate of 19.4%. Of those, 23.3% were for rent, while 4.4% were owned, but vacant. As shown in **Table 10**, more specific vacancy data was drawn from the 2010 U.S. Census.

Franklin Vacancy Rates		
	2010	2016
Total Housing	519	566
Total Vacant Housing	76	110
Total Vacancy Rates	14.6%	19.4%
- Homeowner, Not Occupied	n/a	4.4%
- For Sale Only	14.5%	n/a
- Sold, Not Occupied	1.3%	n/a
- For Rent, Not Occupied	6.6%	23.3%
- For Seasonal, Recreational, or Occasional Use	17.1%	n/a
- All Other Vacants	60.5%	n/a
<b>Table 10 Franklin Vacancy Rates</b> Source: U.S. Census 2010, 2016 , n/a = data not available		

An independent inventory conducted by SCEDD in February 2018 found that approximately 85% of units were occupied, 15 (approximately 3%) were vacant but available, and 46 were vacant but unavailable.

**Map 2 : Occupancy Status** on page 26 illustrates the location of occupied and vacant homes at the time of SCEDD's 2018 field survey.

It is important for a community to have a portion of vacant homes available "for sale" or "for rent" to create a healthy housing market and attract new residents. Employers in the Franklin area participated in a **Workforce Housing Needs Survey** conducted by SCEDD to determine housing needs within the community. Participants were asked to supply information regarding the number of employees, status of employees, employment opportunities, commute information, and problems created by the lack or availability of workforce housing.

Highlights of the results are:

- Difficulty finding available medium to lower priced housing
- Difficulty recruiting a family physician to the community because of a lack of high quality housing

Participants were asked about personal experiences they have faced regarding housing needs and employment. The most common issue was the lack of affordable single family housing units that has hindered potential employees from considering the community when looking to relocate. The lack of available rental housing may force residents to buy a home before they are ready.

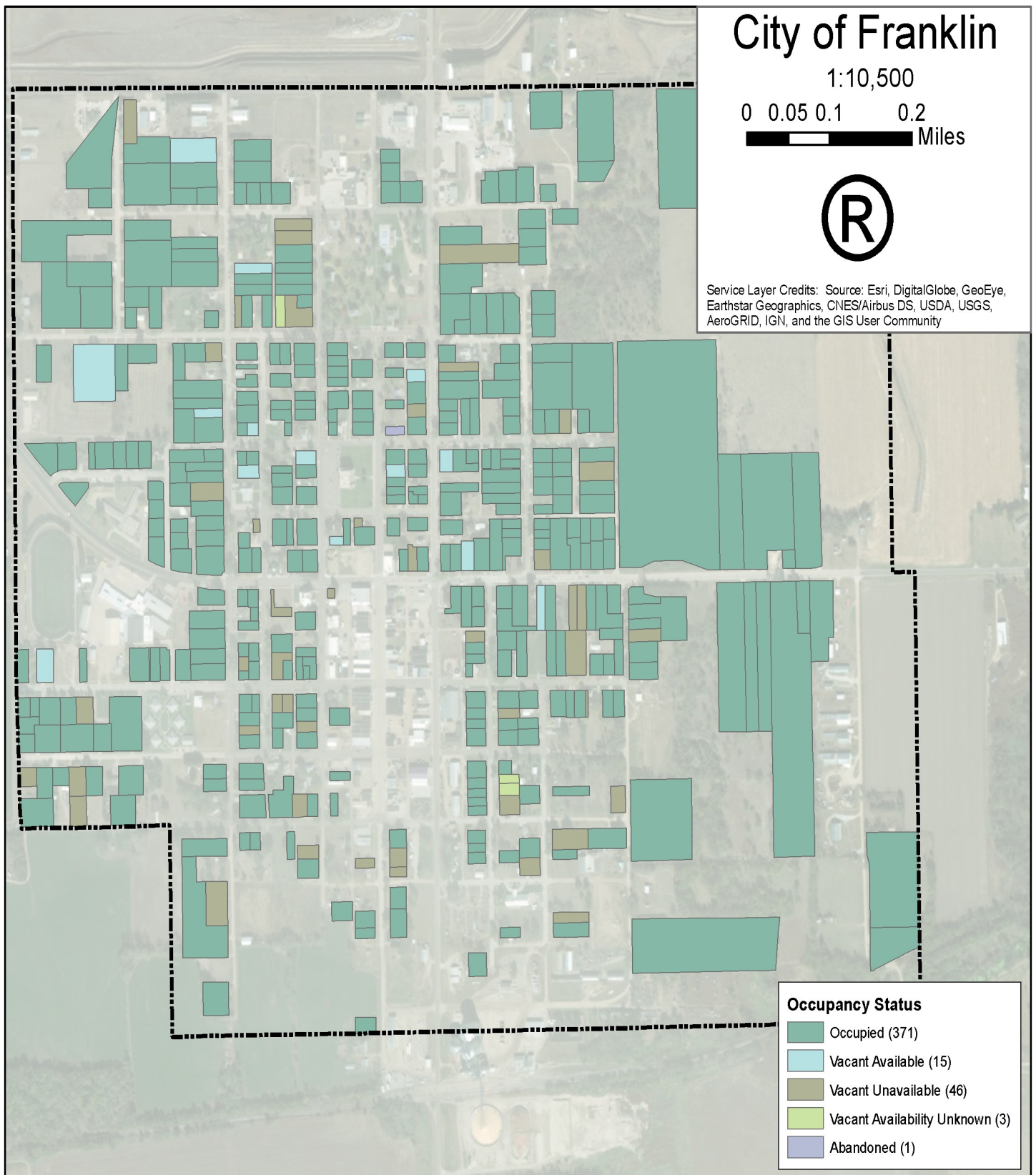
The City of Franklin is served by real estate agents and realtors in communities surrounding Franklin. Prospective homeowners generally work with one of these regional area real estate offices for assistance with their home purchase needs. According to a search of the major real estate websites as of June 2018, there were four homes listed for sale, three with local realtors and one for sale by owner.

A tight housing market can increase housing prices making it difficult for people to purchase a home in the community. If no homes are available or are too expensive when a family is looking to move to Franklin, the family will be forced to look in surrounding towns where homes are available. Once settled into an adjacent community, it is difficult to "pull up roots" as the family begins to invest in their new home and location. The opportunity to attract and retain this family has been lost or greatly diminished.

It is important to make sure that available homes fit the needs and wants of buyers. Franklin's low market availability rate is a strong indicator of a need for new housing. With the increases in renter households, there is a need for additional suitable rental units as well.

It is also important to consider the lack of available housing and the effect on local employers. If prospective employees cannot move to town due to a lack of housing, employers are confronted with difficulties in filling job vacancies. As stated previously by local employers, housing availability for their workforce is an issue to be confronted.





**Map 2: Occupancy/Vacancy Status**



# Housing Condition

Housing units typically decline in condition as they age. As a unit declines, the maintenance and upkeep become more costly and eventually are discontinued by the property owner. The unit then becomes a home filtered into the supply of units available and affordable to low and moderate-income households. Unfortunately, this filtering process often contributes to continued deterioration and eventual abandonment as market prices and rents are not sufficient to support even minimal maintenance.



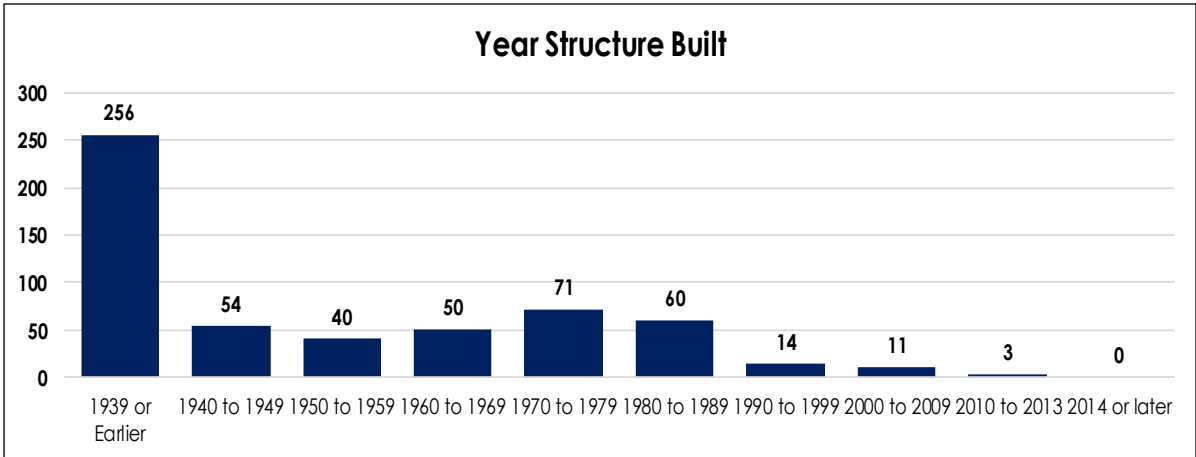
**Figure 11** shows the age of houses in Franklin. The majority of houses in the community, 54%, were built prior to 1949. As the Baby Boomers entered the workforce in the 1970's, there was another peak in development. That development tapered off in the 1980's during the agricultural crisis; however, during this time, Franklin did see it's third largest housing development. The people of Franklin did not follow national building trends during the housing bubble of the 1990's. The 2008 housing crisis did impact

Franklin. Only 25 houses have been built since 1990. Given the percentage of homes built before 1950, it is clearly evident Franklin's housing stock is aging. A plan is necessary for the replacement of those structures that "age" out of the housing market due to age, condition, functional obsolescence, abandonment, neglect, etc.

SCEDD's CNAS asked households to rate the condition of their homes. Of the 221 households who responded to the question, approximately:

- 53% rated their residence as excellent
- 42% rated their residence as structurally sound
- 4% rated their residence as having substantial wear
- 1% rated their residence as overall unsatisfactory

The housing stock currently available will continue to age. If the downward construction trend continues and no new stock is built to replace the aging stock home values in the area will follow the downward trend. This will reduce taxes available to the City government.



**Figure 11 Year Structure Built in Franklin**  
Source: U.S. Census American Community Survey 2012-2016

# Visual Housing Assessment

It is a helpful step for a rural community to complete a visual housing assessment to understand community housing needs, identify areas for redevelopment, and develop programs and support to improve existing housing stock. A visual housing assessment is sometimes referred to as a windshield assessment. SCEDD conducted a visual housing assessment in Franklin on December 20, 2017. The assessment consisted of evaluating the exterior condition of homes and potential uses for vacant lots. Maps were created by incorporating visual assessment data with the City's ESRI data.

## Descriptions of Maps 2—12 follow:

**Map 2: Occupancy Status** page 26 — The occupancy or vacancy status of 436 homes were classified as either **Occupied** (371), **Vacant Available** (15), **Vacant Unavailable** (46), **Vacant Availability Unknown** (3), or **Abandoned** (1).

**Map 3: Residence Rating** page 29 — shows the conditions of 451 homes that were classified as either **Excellent** (168), **Satisfactory** (212), **Major Wear** (60), or **Dilapidated** (11). Ratings were defined as follows:

- ♦ **Excellent**—(Well Maintained): Homes in excellent condition have solid roofs, foundations, and contribute positively to the community's housing stock.
- ♦ **Satisfactory**—(Minor Deficiencies): Homes in satisfactory condition are structurally sound, but may need minor repairs such as new shingles, paint, concrete steps, or doors that need replacing; does not detract from the neighborhood, but does have deferred maintenance issues.
- ♦ **Major Wear**—(Poor Condition): Homes typically have sustained wear such as a sagging roof, missing or rotted siding, rotting windows, and/or a sagging porch; appears "tired" and gives a negative impression of the neighborhood.
- ♦ **Dilapidated**—(No Rehabilitation Feasibility): Homes are in an overall unsatisfactory condition, with a crumbling foundation, windows and doors that are broken or rotted, and/or a sagging roof; has extended its life beyond normal expectancy and is a safety/health hazard.



**Map 4: Structure Type** page 30 — illustrates the location and classification assigned to the 547 structures that were assessed: **Single Family Homes** (480), **Mobile Homes** (4), **Five+ Apartment Units** (3), **Public Housing** (1), or **Vacant Lots** (59).

**Map 5: Tenure** page 31 — shows the location and whether the 431 homes assessed were **Owner Occupied** (369) or **Tenant Occupied** (62).

**Map 6: Foundation** page 32 — portrays the location of 31 structures in need of foundation repairs.

**Map 7: Exterior Paint** page 33 — illustrates the location of 64 structures in need of new exterior paint.

**Map 8: Siding** page 34 — shows the location of 60 structures in need of siding repairs or replacement.

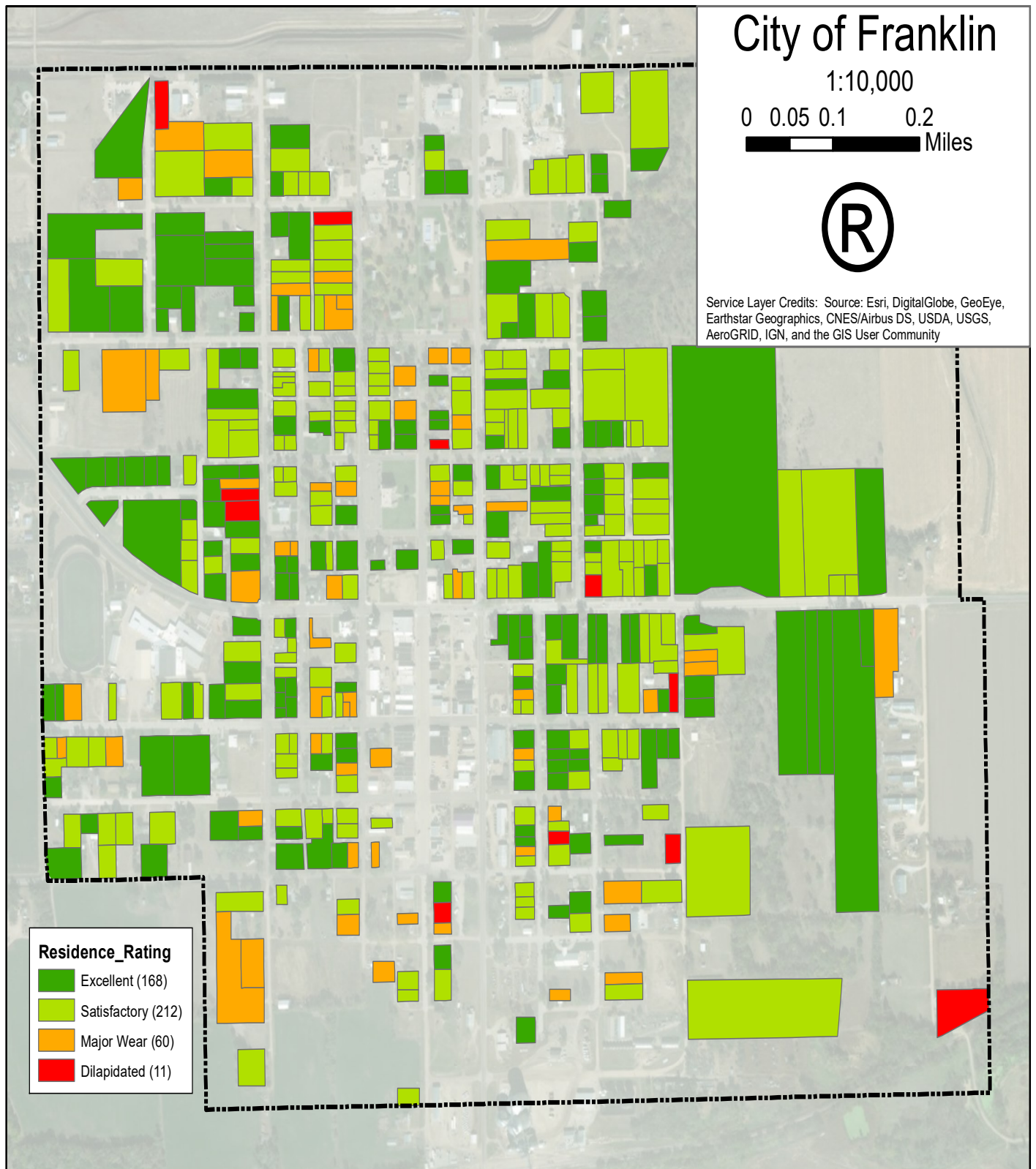
**Map 9: Roof** page 35 — portrays the location of 53 structures in need of roof repairs or replacement.

**Map 10: Porch** page 36 — shows the location of 49 structures in need of porch repairs or replacement.

**Map 11: Door** page 37 — illustrates the location of 32 structures in need of door repairs or replacement.

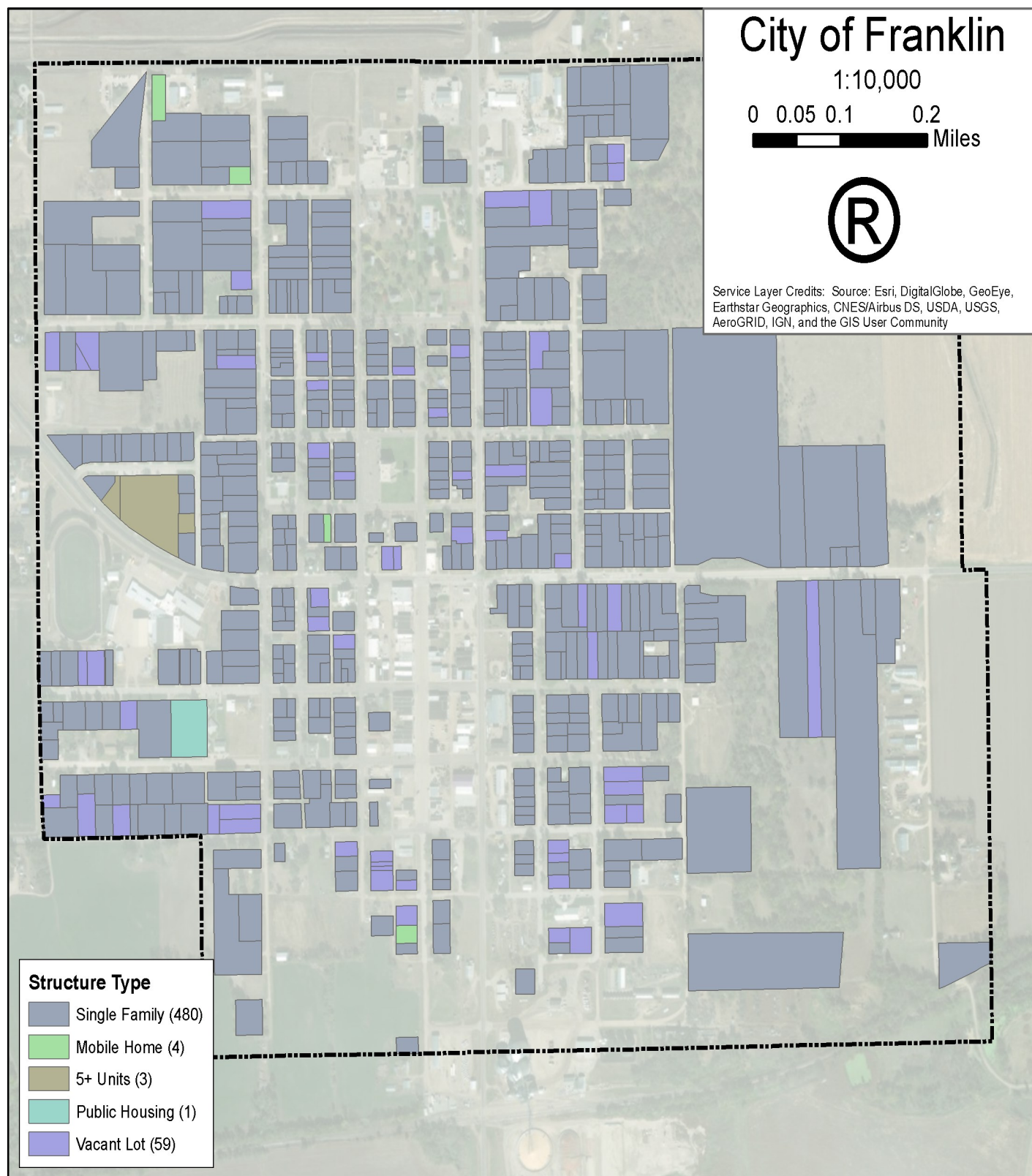
**Map 12: Window(s)** page 38 — portrays the location of 36 structures in need of window repairs or replacement.

It is important to ensure that the exterior of a house is well maintained. Housing stock is one of the primary factors potential new residents look to when considering a community. The "curb appeal" of current housing stock will be a determining factor in the growth of a community. Finally, it is the first defense from dilapidation and the continuing lifespan of each and every house.

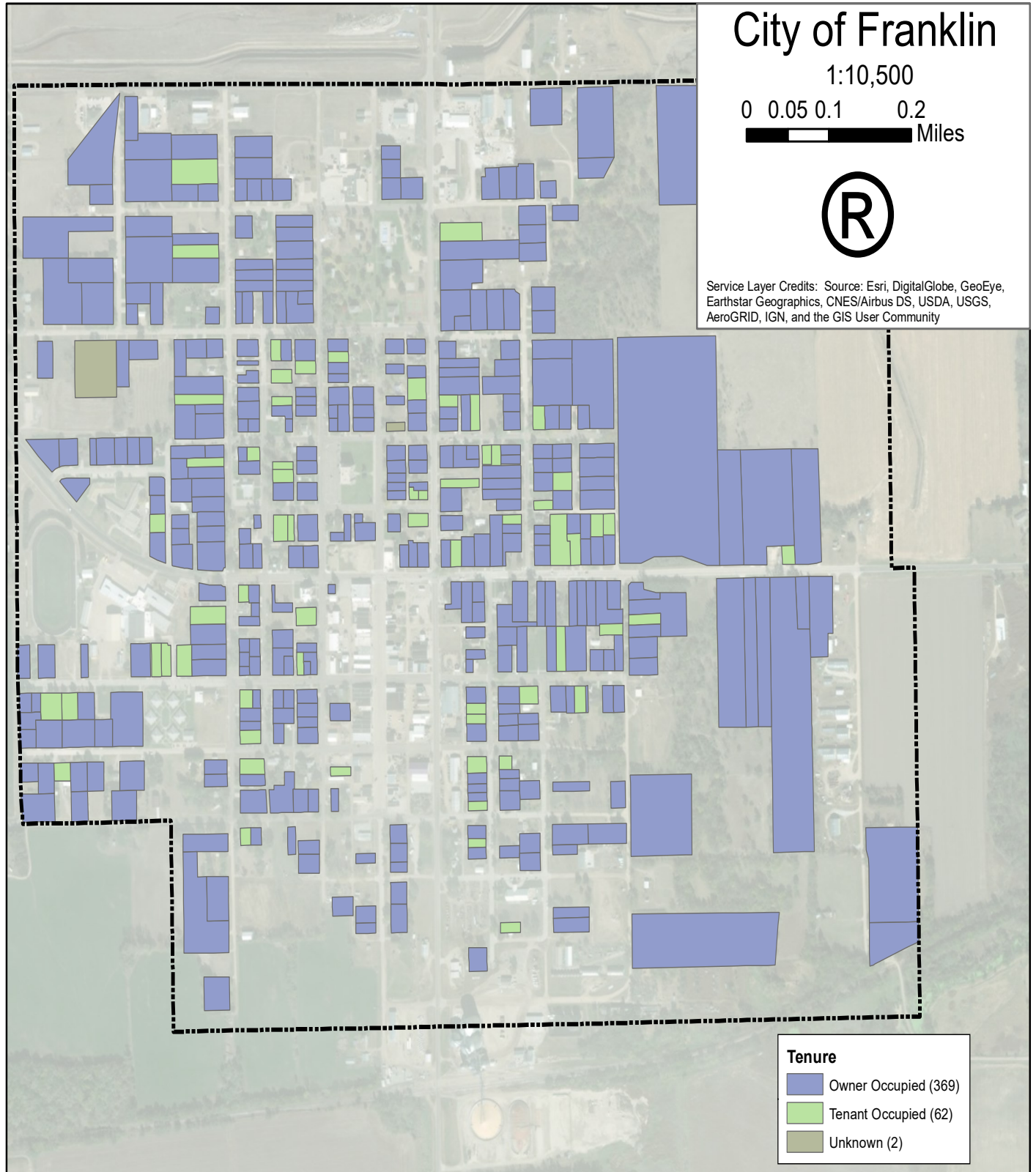


**Map 3: Residence Rating**

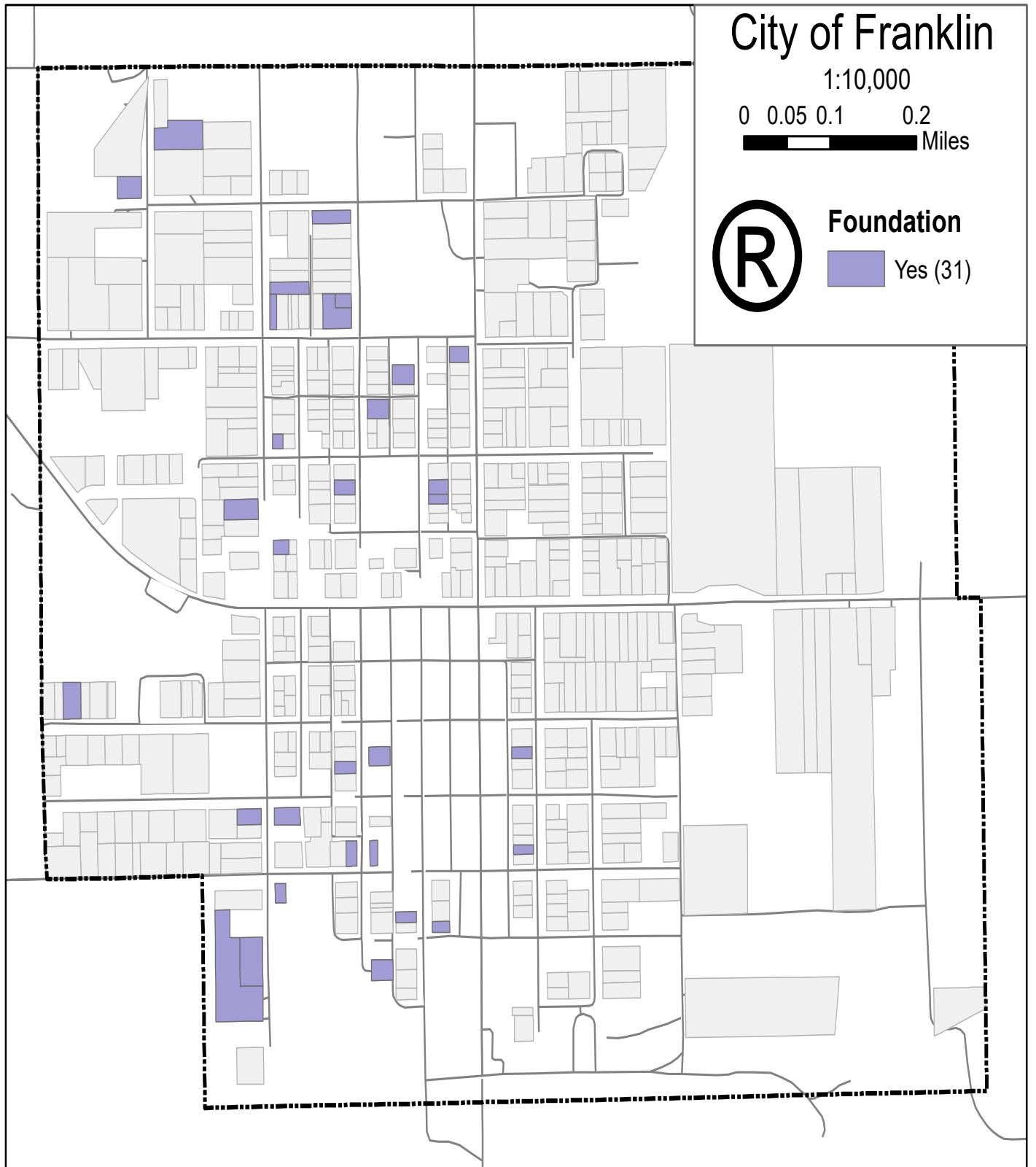




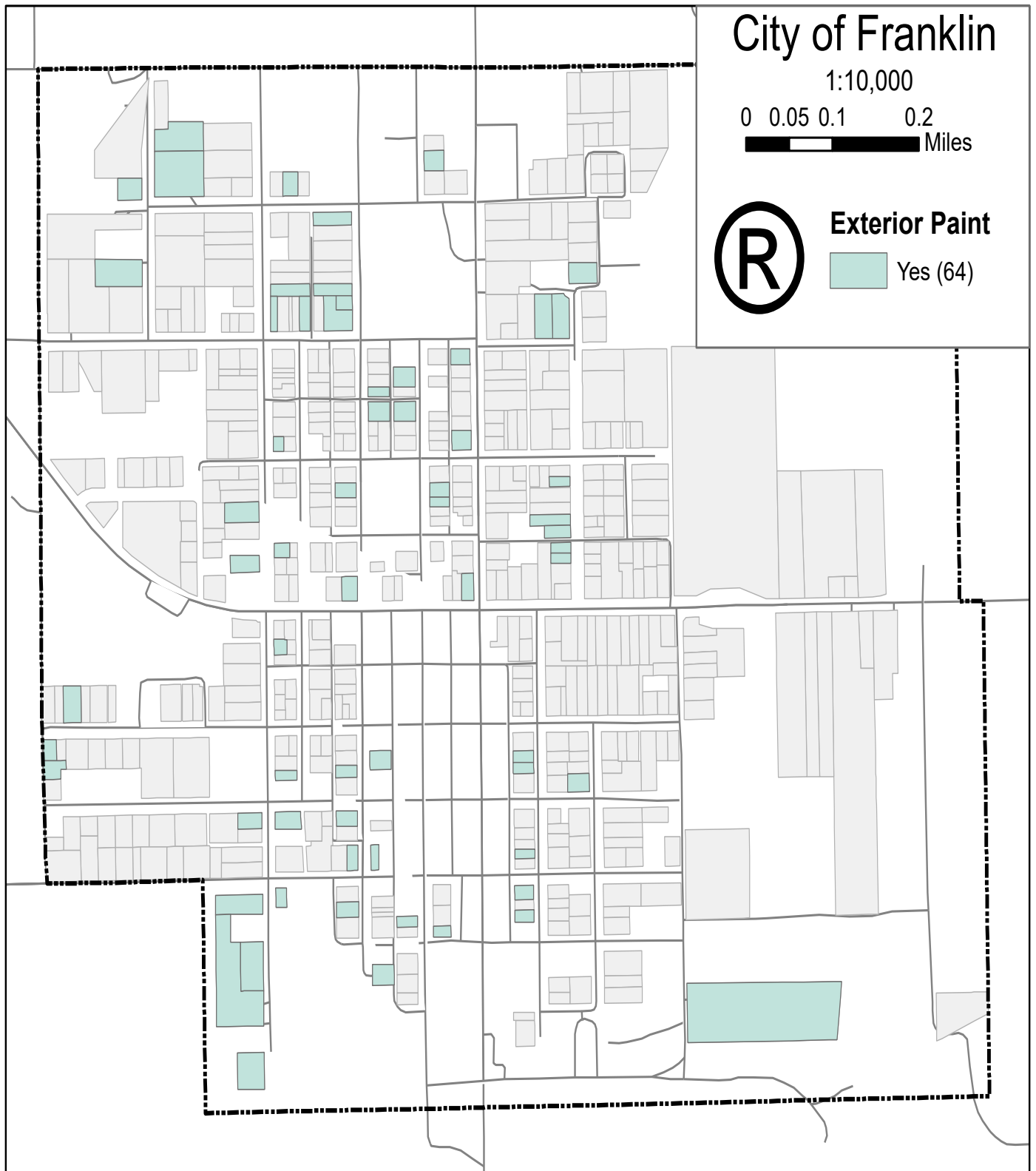
**Map 4: Structure Type**



**Map 5: Tenure**

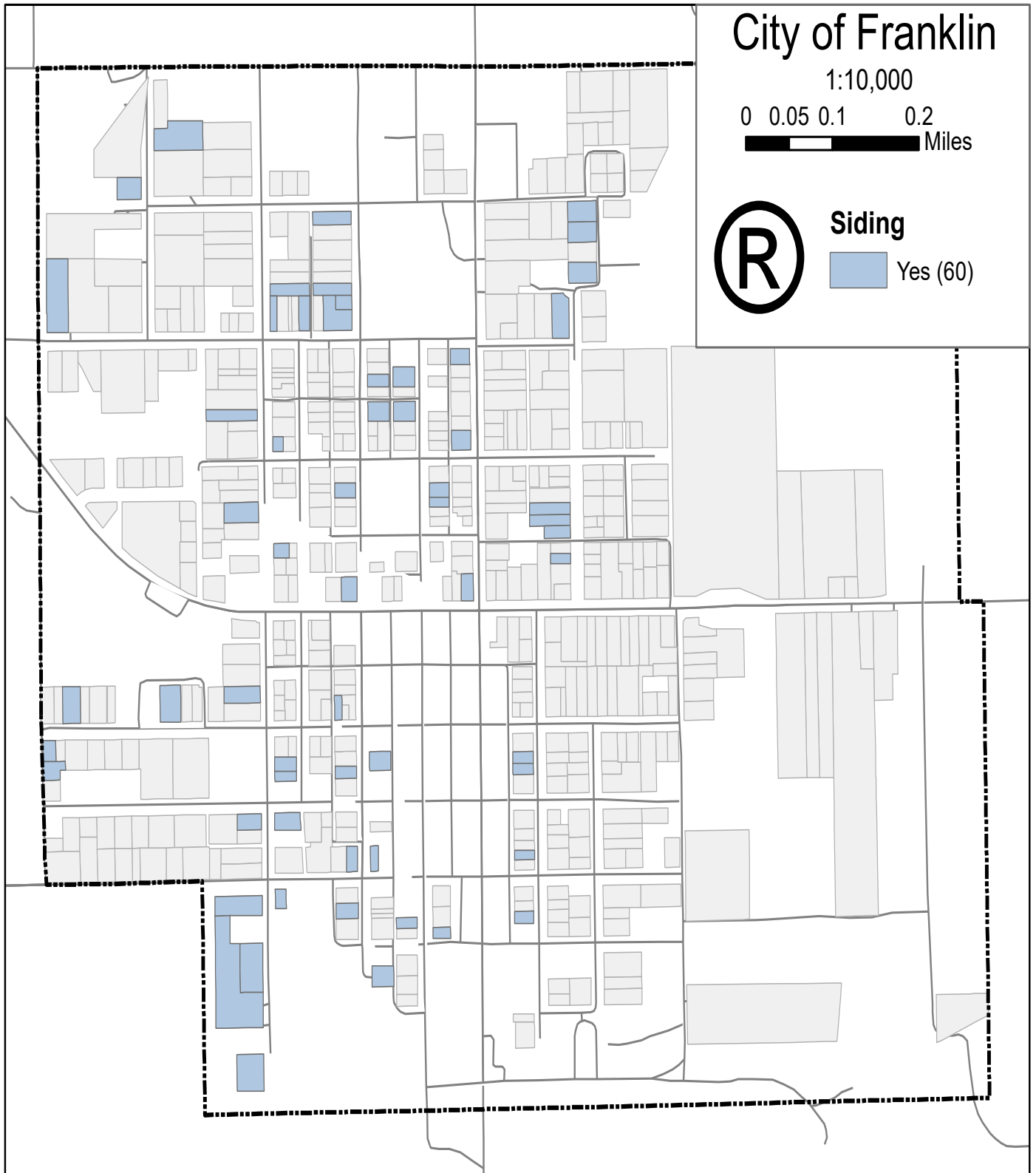


**Map 6: Foundation Repair Needed**

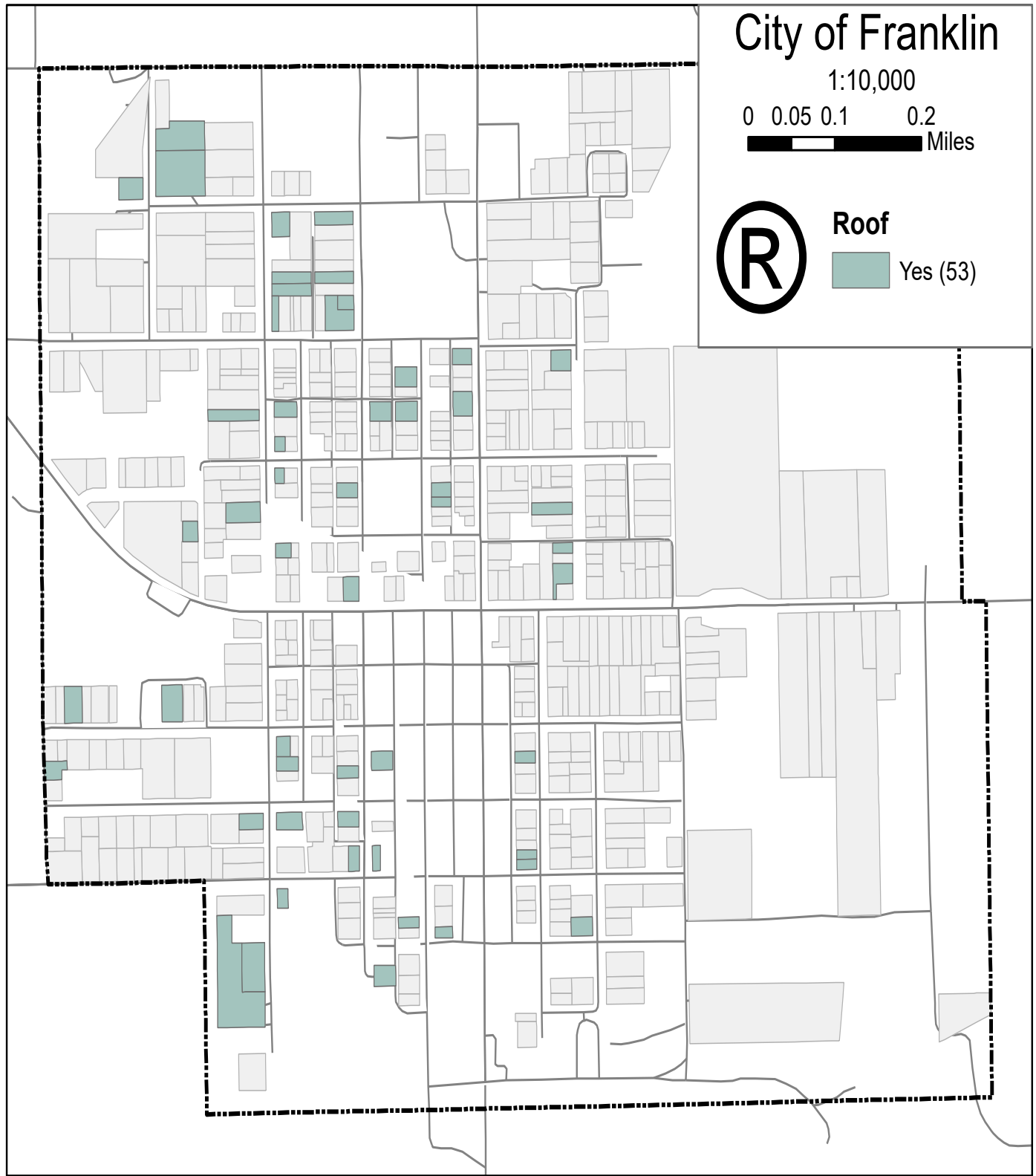


**Map 7: Exterior Paint Needed**

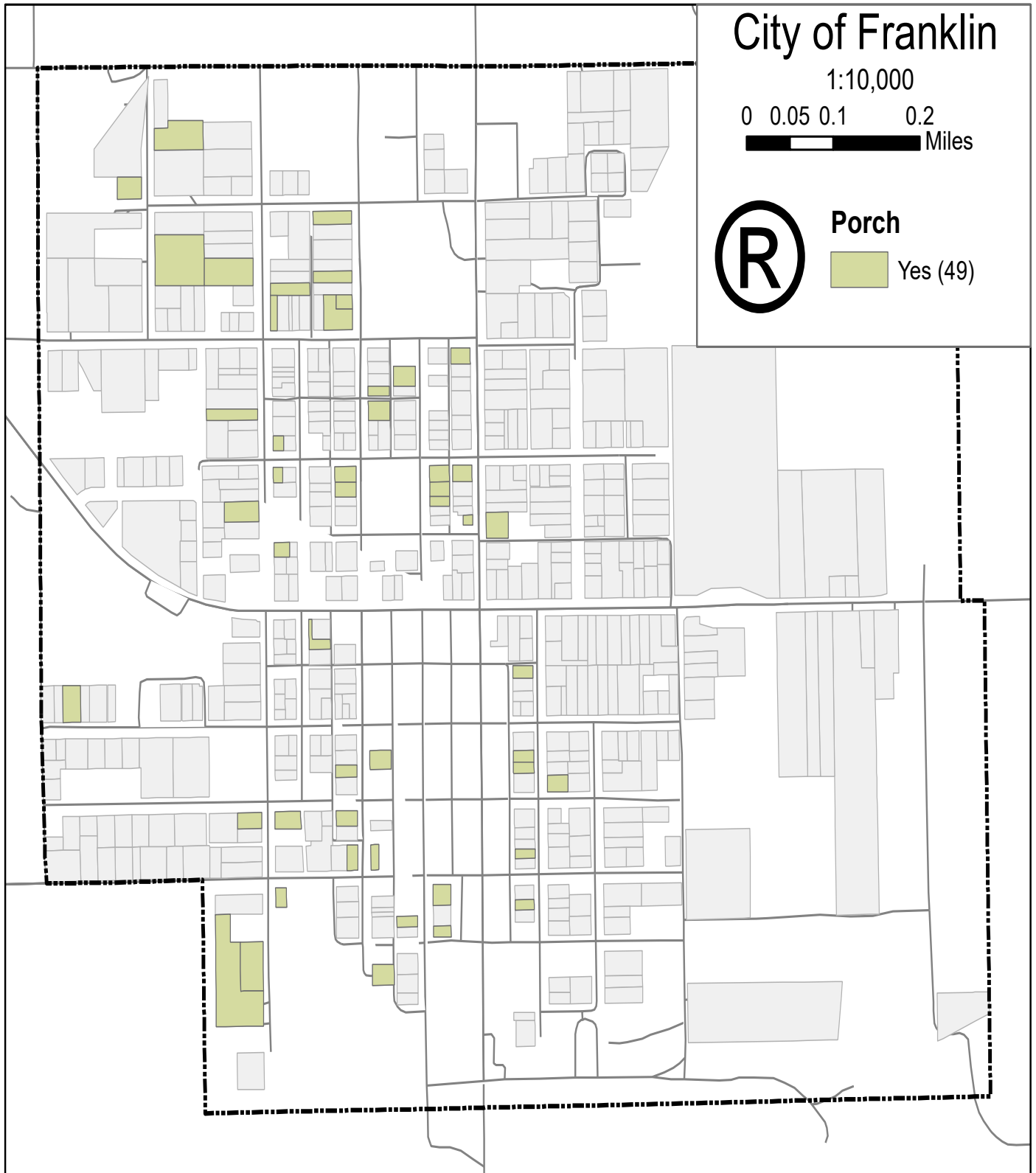




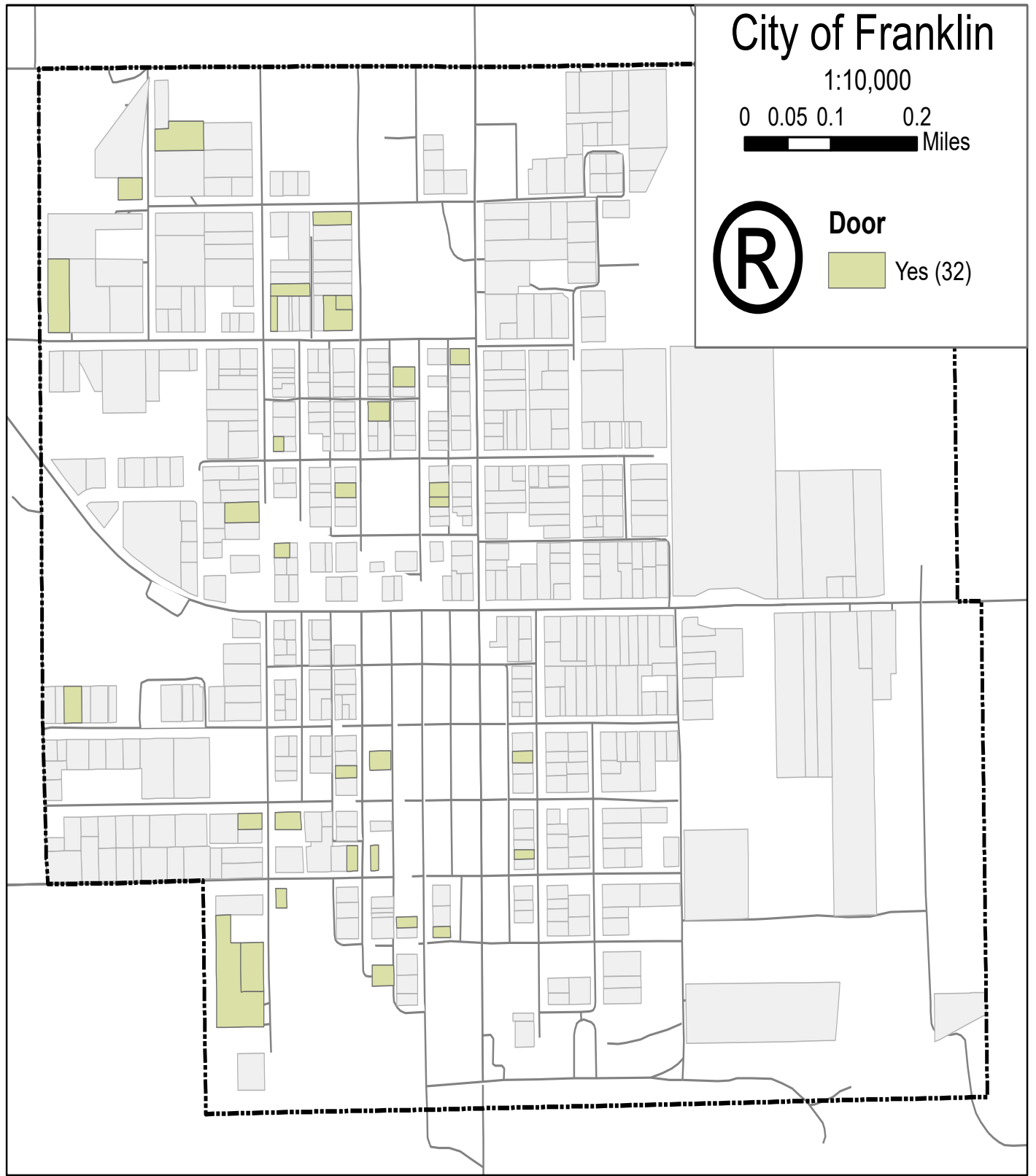
**Map 8: Siding Repair Needed**



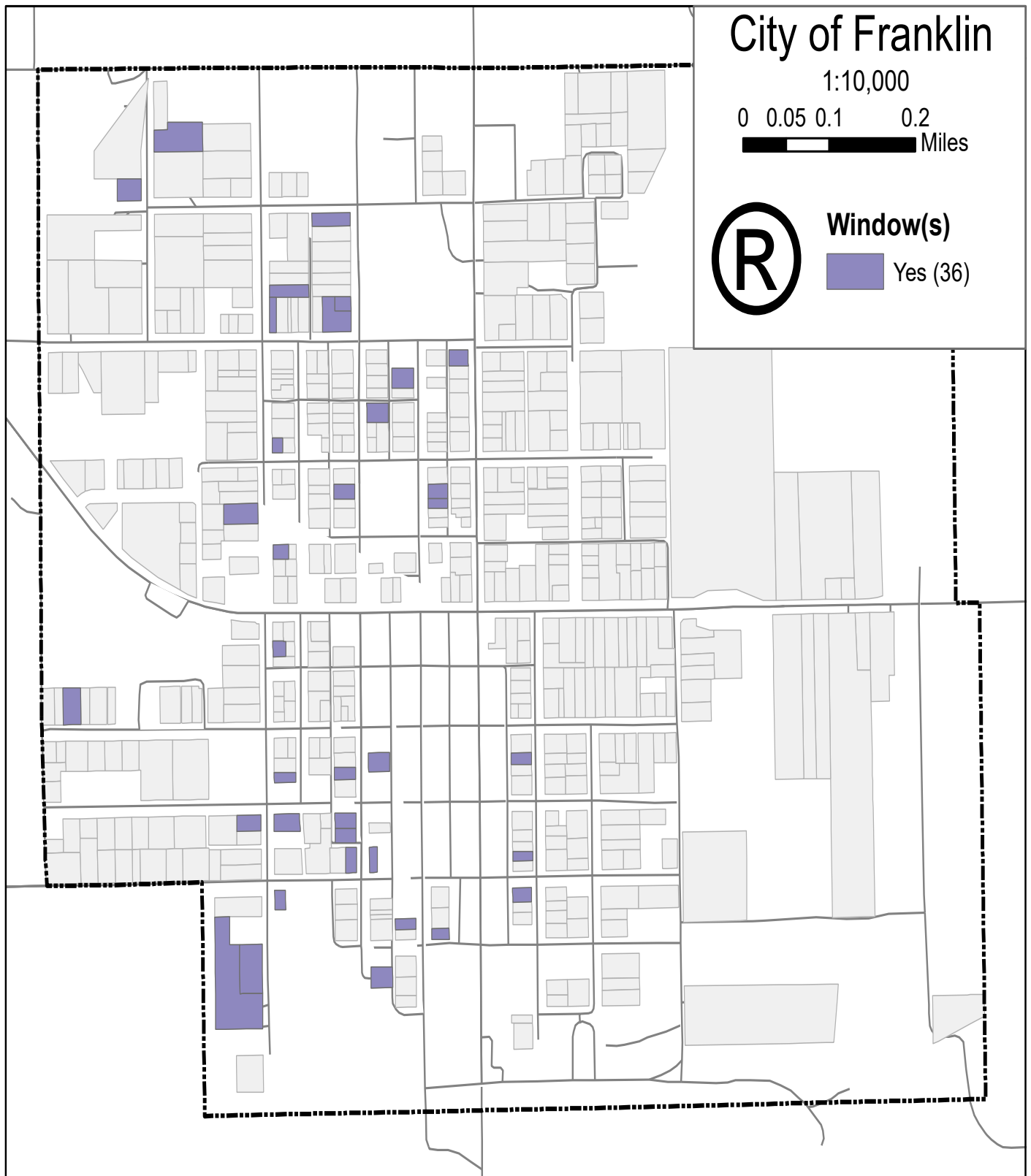
**Map 9: Roof Repair Needed**



**Map 10: Porch Repair Needed**



Map 11: Door Repair Needed



Map 12: Window Repair Needed



## Housing Affordability

Affordability is determined by identifying the prices of housing units that households at various income levels can afford. It is an accepted position by Housing and Urban Development (HUD), as well as housing officials across the country, that no more than 30% of gross household income, including utilities, should be dedicated to housing costs. If a household is spending more than 30% for house-related expenses, it is considered to be cost burdened. Careful analysis of housing market conditions can indicate that some households may be unable to afford the prevailing costs of either rental and homeowner housing, and what the affordability gap may be for various levels of household income. This section describes mortgage and rental costs, housing cost burdens, and affordability.

The value of homes for sale and the typical monthly mortgage costs in relation to household incomes are indicators of the affordability of owner occupied housing in a community. Likewise, the number of owners reporting a cost burden, that is, paying more than 30% of their household income, can indicate the affordability of occupied housing.

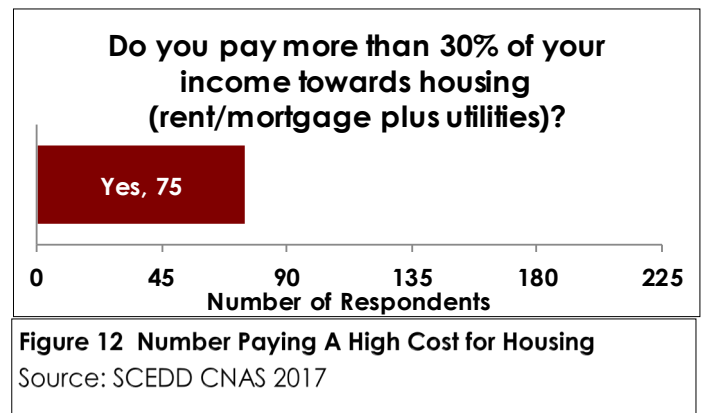
**Table 11** shows the value of owner occupied houses in Franklin. The vast majority of the homes are valued under \$100,000. According to the American

Franklin Home Values	
House Value	Number of Houses
Less than \$50,000	173
\$50,000 to \$99,999	135
\$100,000 to \$149,999	34
\$150,000 to \$199,999	6
\$200,000 or more	9
<b>Table 11 Franklin Home Values</b> Source: U.S. Census ACS 2016	

Franklin Gross Rent	
Gross Rent	Number of Households
Less than \$500	43
\$500 to \$999	44
\$1,000 or more	3
<b>Table 12 Franklin Gross Rent</b> Source: U.S. Census ACS 2016	

Community Survey, the median home value in Franklin was \$51,200, which was significantly less than the state of Nebraska's median home value of \$133,200.

**Table 12** above shows the gross rent paid for specific renter occupied housing units in Franklin. Gross rent is the monthly contract rent plus the estimated average monthly cost of utilities and fuels, if these are paid by the renter. According to the American Community Survey, almost all of the renters in Franklin pay less the \$1,000. The majority pay between \$500 and \$999 a month in rent. Similarly, the CNAS asked residents how much they pay for rent, including utilities. Of the 39 renters who responded, 38% reported paying less than \$400 for monthly rent.



As shown in **Figure 12**, the CNAS asked all households if they paid more than 30% of their income towards housing. Thirty-four percent of residents said they paid more than 30% of their income towards housing.

A housing affordability analysis was conducted based on annual household incomes of Franklin residents and the value of owner occupied housing units in Franklin. This analysis is conservatively based

on the rule-of-thumb that homeowners can afford to purchase a house for a price of roughly twice their household income, although the price of a house that a buyer can afford will vary depending on other factors besides income.

Since the American Community Survey's data on house values was for owner occupied units, and the data on annual household income was for both owner and renter occupied households, the household income data was adjusted to estimate income for owners using data from the Community Needs Assessment Survey. This analysis shows that Franklin has a large surplus of houses valued under \$100,000, with a shortage of houses with higher values.

**Table 13** contains a housing affordability analysis using information gathered from the American Community Survey to compare the demand for housing (measured by the number of households) with the housing supply (measured by the number of housing units). As a general guideline, residents are in the market for homes that are double their annual household income, meaning a *home value to household income ratio* of two; thus two is the standard planning factor for housing affordability analysis tables. For example, a household making an annual income of \$30,000 could be expected to live in a home valued at \$60,000. The count of households in each income category is compared to the count of homes in each corresponding value

category based upon the assumption residents will live in a home double their income. Where there are more homes than households, a surplus exists; where there are more households than homes, a deficit exists. When looking at the surplus/deficit column of **Table 13** below, there appears to be a surplus of homes valued at less than \$50,000 and a significant deficit of homes valued from \$50,000 to \$300,000.

**Table 13** is just one tool that can assist in creating a picture of housing need, but it doesn't tell the whole story because it assumes a healthy housing market and that residents in Franklin live in homes twice their household income. This table is really demonstrating that Franklin has an undervalued housing market. Residents are living in homes that are valued under what they could technically afford, a characteristic common to many rural communities. An undervalued housing market often impedes new construction. Houses receive lower assessments, thus running the risk that a newly built home will assess for less than construction costs and inhibit contractors and developers from being willing to build.

To provide a more accurate picture of the housing situation, more focus needs to be placed on the *home value to household income ratio*. For this ratio, a number under two is an indicator of an undervalued housing market that is cost-prohibitive and risk-prohibitive to new construction. A ratio

Housing Affordability Analysis				
Annual Household Income	# of Franklin Households	Franklin Home Values for Owner Occupied Housing	Housing Supply	Surplus/Deficit
Less than \$10,000	34	Less than \$50,000	173	78
\$10,000 to \$14,999	13			
\$15,000 to \$24,999	48			
\$25,000 to \$49,999	180	\$50,000 to \$99,999	135	-45
\$50,000 to \$74,000	84	\$100,000 to \$149,999	34	-50
\$75,000 to \$99,999	46	\$150,000 to \$199,999	6	-40
\$100,000 to \$149,999	37	\$200,000 to \$299,999	0	-37
\$150,000 or More	14	\$300,000 or more	9	-5

**Table 13 Housing Affordability Analysis**

Source: U.S. Census American Community Survey, 2017



over two is an indicator of a healthier housing market. For example, a ratio of one indicates a household with an income of \$50,000 would live in a home valued at \$50,000.

Conversely, a ratio of three would indicate that a household with an income of \$50,000 would live in a home valued at \$150,000. The higher ratio is an indicator of a higher valued housing stock because residents pay more for housing, which creates a better environment for new construction.

According to ACS data, the median home value in Franklin is \$58,300 and the median annual household income is \$47,500. Dividing \$58,300 by \$47,500 reveals the *home value to income ratio* of 1.23.

For comparison, **Table 14** below displays the ratios of other communities in proximity to Franklin as well as the State of Nebraska as a whole. The table also displays the home value of a household with an annual income of \$50,000 for each community, using each community's own *home value to income ratio*. For the town of Franklin, a resident making \$50,000 a year would live in a home valued at \$61,500 ( $50,000 \times 1.23$ ).

Franklin displays a characteristic of low housing values in relation to median household income levels. Under these conditions, new construction will normally be limited to custom homes for residents who plan to occupy the home indefinitely. Families who move to Franklin will likely not build a home over concern they will not be able to resell the home for the cost of construction. In the same way, speculative home building will be severely depressed or non-existent from the private market.

## Housing Demographics



Understanding the age and tendencies of householders is critical to forecasting future housing dynamics. As people age they tend to follow a progression or lifecycle to the housing they prefer or require. A new couple in their 20s may be more likely to rent a home if one is available. Thirty to 40 year olds are more apt to be looking for a single family home suitable to grow a family. Homeowners who are of retirement age may seek to downsize to a single-story ranch, duplex, or condominium, although rural residents like those in Franklin usually desire to “age in place”. A portion of homeowners who reach the age of 65 will move to an assisted living or nursing facility for care. This natural progression and the specific demographics of Franklin are important to take into account to understand the challenges and opportunities that they create.

As previously mentioned, many rural residents prefer to stay in their current home rather than downsize to a smaller living unit with less maintenance. The reasons aren't difficult to understand; the home may be a significant portion of a resident's net worth, staying put prevents the need for costly or labor-intensive moves, and staying in place will often be the cheaper option. Often in rural communities, few opportunities for downsizing exist which could also lead to residents remaining in their

Home Value to Income Ratio Comparison							
Franklin	Minden	Alma	Nelson	Holdrege	Red Cloud	Blue Hill	State of Nebraska
1.23	2.97	1.79	1.19	2.27	1.37	2.38	2.51
Example: Expected Home Value of Household with Annual Income of \$50,000 (\$50,000 * Ratio)							
Franklin	Minden	Alma	Nelson	Holdrege	Red Cloud	Blue Hill	State of Nebraska
\$61,500	\$148,500	\$89,500	\$59,500	\$113,500	\$68,500	\$119,000	\$125,500

**Table 14 Comparison: Home Value to Income Ratio**

Source: American Community Survey 2017

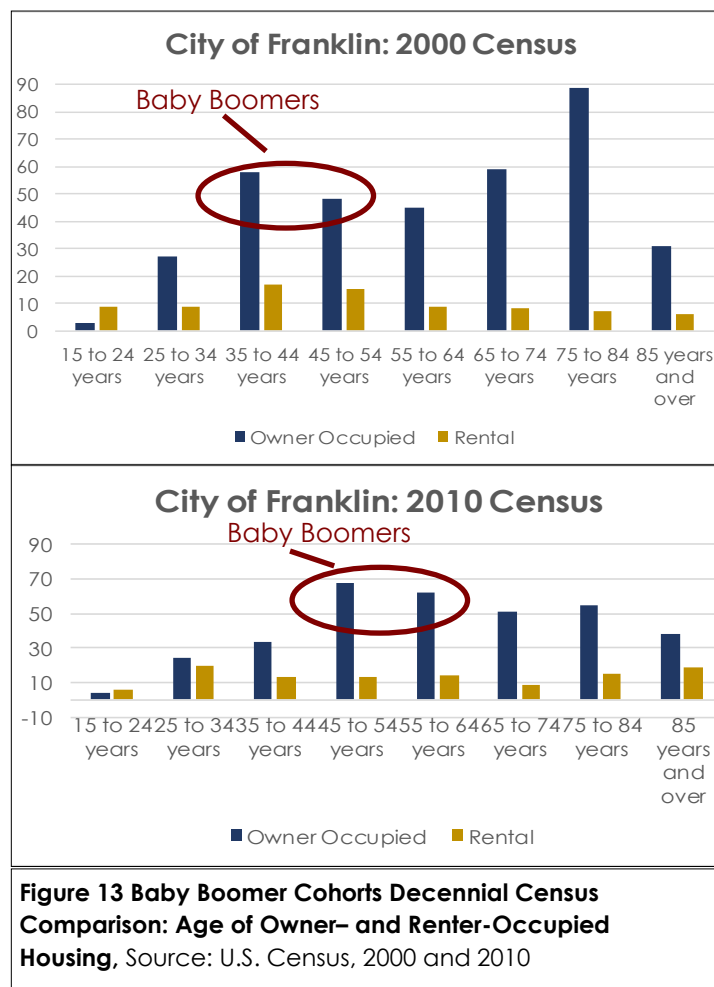
homes, even if they would prefer to downsize. This characteristic can affect the housing stock; it is not uncommon for elderly residents with low or fixed incomes to minimize input into the home through minimal maintenance or upgrades, thereby lowering the equity and value of the home over time and possibly even leading to dilapidation. These homes are often not marketable to young professionals or families looking to move to the community without significant upgrades. Even homes that were well maintained quickly deteriorate if they remain unoccupied and aren't sold or rented to other residents. (Although aging in place is common in rural settings, Franklin's CNAS demonstrated that there were 18 residents who were interested in downsizing—these details are covered more in the "Housing Needs and Opportunities" section.)

Understanding the dynamics detailed above can be used to predict housing situations and can be used for a community to focus housing efforts. According to the U.S. Census 2017 ACS, 72 owner-occupied homes (21% of Franklin's owner-occupied housing) are owned by residents over the age of 75. With an average life expectancy of 79.8 years, it is safe to assume that a large number of homes will be entering the market over the next five years. Not only do many residents in Franklin "age in place", but the Baby Boomer generation (those born between 1946 and 1964) is entering retirement age, with the leading members of the generation reaching ages between 53-71. Thirty-seven percent (126) of the owner-occupied homes are owned by residents age 65 and over, contributing to a forecast of additional housing stock availability on the market over the next 10 to 20 years. **Figure 13** illustrates this comparison.

The likelihood of additional homes flooding the housing market presents a number of challenges and opportunities for the City of Franklin. Franklin will quite likely be dealing with not a shortage of housing, but an abundance of housing on the market.

The City should be deliberate with actions to:

- 1) prepare homes for the next generation



- 2) prevent homes from sitting vacant, and
- 3) remove dilapidated homes from the housing stock

Considering the number of homes that could enter the housing market in a short period of time, inaction by the community to preserve and protect the housing stock could lead to a large number of vacant, dilapidated homes, decreased home values, and an overall weakening of Franklin's housing market. It is important to differentiate that even with an abundance of overall housing units there may still be a shortage of desired housing types and should not limit the City from pursuing new construction opportunities.

# Chapter VI Housing Needs & Opportunities

Housing need or demand depends upon complex interactions among the population, economy, and available housing stock. Population characteristics such as age, household composition, and income affect housing preferences. The economic condition within the area also affects housing choices, including employment opportunities and earnings. Finally, the availability of housing stock, its condition, and affordability, affect the demand for housing. Demand estimates show the number of additional units that would promote balanced, healthy market conditions. Demand for housing can be addressed through maintenance of the existing stock and new construction.

Franklin, like many communities in rural Nebraska, has seen a population decrease in recent years. If the City continues to see similar declines in growth rates, Franklin can expect the population to reach 917 in 2020 and 861 in 2040. If Franklin wants to experience growth, the key will be housing. If the City is going to grow, it will need to attract new families to the area, and to do that, there needs to be available housing.

One way to improve the housing market is through maintenance of existing housing stock. Maintenance of existing stock will ensure that housing is decent and affordable to households in the community. Maintenance is further segmented into demolition of dilapidated and rehabilitation of substandard houses.

Demolition of dilapidated units should be an ongoing effort. This type of program will ensure that deteriorated units, and their blighted influence on neighborhoods, are removed. The 2017 field survey determined that Franklin has 11 dilapidated properties that could potentially be demolished. Demolishing those properties will not only improve the appeal of neighborhoods, but will also provide vacant lots for infill development. **Map 2** on page 26 shows the location of vacant lots, and **Map 3** on page 29 shows the dilapidated units that would be prime areas for potential redevelopment with infill construction of new homes.

To ensure maintenance of the existing stock, programs or incentives should support and encourage rehabilitation of both owner and renter occupied stock. While owner occupants are more likely to update and renovate, many of the units in greatest need of significant replacement of heating, plumbing, wiring systems, or structural repairs are rental units. Rehab need is related to various housing unit and household characteristics. SCEDD's field survey determined that there were 60 houses in Franklin in poor condition that could be rehabilitated to prevent the costs of demolition, if they become dilapidated in the future. Because rehabilitation may be unaffordable without some form of government subsidy, programs should be in place to provide financial assistance to lower-income households. This will ensure that needed rehab is accomplished and that the existing stock is maintained.

Of the 45 households who indicated in the CNAS that their home was in need of major repairs, three were homeowners willing to apply for cost sharing assistance to complete rehabilitation of their homes. None of the three were eligible for assistance based on income.

The City of Franklin has been proactive regarding nuisance abatement in the community. Continuing this program will help maintain and improve the existing housing stock and will have a positive impact on housing as it makes houses and neighborhoods more appealing to residents and potential buyers.

There is a significant amount of area referenced in the **Future Land Use** map potentially available for both single and multi-family housing, but is not currently developed for residential housing, according **Map 5: Tenure** on page 31. **See Future Land Use map, City of Franklin Comprehensive Development Plan.**

In addition to maintaining the exiting housing structures, construction of new homes is important to replace aging houses, create a healthy housing market, and accommodate a growing population.

Constructing new rental units is important in order to attract new families to Franklin since many renters are younger and families moving to a new community might not be ready to commit to buying a home. Constructing new single family homes will be important to keep families in town by providing options for housing and creating a more healthy housing market.

**Table 15** projects the number of new housing units that will be needed in Franklin by the year 2040 to keep up with projected population projections and housing loss.

The table represents a projected 30-year decrease rate of 14%, assuming no alteration of factors inside and outside of the City of Franklin that affect the population. The projected population of 861 can be divided by the number of persons per household in Franklin, taking into account a continued decrease in persons per household. There will be 391 occupied housing units needed to accommodate residents by the year 2040. Accounting for vacancies as well, there will be a total of 450 housing units needed. The current housing supply of 508 housing units is calculated by subtracting the 11 dilapidated units determined from SCEDD's field survey from the total number of housing units according to the U.S. Census.

It is also important to consider the number of houses that will "age" out of the market due to deterioration, lack of upkeep, and age. Assuming that 1% of homes fall off each year, that amounts to 107 homes between 2018 and 2040.

Based on the projected population decrease, without any internal or external forces creating change, the City of Franklin would have a shortage of 49 homes by 2040. It is important to recognize that this analysis doesn't account for the type of housing, and whether the City has the right type of housing needed to maintain or grow its population. Investment in current housing stock and the construction of new housing stock in Franklin has the potential to be such a force of change. Though Franklin has a 15% vacancy rate, many of those housing units are no longer viable dwelling options. Also, the economy in the Franklin market area has a variety of job opportunities that go unfilled; the

primary reason cited by job seekers is lack of housing in the area. New construction in Franklin can help alleviate the housing burden.

While new homes are needed to help bring in new families, it is also important to provide new housing opportunities for current residents of the community. Learning about the demographics of those residents, what they want in a new home, and what is preventing them from changing residences, are all important factors that should influence the construction of new houses.

Data from the CNAS was analyzed to determine the income levels and household size of Franklin residents who were interested in changing their residence, as well as some of the barriers keeping them from changing their residence:

- 45 homeowners indicated that they were interested in changing their residence:
  - 27 want to upgrade
  - 18 want to downsize
  - 36 renters preferred to own

Projection Through 2040 of Franklin Housing Needs	
Projected 2040 Population (14% decrease)	861
Projected persons per household	2.2
<b>Number of occupied housing units needed in 2040</b>	<b>391</b>
Vacant houses in 2040 (assuming 15% vacancy rate)	59
<b>Total number of housing units needed</b>	<b>450</b>
Current number of housing units	519
Current dilapidated houses	11
<b>Current number of habitable housing units</b>	<b>508</b>
Loss of 1% of houses per year through 2040	107
<b>Number of current housing units available in 2040</b>	<b>401</b>
<b>Number of new housing units needed by 2040</b>	<b>49</b>
<b>Table 15 Housing Needs Projected Through 2040</b> Source: U.S. Census, SCEDD 2018 Visual Housing Assessment	

**Tables 16 and 17** shows the annual household incomes and household sizes for the 27 households who were interested in upgrading their residence. They were asked what barriers kept them from upgrading their residence; residents were able to select multiple options:

- 13 listed lack of available housing as a barrier
- 5 indicated lack of available lot or building site
- 9 said lack of a down payment
- 9 indicated that there was an "other" barrier

Of those who stated that a lack of available housing was a barrier:

- 38% had an annual household income of more than \$63,900
- 54% had an annual household income in the range of \$33,901 to \$52,300

Of the households who indicated lack of an available lot or building site as a barrier:

- 40% had an annual household income of more than \$56,151
- 60% had an annual household income in the range of \$33,901 to \$52,300

Of the households who indicated the lack of a down payment as a barrier:

- 44% had an annual household income less than \$43,600
- 33% had an annual household income of more than \$63,900

Household Size of Franklin Homeowners Wanting to Upgrade	
Household Size	Number of Households
1	7
2	8
3	4
4	1
5	6
6+	1

**Table 17 Household Size of Homeowners Wanting to Upgrade**  
Source: SCEDD 2017 CNAS

Household Income of Franklin Homeowners Wanting to Upgrade					
Annual Household Income	Number of Households	Barriers*			
		Lack of a down payment	Lack of available housing	Lack of available lot/building site	Other
Less than \$33,900	8	1	3	0	5
\$33,901 to \$38,750	5	2	2	1	2
\$38,751 to \$43,600	1	1	0	0	0
\$43,601 to \$48,400	0	0	0	0	0
\$48,401 to \$52,300	3	1	2	2	0
\$53,301 to \$56,150	0	0	0	0	0
\$56,151 to \$60,050	2	1	1	1	0
\$60,051 to \$63,900	0	0	0	0	1
More than \$63,900	8	3	5	1	2
<b>Total</b>	<b>27</b>	<b>9</b>	<b>13</b>	<b>5</b>	<b>10</b>
*Multiple barriers could be selected					
<b>Table 16 Household Income of Homeowners Wanting to Upgrade</b> Source: SCEDD 2017 CNAS					

**Table 18** depicts the annual household incomes of the 16 homeowners who indicated they wanted to downsize their residence. The households wanting to downsize had a greater percentage of lower incomes, with nine of the 16 having household incomes of \$38,750 or below.

Of the 16 homeowners who wanted to downsize from their current residence, one said that a lack of a down payment was a barrier, and one indicated a lack of available lot/building site. Five households listed lack of available housing or an “other” barrier. Three of the five who indicated a lack of available housing as a barrier had an annual household income of greater than \$63,900.

**Table 19** shows the household size of homeowners who wanted to downsize their residence. Those wanting to downsize were more likely to have a smaller household, with 16 of the 18 being one- or two-person households.

Household Size of Franklin Homeowners Wanting to Downsize	
Household Size	Number of Households
1	10
2	6
3	1
4	0
5	1
6+	0
<b>Table 19 Household Size of Homeowners Wanting to Downsize</b> Source: SCEDD 2017 CNAS	

Household Income of Franklin Homeowners Wanting to Downsize					
Annual Household Income	Number of Households	Barriers*			
		Lack of a down payment	Lack of available housing	Lack of available lot/building site	Other
Not disclosed	2	0	1	0	1
Less than \$33,900	6	1	1	0	3
\$33,901 to \$38,750	3	0	0	0	2
\$38,751 to \$43,600	0	0	0	0	0
\$43,601 to \$48,400	0	0	0	0	0
\$48,401 to \$52,300	0	0	0	0	0
\$53,301 to \$56,150	1	0	1	0	0
\$56,151 to \$60,050	0	0	0	0	0
\$60,051 to \$63,900	0	0	0	0	0
More than \$63,900	6	0	3	1	0
<b>Total</b>	<b>18</b>	<b>1</b>	<b>6</b>	<b>1</b>	<b>6</b>
*Multiple barriers could be selected					
<b>Table 18 Household Income of Homeowners Wanting to Downsize</b> Source: SCEDD 2017 CNAS					



**Table 20** tallies household size and annual income of households who rent, but preferred to own.

Renters who preferred to own were asked about barriers to ownership, with the opportunity to select all barriers that applied. Thirteen residents indicated that they were renters who preferred to own. Of those, only two indicated they had barriers.

- One respondent indicated lack of a down payment was a barrier.
- One respondent indicated lack of available housing was a barrier.

The respondent who choose lack of a down payment had an annual household income between \$38,751 to \$43,600. Two residents indicated

Annual Household Income of Franklin Renters Preferring to Own			
Annual Household Income	Number of Households	Barriers*	
		Lack of a down payment	Lack of available housing
Not disclosed	1	0	1
Less than \$33,900	7	0	0
\$33,901 to \$38,750	0	0	0
\$38,751 to \$43,600	1	1	0
\$43,601 to \$48,400	0	0	0
\$48,401 to \$52,300	2	0	1
\$53,301 to \$56,150	0	0	0
\$56,151 to \$60,050	0	0	0
\$60,051 to \$63,900	1	0	0
More than \$63,900	2	0	0
<b>Total</b>	<b>14</b>	<b>1</b>	<b>2</b>
*Multiple barriers could be selected			
<b>Table 20 Annual Income of Renter Households Preferring to Own</b>			

there was a lack of available housing, one of whom reported income in the range of \$48,401 to \$52,300, and one who did not disclose income.

**Table 21** shows the household size of renters preferring to own. The majority of renters preferring to own their own home had only one person in their household. No residents indicated that there were five or more people in their household.

Household Size of Franklin Renters Preferring to Own	
Household Size	Number of Households
1	7
2	3
3	1
4	3
5	0
6+	0
<b>Table 21 Household Size of Renters Preferring to Own</b>	



# Chapter VI

Housing is an essential part of every community. The future growth of Franklin is rooted in the City's response and action in providing sufficient housing to current and future residents.

Homeownership is still the American dream and continues to be popular in rural communities. Residents seek to "put down roots" and become invested in their local schools, churches, and community activities. Rentals help facilitate the draw of people to rural communities for those who are not yet ready or able to make a financial commitment of a home purchase. A healthy housing market makes available both options to home seekers as a way to say to those individuals, "Welcome, we want you here!"

The following is a summary of steps that the City of Franklin should consider to improve its housing situation and prepare for future growth:

1. **Existing housing stock maintenance.** Considering the substantial barriers to building new housing units in Franklin, the City should consider focusing on opportunities to improve the existing housing stock. Improving the current housing stock can begin to elevate assessments and comparable sales which would improve the state of the housing market. Owners of substandard properties should be encouraged to keep homes in good condition and prevent them from becoming dilapidated. Initial indications would support the City's efforts in seeking funding through various means to assist income- and property-eligible homeowners with rehabilitation efforts. One funding opportunity is the owner-occupied rehabilitation (OOR) grant program through the Nebraska Department of Economic Development, of which the city was awarded in 2018. This is a perfect step towards improving the housing stock of Franklin. Another beneficial activity would be a purchase, rehab, resell program that would revitalize aging homes for new buyers.
2. **Code Enforcement/Nuisance Abatement.** The City should consider continuing with an aggressive code enforcement/nuisance abatement program. This is foundational to the success of home preservation, community clean-up, and potential future redevelopment. Vacant dilapidated homes should be demolished to improve the appearance of neighborhoods and create empty lots for potential infill housing development.

# Conclusion



3. **Promote Infill Housing Development.** The City has some examples of this within the corporate boundaries. This method of development is less costly because infrastructure is already in place. The City is not required to expend dollars to provide essential services. Promoting the use of vacant lots for development within the corporate limits also centralizes homes, thus preventing "sprawl." Some communities have developed incentives for private individuals to build on city-owned lots through "free-lot" programs, some even offer additional funds to help with the construction of a new home. There are also psychological benefits from having a new home in town. Just like the "broken window theory", where one broken window can lead to other dilapidation in the neighborhood, the reverse can also be true. A new home can spur neighbors to consider investing in their homes.
4. **New Housing for Families.** The City's housing market creates significant challenges to new construction housing efforts. There will likely need to be some form of intervention on behalf of the City or some form of public/private partnerships to spur new housing. Currently, the private market will not be able to support new construction aside from custom-built homes. Tax Increment Financing (TIF) is one local tool that could support these activities to alleviate risk for developers. The City has been proactive in taking steps to position themselves to utilize TIF by obtaining a Comprehensive Plan, Blight Study, and forming a Community Redevelopment Authority. As stated in the point above, the City should assess and consider the needs of families looking to move to Franklin. Local realtors indicate that today's young families generally prefer a move-in ready, minimum three (3) bedroom, ranch style with a two (2) to three (3) car garage with green space for current or future family growth. One option would be to consider implementing a down-payment assistance

program to incentivize these new homeowners in the purchase of existing units, as available.

5. **Rental Rehab or New Unit Construction.** The City should consider different financial opportunities to provide incentives for landlords and developers to improve existing units or build new units.
6. **Transitional/New Housing for the “Boomers” and older generation.** The City should carefully consider the needs of its current residents. With approximately seventy-three percent (73%) of Franklin's housing units owned and occupied by one (1) and two (2) person households, and eighty-two percent (82%) of residents who are age forty-five (45) and older, the City should consider alternatives for these homeowners. Housing options such as townhomes, single family homes (with an association to provide upkeep and maintenance services), independent living, etc., may pave the way for these aging homeowners to move into a more “age-friendly/ stage of life” option. This may serve a dual purpose as construction of new housing to meet the needs of this age spectrum would, in turn, make available some of the older housing stock to those seeking investment properties or looking for a first-time, economically friendly home. Building residential units designed for the “Boomers” and older generations will keep these individuals within the community as contributors to the local economy. Although many residents will prefer to age in place, SCEDD's CNAS demonstrated there were residents interested in downsizing.



7. **Subdivision Development.** The City should consider the development of a subdivision or subdivisions to create the identified new housing units within a geographically defined area of the community. The use of Tax Increment Financing (TIF) would be an essential piece of creating the needed infrastructure, etc., prior to the construction of residential dwellings. This

development could be a formal or informal approach. As a local community recently discovered, it already owned land that was sufficient enough to develop three large lots for building purposes. The City should consider all land in and surrounding Franklin as possible alternatives. This may not be the first step in meeting the housing needs of Franklin and may be considered a mid term goal. However, as a short term goal, the City could begin discussions with their engineer to begin the planning of a subdivision.

8. **Tax Sales.** The City's Community Redevelopment Authority should take an active role in monitoring properties that are scheduled for tax sale by the Franklin County Assessor. This can be a fairly inexpensive yet effective method of acquiring properties for future redevelopment opportunities.
9. **Investment Club Formation.** An investment club pools together the financial resources of local individuals who are eager and serious about the growth of their community. An investment club raises money on a monthly basis so that when an opportunity becomes available or a housing opportunity is presented, funds are available. Investment clubs can be structured to fit the needs of the investors and community.
10. **Land Bank and/or Vacancy Registry.** Created by the Nebraska Municipal Land Bank Act in 2013, the tool of Land banking is not currently available to rural Nebraska, but expansion is being considered by the Legislature. As originally written, the statute empowers cities in counties that contain at least three (3) cities of the first class — that is Douglas and Sarpy counties — to establish “land banks” empowered to buy, renovate, and re-sell land or properties abandoned by their landowners. The land bank concept could be utilized as an impetus for the local Community Redevelopment Authority to consider options for acquiring distressed or code enforcement properties. If the City wishes to consider a local “land bank” version, consultation with a legal expert proficient in the pursuit of abandoned/dilapidated structures is encouraged. The Vacancy Registry is a tool used to dis-incentivize homeowners from leaving homes vacant. This approach works to prevent homes from becoming dilapidated by increasing the cost to property owners who leave them vacant. Both these tools work to prevent dilapidation.

This page left intentionally blank.