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**Testimony before the Subcommittee on Housing and Insurance
of the House Committee on Financial Services**

119th Congress

Hearing: Building Our Future: Increasing Housing Supply in America

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2128 Rayburn House Office Building**

Testimony by:
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Tara Vasicek has served as the City Administrator for Columbus since 2017. She has over 15 years of experience leading local government agencies. Tara has a Bachelor's degree from the University of Nebraska-Lincoln in Community & Regional Planning and Geography.

Chairman Flood, Ranking Member Cleaver, and Members of the Subcommittee:

Thank you for the opportunity to testify today and to provide a local perspective on the nationwide housing crisis. I am Tara Vasicek, and I represent the City of Columbus, Nebraska.

Columbus has made significant steps to increase housing production, recognizing a lack of available housing directly impacts economic growth, workforce attraction and retention, as well as quality of life. Through strategic use of various resources, we have made significant strides in boosting housing development. However, despite our proactive approach and continued commitment to removing barriers, the core issue remains—housing production is still not keeping pace with demand.

Local Actions Taken to Increase Housing Supply

Removed locally controlled regulatory barriers

Over the past five years, Columbus has undertaken several Land Development Regulation updates to modernize and remove barriers to housing construction within our local regulations.

Zoning Flexibility

High density housing is allowed by right. Minimum lot regulations, including lot area, lot width, and site area per housing unit, have been eliminated in all residential zones except for rural residential. This allows developers greater flexibility in planning new subdivisions and infill development.

Accessory Dwelling Units (ADUs) are allowed in all zones except traditional R1 neighborhoods.

Mixed Use types are allowed across all zones.

Removed regulations limiting infill and adaptive reuse so land and properties can more easily be repurposed.

Permitting

A complete housing submittal is fully permitted in less than 2 weeks.

Streamlined the Development Review process. We have a time block every week for Development Review Team (DRT) meetings with developers. All City departments that have a hand in development are represented. This has greatly increase efficiency and effectiveness is getting new projects moving forward and keeping everyone working toward the same goal.

We actively educate builders on the types of housing most needed in the community and provide guidance on optimal subdivision planning to maximize the number of appropriate units constructed.

Direct Investments in Housing Development

The City Council allocated \$1 million to housing in 2024. These unencumbered funds allowed the city to purchase land and install infrastructure, creating 325 housing units which are currently starting construction. This project includes 238 apartment units, 64 rowhomes of various sizes, 14 townhome units, and 9 single-family detached homes.

This initiative was successful because the initial funding was flexible and without restrictions on location, housing type, or end users, allowing the city to meet local housing needs efficiently.

Utilizing Tools & Incentives

Tax Increment Financing (TIF) is the most effective tool available in Nebraska for housing development and its impact in Columbus has been significant. Since implementing TIF, the city has seen a more than 300% increase in housing production.

The City of Columbus also allocates a portion of local option sales tax to economic development. A majority of those funds over the last decade have been used to incentivize housing construction.

Columbus has been successful in securing grants to support housing and community development, ensuring valuable funding for key projects. We currently have a revolving loan fund for housing that has been built up over the years to over \$4.5 million.

We are also strategic in selecting which grants to pursue, as many come with requirements that are cost-prohibitive and overly burdensome. Some grants introduce excessive regulatory hurdles, leading to time delays, increased project costs, and long-term management challenges. Additionally, strict monitoring and compliance requirements often limit the pool of builders willing to participate, ultimately restricting development opportunities. By carefully evaluating each grant, we prioritize those who provide meaningful support without imposing unnecessary obstacles on progress.

Barriers Outside of Local Control

Despite our efforts to increase housing production, significant obstacles remain that continue to challenge development. Locally, rising land and infrastructure costs are the primary obstacles to new residential development.

At the state and federal levels, complex regulations add further delays and expenses, making projects more time-consuming and costly. Cities are often the face of all regulation, whether Local, State or Federal, we are required to adopt and enforce many types of regulations which we have little to no authority to change.

The most costly for Columbus: Federal Stormwater Regulations, State Energy Code Regulations

While we remain committed to finding solutions and pushing for policies that support growth, these external factors continue to impact our ability to keep up with housing needs.

Recommendations to Improve Federal Programs

1. Reforming Community Development Block Grants (CDBG)

- The low- and moderate-income (LMI) beneficiary requirement dramatically limits funding flexibility.
- Adjusting these thresholds would help communities like Columbus better utilize CDBG funds for housing development.
- Current affordability limits:
 - A family of four, with no other debts, earning 50% of the Area Median Income (AMI) can afford a \$118,000 home (5% down), while a family earning 80% AMI can afford a \$187,000 home.

The typical new home price is significantly higher than \$187,000 and unfortunately the average family today is not debt free. Hopefully these basic facts illustrate how CDBG's narrow scope severely limits who will benefit in the real world.

The most affordable housing in any city will always be its existing housing stock, not new construction. New homes can only match the price of existing if developers receive substantial incentives and subsidies.

The current housing shortage is so severe that governments cannot realistically provide enough subsidies to meet demand now and in the future. Supporting workforce housing development would be a more cost-effective solution because they would inherently require less subsidization. Increasing supply of workforce housing will allow families to move up into newer homes, naturally freeing up lower-cost housing.

Attempting to build new housing as the affordable housing option is exacerbating the problem, driving up the cost of federal and state housing programs for taxpayers. By expanding market-rate housing in economically prosperous cities like Columbus, we can open up more attainable housing opportunities for individuals and families that CDBG aims to support.

Instead of focusing solely on creating deeply subsidized housing, programs like CDBG should prioritize building housing that is affordable to the local workforce.

2. Federal Incentives for Pro-Housing Local Policies

Jurisdictions that have taken proactive steps to reform land development codes and eliminate regulatory barriers should be rewarded with increased funding opportunities and grants, with the only requirement being a commitment to housing production. By prioritizing funding for communities that have embraced reform, you can accelerate housing production and ensure that local initiatives are met with the necessary resources to succeed.

Conclusion

Columbus has proactively addressed our housing shortage by changing what we can control through deregulation, direct investment, and local incentives. However, our efforts alone are not enough to meet demand. Federal support in the form of funding flexibility, infrastructure investments, and incentives for pro-housing policies is essential to closing the gap. I strongly believe that housing is one of the greatest limiting factors of continued economic prosperity for this Nations communities. Please join Columbus and so many other cities in thinking more critically about how this vitally important issue can be solved.

Thank you for your time and consideration.