

RESOLUTION NUMBER 7698

WHEREAS, Neb. Rev. Stat. § 18-2142.05 requires that for redevelopment projects that expressly carry out the construction of workforce housing, the governing body of a political subdivision must prepare and adopt an incentive plan for construction of housing in the municipality targeted to house existing or new workers; and

WHEREAS, Neb. Rev. Stat. § 18-2142.05 also requires that prior to the adoption of such incentive plan, a public hearing on such plan must be held pursuant to Neb. Rev. Stat. § 18-2115.01; and

WHEREAS, on January 5, 2026, the City held a public hearing on the adoption of the Workforce Housing Tax Increment Financing Incentive Plan for the City of Beatrice; and

WHEREAS, that said public hearing complies with the conditions set forth in Neb. Rev. Stat. § 18-2115.01; and

WHEREAS, the City of Beatrice, Nebraska desires to adopt the Workforce Housing Tax Increment Financing Incentive Plan for the City of Beatrice.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF BEATRICE, NEBRASKA:

SECTION 1. The Mayor and City Council for the City of Beatrice, Nebraska find that the Workforce Housing Tax Increment Financing Incentive Plan for the City of Beatrice is necessary to prevent the spread of blight and substandard conditions within the City of Beatrice, that such plan promotes additional safe and suitable housing for individuals and families employed in the City of Beatrice, and that such plan will not result in the unjust enrichment of any individual or company.

SECTION 2. That the Workforce Housing Tax Increment Financing Incentive Plan for the City of Beatrice is hereby adopted. A copy of said Workforce Housing Tax Increment Financing Incentive Plan for the City of Beatrice, marked as "Exhibit A", is attached hereto and incorporated by reference.

SECTION 3. That all resolutions or parts of resolutions in conflict herewith are hereby repealed.

RESOLUTION PASSED AND ADOPTED this 5th day of January, 2026.

Attest:



Erin Saathoff, MMC, City Clerk



Robert Morgan, Mayor

Exhibit "A"

WORKFORCE HOUSING TAX INCREMENT FINANCING INCENTIVE PLAN FOR THE CITY OF BEATRICE, NEBRASKA PURSUANT TO THE NEBRASKA COMMUNITY DEVELOPMENT LAW

I. Introduction

Pursuant to Section 18-2103 of the Nebraska Community Development Law, Sections 18-2101 et seq., of the Nebraska Revised Statutes (the "Act"), tax increment financing ("TIF") may be applied towards the costs to carry out the construction of "Workforce Housing". Pursuant to Section 18-2142.05 of the Act, prior to utilizing TIF for Workforce Housing, the City must: (1) conduct a housing study within the last sixty (60) months; (2) prepare an incentive plan for construction of housing in the municipality targeted to house existing or new workers; (3) hold a public hearing on such incentive plan; and (4) after the public hearing, find that such incentive plan is necessary to prevent the spread of blight and substandard conditions within the municipality, will promote additional safe and suitable housing for individuals and families employed in the municipality, and will not result in the unjust enrichment of any individual or company.

The City of Beatrice, Nebraska (the "City"), has received a housing study conducted by Hanna:Keelan Associates, dated February 2020, which is incorporated herein by this reference (the "Housing Study"). The Housing Study noted that the City of Beatrice should target an estimated one hundred seventy-eight (178) housing units by 2025, ninety-four (94) of which should be owner-occupied units and eighty-four (84) of which should be rental units. The Housing Study also noted that for families age eighteen (18) to fifty-four (54) years of age, a total of sixty-two (62) owner-occupied units and a total of forty-six (46) rental housing units should be constructed, with thirty-two (32) owner-occupied units and thirty-eight (38) rental units should be constructed for retirees, seniors, and elderly populations.

This Workforce Housing Tax Increment Financing Incentive Plan (this "Plan") has been prepared pursuant to the Act in accordance with the foregoing requirements. Accordingly, upon the adoption of this Plan following a duly-noticed public hearing, the City shall be authorized to utilize TIF for the purpose of Workforce Housing in the manner prescribed herein and under the Act. This Plan may be modified or amended by the City, from time to time, in accordance with the Act. To the extent any portion of this Plan conflicts with the Act, the Act shall control with respect to such conflicting portion(s).

II. Workforce Housing

For purposes of the Act and this Plan, "Workforce Housing" means:

- (a) Housing that meets the needs of today's working families;
- (b) Housing that is attractive to new residents considering relocation to a rural community;

- (c) Owner-occupied housing units that cost not more than two hundred seventy-five thousand dollars (\$275,000) to construct or rental housing units that cost not more than two hundred thousand dollars (\$200,000) per unit to construct, as updated annually by the Department of Economic Development;
- (d) Owner-occupied and rental housing units for which the cost to substantially rehabilitate exceeds fifty percent of a unit's assessed value; and
- (e) Upper-story housing.

Any redevelopment project in the City that: (1) is eligible for TIF under the Act; and (2) satisfies one or more of the above criteria, as applicable, shall be eligible for Workforce Housing TIF. Notwithstanding the foregoing, the City shall have complete discretion with respect to the application and approval of Workforce Housing TIF to/for a redevelopment project.

III. Incentives for the Development of Workforce Housing

(a) LB840 Economic Development Loans

This program is a local option municipal economic development program that allows Nebraska cities to use local tax revenue to fund economic development initiatives.

(b) Tax Increment Financing ("TIF")

TIF is a tool to assist in financing redevelopment projects in designated blighted and substandard areas of a City or village. The property taxes generated from the increased valuation of the development are then captured for a period of up to fifteen (15) years to finance the eligible public improvements.

(c) Nebraska Affordable Housing Trust Fund ("NAHTF")

This program is a state-administered program designed to support the development, rehabilitation, and preservation of affordable housing for low- and moderate-income residents across Nebraska.

(d) Rural Workforce Housing Fund ("RWHF")

This program is a state initiative designed to increase affordable workforce housing in rural communities. It provides grants to help finance housing development, rehabilitation, and infrastructure improvements in non-metropolitan areas, ensuring that rural workers have access to quality housing near employment opportunities.

(e) Tax-Exempt Municipal Bonds

These are bonds issued by state and local governments to finance public projects such as schools, roads, utilities, and affordable housing. The key advantage is that the interest income is exempt from federal income tax, and sometimes state and local taxes, making them attractive to investors.

(f) **Low-Income Housing Tax Credit (“LIHTC”)**

This program is a federal incentive designed to encourage private investment in affordable rental housing for low-income households. Established in 1986, LIHTC is administered by the Internal Revenue Service (“IRS”) and allocated to states through housing finance agencies.

(g) **Discounted Real Estate Purchase Prices**

Where the City owns real estate that is suitable for redevelopment for Workforce Housing, the City can sell parcels at a below-market rates to encourage such developments.

(h) **Discounted Utilities**

The City can discount new utilities and utility extensions for Workforce Housing developments to encourage such developments.

IV. Eligible Areas

For a project to be eligible for Workforce Housing TIF, it must be located within an area that has been, or will be, zoned for residential use(s), and has been designated by the City as a blighted and substandard community redevelopment area, in accordance with the Act.

V. Necessity of Plan and Workforce Housing TIF

Pursuant to the Act, this Plan, along with the utilization of Workforce Housing TIF, is necessary to prevent the spread of blight and substandard conditions. This criterion is met with respect to the City as its needs fall within the prescriptions of Workforce Housing.

The demand for workforce housing has far outpaced the supply. As a result, the current housing stock is not sufficient to support the City’s current workforce, much less the anticipated growth in population and job opportunities within the City. These shortfalls have led to a stagnant housing market – i.e., residents hanging onto what they have due to the lack of supply, which, in turn, only compounds the lack of housing supply. Additionally, a portion of the City’s workforce has been, and will continue to be, relegated to living in satellite communities due to a lack of housing options within the jurisdictional limits of the City, leaving potential tax revenues, growth potential and other economic benefits on the table. Unfortunately, due to current economic conditions and other factors such as high interest rates, material costs, and labor rates, private developers are not stepping up to fill the gaps in the housing market due to the disproportionately low return on investment on development of Workforce Housing.

The implementation of Workforce Housing TIF will address these issues by allowing developers to utilize TIF for the cost to construct the public improvements – thereby offsetting the high costs of construction and allowing the units to be sold at a price point that meets the criteria of Workforce Housing. Accordingly, this Plan will promote additional safe, sanitary, and dignified housing for individuals and families living in the City. Without such additional housing

in the City, it will be unable to support its current trajectory of economic and population growth. This will likely lead to the spread and/or increase in blighted and substandard conditions throughout the City and a less economically viable and stable community as a whole. Workforce Housing TIF is a necessary tool to assist in preventing these undesirable outcomes.

VI. Additional Criteria; Priority

Pursuant to the Act, no redevelopment project shall receive Workforce Housing TIF if it will result in the unjust enrichment of any individual or company. To ensure the same, the City and/or Agency shall take the necessary measures, in their reasonable discretion, to confirm that Workforce Housing TIF is needed to carry out the proposed project.

Irrespective of the finding that a potential project meets the criteria for Workforce Housing TIF eligibility, the City Council and Agency shall have broad discretion in relation to the application, approval and administration of the same; based upon the demonstrated and perceived needs of the City in relation to a particular type of Workforce Housing and/or a specific (geographical) area of need within the City. For example, the City Council and/or Agency may, in its discretion, prioritize high-density residential projects (over single-family residential) in approving (or rejecting) Workforce Housing if such housing is of greater priority and/or need within the City at a given time, and vice versa. Moreover, if it is determined Workforce Housing is most needed in a specific area(s) of the City, such area(s) may receive priority with respect to approval of Workforce Housing TIF.

VII. Workforce Housing TIF Projects; Administration

As provided above, the City and/or Agency shall have full discretion and authority in determining whether a redevelopment project should receive Workforce Housing TIF, based upon the Act, this Plan, the Housing Study, current market and economic conditions, the evolving needs of the City, and other relevant factors. For a redevelopment project to utilize Workforce Housing TIF, the same must be explicitly authorized and implemented via a redevelopment plan approved by the City Council of the City (subsequent to the adoption of this Plan), in accordance with the procedures set forth in the Act.

All redevelopment contracts entered into between the Agency and a redeveloper providing TIF benefits for Workforce Housing will be assessed and negotiated on a case by case basis, with TIF benefits to be determined by the Agency in amounts required to accomplish the goal of incentivizing the development of safe and decent Workforce Housing in the City, while not resulting in the unjust enrichment of the developer, in accordance with the Act and this Plan.

In each redevelopment contract for a Workforce Housing TIF project, a developer's entitlement to Workforce Housing TIF shall be conditioned upon the project's compliance with the Workforce Housing criteria set forth under this Plan and the Act. If some, but not all, of the improvements constructed as part of a redevelopment project meet the eligibility criteria for the

use and application of Workforce Housing TIF, the City and/or Agency may, in its discretion, authorize the use of Workforce Housing TIF for the eligible portion.



MEMORANDUM

TO: Mayor & City Council **DATE SUBMITTED:** December 30, 2025

FROM: Tobias J. Tempelmeyer **FOR AGENDA OF:** January 5, 2026
City Administrator and General Manager

SUBJECT: Workforce Housing Plan **EXHIBIT(S):**

Nebraska Statute requires a City to adopt an incentive plan prior to approving a redevelopment project expressly for workforce housing. The incentive plan states that the City has a current housing study, that we have incentives such as LB840, TIF, and state programs available for workforce housing, that workforce housing must be located in areas zoned residential and have been designated as blighted and substandard, that we have a need for workforce housing, and no redevelopment project will receive workforce housing TIF if it will result in the unjust enrichment of any individual or company. We have prepared an incentive plan for the City Council to consider in preparation of a redevelopment project expressly for workforce housing, should one develop.