A Report on the Current Status of the Drake Court Neighborhood
December 2018
Twenty years ago, the Nebraska Investment Finance Authority (NIFA) and Joslyn Institute for Sustainable Communities (JISC) spearheaded a revitalization effort on behalf of a distressed portion of downtown Omaha. JISC conducted pre-development studies of the area and led the renovation process of the historic Drake Court Apartments and a newly-created downtown neighborhood school as a catalyst for urban revitalization. The objective was to develop a strong inner city neighborhood that includes low-income and market-rate residential units with mixed-use commercial development.

The initiative was intended to provide a physical illustration of a neighborhood that embodies the potential of urban redevelopment based upon the concepts of sustainability. The project was intended as an example for local decision makers such as public officials, developers, investors and residents.

Conducted in affiliation with Nu-Style Development and several other stakeholders, the renovation of the Drake Court Apartments and establishment of Liberty School were hoped to be a catalyst for change in a part of Omaha that had seen disinvestment and neglect, and thereby creating a stronger, more vital neighborhood with distinct character and a lively, healthy, pedestrian environment in which to live, work, and play.

Five years later, the Drake Court neighborhood became a subject of focus in a second study conducted by JISC. In the nearly 15 years between the Flatwater Metroplex Sixty-Mile Radius Study and Envisioning Regional Design Charrettes and today, the revitalization of the Drake Court District has provided a slow-burning ember that has helped to spark renewed interest in the near urban core neighborhood in Omaha in recent years.
The Drake Court development was in large part responsible for getting the police department to clean up what was known as “Crack Alley”, adjacent to the property, and to further provide for enhanced public safety by routing drug dealers, prostitutes and other illegal and / or dangerous activities from the immediate neighborhood.

However, police department oversight of the area has not remained steady, and business owners, residents and developers in the area give more credit to continued development and occupation by more residents for greater safety and stability in the neighborhood. Residents I spoke with say they now feel safe walking in the neighborhood at any time of day or night. (They also noted that since Nu-Style has once again taken over management at Drake Court last spring—Seldin was managing it for the past several years—things at Drake Court have radically improved.)

Steven N. Jensen, former head of the City Planning Department, said, “The Drake Court redevelopment was a huge shot in the arm for the surrounding neighborhood and together with Liberty School stabilized and revitalized the area immediately south of City Hall. I hate to imagine where that area would be today without those projects. Unfortunately, following the initial investment it took some time before additional reinvestment took hold in the area. That started to change a few years ago as other residential developers began to redevelop the multi-family buildings along Howard and the two residential towers on St. Mary’s west of 22nd.”

Redevelopment is now planned for the apartment buildings to the west of Drake Court along Jones St. between 22nd and 24th. “These buildings are in poor condition and if done right will really help solidify the improvements that were started with Drake Court,” Jensen said.

He noted that there are also plans for a major redevelopment of the Flatiron District to the north and east of Drake Court. “It is a large project that will take some time to fully implement,” Jensen said, “but it would not be happening if it were not for the anchors that Drake Court and Liberty School provide in that area.”

The tenacity of the Drake Court Apartments, Liberty School, Chil-
Children’s Museum, YMCA, The Rose Theater, among others, has provided a baseline for developers, encouraged by stronger public safety in the area and inspired by many of the intact early 20th century structures throughout the neighborhood, to begin investing there. And it seems to be a handful of developers along with some grassroots elements, rather than city planning or policy, that is driving what appears to be a steady and healthy revitalization of the once blighted neighborhood.

Pressures from high-end developments on the west, north and east of the neighborhood are creating ripples of change throughout the target Drake Court neighborhood. At risk is the mixed income, multi-cultural melange of retail, wholesale, public service, multi-family, single-family structures that make this urban neighborhood unique and interesting. Because they base their decision-making primarily (and indeed often solely) on economics, most of the developers in this area are constructing market-rate or above structures.

Among developers investing in this neighborhood are Arch-Icon, Dicon, Nu-Style, S.L. Jensen Construction, Bluestone, Urban Village, David Ulferts, and a group headed by Mark Jepsen of Lincoln. Some, like Arch-Icon and David Ulferts, are rehabilitating early 20th century brownstones and row houses, using Historic Development tax credits; others, like Bluestone, are using PUR (Planned Unit Redevelopment) for variances on parking lots and other areas to construct new multi-family housing. The predominant new and rehabilitated housing is mixed income—mostly at market rate, aimed primarily at young residents who work at the med center to the west or downtown and also at students. And some developers, like Dicon and Bluestone, appear to be committed to construction of upscale and luxury dwellings and retail spaces. Only a small percentage is dedicated to affordable housing, intended for disabled and people living on Social Security and lower-income residents. There has been and continues to be a significant refugee population in this area of the city, though recent years have seen more families than single men who are refugee or immigrant residents.

“Housing affordability continues to be a real problem,” said Derek Miller, Manager of Comprehensive Planning for the City Planning Department. “HUD and NIFA requirements can be onerous
for most developers. But affordable housing is needed. This is one neighborhood that would benefit from more affordable housing.”

Unfortunately, the City Planning Department, in part due to changing political pressure and budget constraints, has shifted its focus away from neighborhoods. And, further, the current City administration wants to move the Children’s Museum and YMCA to the riverfront, which would leave a significant void in this neighborhood, socio-culturally, aesthetically and economically. (The Planning Department’s vision for 2030 pays lip service to this neighborhood, but not much more; in fact, a good portion of the neighborhood is not even included in the City’s planning. See Master Plan Elements for 2030 here: https://urbanplanning.cityofomaha.org/images/stories/Master%20Plan%20Elements/downtown_omaha_2030_web.pdf)

Comprehensive Planning Manager Derek Miller said a strong and somewhat visionary plan for the neighborhood, developed in 2009 during the last city administration, included low-rise development, town-homes, smaller affordable units, and a proposal to relocate the Douglas County Courthouse and affiliated governmental justice structures to an area near the Flatiron, where the Douglas County Jail is now. That plan was scrapped by the current administration.

Nevertheless, some developers are continuing to invest. Two new housing projects in the neighborhood were announced in October 2018: renovation of two currently abandoned 100-year-old apartment buildings at 22nd and Jones by Dave Paladino, who owns a considerable amount of property in this midtown neighborhood, and a development of new townhouses on what is now a parking lot at Park Avenue near Mason Street. Both have been approved for TIF financing, and will be market-rate or above housing.

Paladino said he’s acutely aware of the critical need for low-income housing in the neighborhood, but said the economics of both paperwork and construction costs make it necessary for him to focus on market-rate development. Over the years, Paladino has rehabbed the Anderson Apartments, Ansonia, the block of apartment buildings including the Madison and Monroe along the south side of Jones Street just west of the Drake Court, and has applied for TIF for two 100-year-old abandoned apartment buildings...
on the north side of Jones, the Ainsworth and Beverly apartment buildings.

TIF is the most typical incentive used by most of the developers. But Bridget Hadley of the Planning Department noted that the use of PUR and TIF in this neighborhood’s developments has not been as extensive as one might expect for an area that has been designated as blighted in the past. In the area, PUR was used most extensively in the Park Avenue area. Also somewhat surprisingly, there has been no use of PACE or Enhanced Employment Designation in this area, she said. Hadley did a study of TIF projects in Omaha 2000-2016 (https://planninghd.cityofomaha.org/images/TIF_Documents/Overview_TIF_Report_2000-2016-Final-April2018_Reduced.pdf) which includes a map of all paid and active TIF projects in the entire city. There are about 9 or 10 in the midtown neighborhood where Drake Court is sited. Only one developer has used NIFA’s LIHTC and intends to continue to focus on such mission-related development.

One federally-based incentive that has yet to be used, according to Derek Miller, is Opportunity Zone tax avoidance. “Everything north of Pacific Street is included in an Opportunity Zone,” he said. This provision of the most recent federal tax law allows anyone with capital gains to avoid any taxes on them by investing in an Opportunity Zone.

Destination Midtown was a development plan in 2008 that really did not go anywhere. At that time, the City Planning Department,
Chamber of Commerce, developers and the Park Avenue Neighborhood Association worked together on the Park Avenue Apartments. The Park Avenue development was and remains significant, but the rest of the neighborhood did not receive the same kind of focus, and the Destination Midtown redevelopment plan, was more or less abandoned by the incoming city administration.

Since that time, the City Planning Department has not addressed planning in any of the sub-areas within the neighborhood, nor in the neighborhood itself. In fact, everyone interviewed agreed that in more recent years city planning, policing, incentives, and public works have more or less ignored neighborhoods generally, and this one, among others, in particular. (A few people I interviewed said the city administration has impeded smart, holistic, and sustainable neighborhood development.)

Nevertheless, Derek Miller of City Planning said some attention is being given to the 24th Avenue and Harney area, and major development is forthcoming for a short stretch of Farnam between 24th and 26th or so. In addition, he said, a corridor study is planned from Creighton south to Leavenworth, with particular focus on the impact of a “road diet” along 24th from Dodge to Leavenworth. And bike paths are being considered for Harney and Farnam streets.

Hopes for light rail or streetcar along these thoroughfares are still alive, he noted. “At a cost of $200 million, I would say that a streetcar in this area would have greater positive economic impact than the riverfront development that is being planned.” Nevertheless, TOD policy is without support in the current city administration. Without a robust city plan for infill and bolstering density in a vital, healthy way within the urban core, sustainable development in this neighborhood will continue to be left to chance.

There is one small exception: Christian Gray, Executive Director of InCommon—a CDG with a focus on workforce education, leadership training, community organizing, affordable housing, neighborhood stabilization, especially in “tipping point” neighborhoods, and asset-based community development—has been working with Amy Haase of RDG on actual planned development, the only short- and long-term neighborhood development plan that exists for this area.
While InCommon and RDG’s neighborhood plan was begun before the development of the Park Avenue apartments, it was not evolved enough to have an impact there. However, since that time, their planning process has progressed to a point where implementation and execution are under way. Their planning incorporates an in-depth neighborhood listening program, social capital survey (something they’ve found so valuable they do this survey annually), and is intended to be transferable and scaleable, so that adjacent neighborhoods and other neighborhoods in Omaha and other cities might benefit from it. While In Common and RDG’s plan is at the periphery of our target Drake Court neighborhood, they are planning to apply it in the adjacent Columbus Park neighborhood, which is sub-area of our target neighborhood.

InCommon and RDG have incorporated a much more holistic approach in their planning, establishing many indicators that would fit well within the Sustainometrics paradigm, taking into account such factors as green spaces and conservation, resident-developer coalitions, avoiding cultural displacement and advancing socio-cultural vibrancy, and more. Of all those interviewed, InCommon is the only one I’ve found that has been working closely with NIFA and, though unintentionally, hewing more to a Sustainometrics kind of model of planning and development. (It is worth noting that one of their more dynamic proposals—a multi-use structure with retail on the ground level and housing above—was rejected by the City because it did not allow for enough parking spaces. It must be noted that an overabundance of parking spaces and parking lots in this entire neighborhood is a serious impediment and code issue, both lessening the aesthetic appeal of the area, and working against walkable, bikeable, green and aesthetically pleasing streetscapes.)

Gray meets on Saturday mornings at Gerda’s with an informal group of developers, who keep one another abreast of what is happening there. While there is no formal or official development coalition, Darren Smith of Arch-Icon noted that most developers and businesses in the neighborhood are friendly and stay apprised of what is going on in the neighborhood. There is one strong coalition: the Flatiron Development Group, which is primarily interested in the property immediately surrounding the Flatiron, a sub-area within the neighborhood. Active in this group are Dicon, the Jamrozy’s who own the Flatiron restaurant, and Charles Gif-
ford who owns the bath design shop there, and a few others who own adjacent properties.

In addition, Christian Gray of InCommon meets monthly with a coalition of local businesses in the area, working to develop methodologies to increase and stabilize the businesses and the conditions for growth in the neighborhood.

In the neighborhood at large, there is a small group working to give the neighborhood a stronger identity, with plans to brand and market the neighborhood as The Quarters. So far, the group has no real mandate, but is as close to an overall neighborhood association as this area has. Dave Ulferts showed me marketing materials they have produced.

Ulferts, one of the group promoting The Quarters identity, did a splendid job of rehabbing the Travers Row Houses, a series of houses on 26th Street and St. Mary’s, along with the owner of the barber supply and barbershop adjacent to the row houses. His group is part of what used to be the Park Avenue East Neighborhood Association, a more grassroots group working to bring more vitality, cohesion, and stable growth to the area. (See https://www.omaha.com/money/now-called-the-quarters-area-between-downtown-and-midtown-aims/article_4be5371f-1b77-5bb3-97d2-165ddad0f612.html and http://omahamagazine.com/articles/park-east-neighborhood-rebrand/).

The Quarters group would like to establish a Business Improvement District (BID) in order to collect taxes for improving lighting, streetscapes, create green spaces, increase bike routes, and so on. Right now, the City offers no incentives of scale to establish such spaces. “In fact, there is no land plan in Omaha at all,” Ulferts said. “Yet these things are good for the city, good for the environment.”

To attract fresh capital, he said, “we need incentives” to invest in this neighborhood. Besides the City’s lack of interest in this neighborhood, two other disincentives have been the continual problems: crime around and emanating from Jackson Tower (public housing) and the location of the Douglas County Corrections Department. Douglas County plans to locate its juvenile justice facility in the neighborhood as well, he said, which could make it dicier for developers like Dicon to locate upscale and luxury apartments, Completely Kids is considered an exemplary neighborhood asset by many residents and developers

Lutheran Family Services has several facilities in the neighborhood

CASA has an important location within the neighborhood

The downtown YMCA on 20th is a critical anchor in the neighborhood
shops, and restaurants in the immediate area. (The location of the Douglas County Juvenile Justice Center continues to be a question, but a fairly quick-moving one. A current proposal is to locate it in the Metropolitan Utilities District building at 18th & Harney, and the county has offered $6 million for the structure.)

Dave Paladino said policing in the neighborhood has been poor. He has hired full-time security for some of his properties in the Jones Street/Leavenworth areas. Interestingly, Paladino noted that wages in Omaha—and in Nebraska, generally—are far too low, and help to foster some crime and unemployment. “Many people who live on Jones Street don’t have jobs. And low wages are a serious problem. It also helps to create the ‘brain drain’ we are seeing in Omaha and Nebraska.”

Nevertheless, both Paladino and Dave Ulferts said, in general safety has improved; there is less prostitution and drug-dealing in the neighborhood.

“We used to have beat cops on bikes, but not anymore,” Ulferts said. “We now have a business watch group. It is easier for us businesses to get together to help improve things here, easier than it is for residents of this neighborhood, and the City isn’t doing anything. So we do it. We are committed to safety, beautification, helping neighbors get to know one another.” Establishing a BID would help, he added, noting that better lighting, greater and better pedestrian and bicycle access, slowing traffic would all help the area.

Paladino also likes the idea of establishing a BID in the area. His vision of the neighborhood is for retail and commercial development—as in the Old Market and Blackstone neighborhoods—and a good mix of housing: multi-family, single-family, upscale and low-income.

For Ulferts, Travers Row was a labor of love. He used state and historic preservation tax credits to save and rehab the charming row houses, and the development took him three years. It has become a vital, vibrant part of the neighborhood and has “true urban village” characteristics. (A small vignette: a young man renting one row house fell in love with a young woman across the brick-paved street, and they are getting married and moving into one.
Renters at Travers Row pay market rates and they primarily are employees downtown or at the Nebraska Med Center. “Travers Row is a real progenitor, fostering the growth of businesses and stable housing in the neighborhood — one of our proudest accomplishments is that we are providing better lives for people.” He said many of the younger residents are coming from small towns in Iowa and Nebraska, and they prefer the small-town-within-a-big-city atmosphere this neighborhood can provide.

He said the amount of affordable housing in the Drake Court and Park Avenue neighborhood is dwindling. “There is less truly affordable housing here than before.” Nonetheless, he sees a sense of pride growing in the neighborhood, and said his own neighborhood association is growing as well. But, he said, what makes this neighborhood unique and interesting is the socio-cultural diversity, the economic diversity, the mix of retail and wholesale, social services and residential, and the predominance of older buildings. Unless there is conscious, sustainable planning in place and support for it, what makes this neighborhood unique might be lost.

Among new apartment complexes in the neighborhood are the Highline, Junction, Garage Lofts, and a half-dozen others. The small but continuing growth of invested residents in the neighborhood has brought new businesses to the area, and they have helped to bring new hotels to the neighborhood. Perhaps as or even more important to many of the long-term residents in the area are the public agencies and service organizations located in the vicinity, which help to promote vitality, cohesion and a stronger sense of neighborhood. Among these are Completely KIDS, Lutheran Family Services, the Indian Coalition, YES, CASA, Liberty School, In Common, YMCA, and others.

Amy Haase and others noted that many new residents are millennials who want an urban neighborhood where they can raise a family. So they want safe, walkable streets. Empty-nesters are another source of newer residents in the area, she said, and walkability and safety are equally important to them.

In addition, the work being done by In Common is helping renters—especially those in the single-family homes of the Columbus Park area—to enter responsibly into rent-to-own contracts, creating greater solidity and a stronger base of residents vested in the...
health and well-being of the neighborhood.

Christian Gray said, “With just the market-rate development, the numbers of eyes on the street has increased - a kind of Jane Jacobs sort of thing, meaning that there was been a real dip in anti-social development.” Thus, in spite of a lack of attention by the Omaha Police Department, public safety has improved. There is less prostitution, drug dealing, vagrancy, robbery and vandalism. These changes mean that foot and bicycle traffic has increased. The more populated streets are becoming more walkable.

In a previous mayoral administration, a bike lane was added to Leavenworth Street, and there is a growing advocacy for streetcars to return, if not to the immediate area, at least to areas adjacent to the neighborhood. Chris Wayne of the Planning Department, noted that Public Works is advocating more “road diets” to slow motorized transit and promote walkability. And Darren Smith of Arch Icon said that there is a proposal to make 24th Street a two-way street again to improve traffic conditions there. Other one-way streets are being targeted to become slower two-way streets with sidewalks and bike paths as well.

Currently there are few green areas within the neighborhood, no district energy system, only one sub-area plan (In Common and RDG, focused on the Woolworth & Park Avenue, Hanscom Park area), and no area-wide wi-fi access. Both Dave Ulferts and the Quarters neighborhood coalition and In Common have established community gardens. In Common has also established a playground on an empty lot, worked with residents to plant trees, and helped to develop a soccer field in Hanscom Park. In addition, Metropolitan Community Church (whose congregation includes quite a number of Drake Court residents) provides free wi-fi to anyone within range of the church. The church appears to be one of two or three small bulwarks in the neighborhood and has been holding Neighborhood Night Out events and doing some limited outreach into the neighborhood. In Common also provides computers and wi-fi to drop-ins.

Metropolitan Community Church’s Pastor John (who did not give his last name) noted that there are a few bars and a couple of restaurants in the neighborhood, as well as a few coffee houses. But there is no grocery store nor pharmacy in the immediate area. He
loves living in the Drake Court Apartments, loves the neighborhood and spends 95% of his time in it. He noted that public transit for traveling to a grocery store on Saddle Creek Road is relatively convenient. He also said that over the past six years he has seen a pretty small but steady growth of population, stability, safety, and vitality in the neighborhood.

Jamie Berglund, Executive Director of SPARK, previously worked with Omaha by Design and the Chamber of Commerce. While there, part of her responsibilities were to work in the area west of downtown that includes the Drake Court. She established the Destination Midtown program and spent a lot of time in the neighborhood. (She lives just south and west of the neighborhood.) One example of her work there: Partnering with Emerging Terrain, they created “trugs” seating and planting installations made of corrugated steel throughout the neighborhood in parking lots and other unused areas. They held weekly events and did a lot of neighborhood outreach. This was done in 2011 and 2012, and the trugs were uninstalled in the late fall of 2012.

(Emerging Terrain is a built environment research and design agency, which works to diversify “post-agrarian landscapes, investigate the rural/urban edge, reshape obsolescence, and intercept excess”, and is headed by some people you likely know - Doug Bisson, Elaine Buescher, Carol Gendler, among others. I think they were responsible for the paintings on the grain silos along Interstate 80 in Omaha, among other projects."

Berglund said that much of the change over the past 15 years in the neighborhood has been “pretty organic”, i.e., rather than coming from City of Omaha incentives, it’s coming from residents and a few developers and interested property owners. As a result, she said, change there has been very slow, though interest among property owners, non-profits, and businesses in the area remains strong. Code issues have scotched some plans for redevelopment and revitalization, and overall there needs to be a higher density to attract many developers/businesses, she said.

By far the strongest and potentially most meaningful work is being doing by several groups/agencies with the goal of strengthening multi-modal transport in the neighborhood and adjacent neighborhoods. Creating more two-way streets, slowing traffic, creating
more walking and biking paths is part of a significant overall effort that proponents see as a way to eventually increase the density in the neighborhood and thereby increase its attractiveness to developers.

Jamie mentioned two groups that have an interest in the area, though the Drake Court neighborhood is only a small part of their focus: Downtown Omaha Inc. and the Midtown Business Association.

I also found and spoke with another neighborhood association leader: Frank Nanfito of the Columbus Park Neighborhood Association. We did not have much time to talk, but he said that because most of the change in the neighborhood is coming from the grassroots, change has been very slow and sporadic. One thing that is most encouraging to him and his group is a new city policy that will sell rundown buildings to buyers for pennies on the dollar for rehabilitation, with no taxes being levied for 10 years. Nanfito noted that so many of the buildings in his area of the neighborhood could benefit from this program. He plans to speak with me at greater length in the future.

And, finally, I was able to spend some time speaking with Royce Maynard of Dicon. Dicon is a relatively dynamic developer that has been in the news lately because of Douglas County plans to build a juvenile justice facility in the area around 19th-20th and Jones-Howard. Dicon’s major focus is on the Flatiron Building and immediate environs. Dicon owns the Flatiron and several nearby properties. They have a long-term mixed-use development plan for the area that will follow the lead set by neighborhoods like the Blackstone, Dundee, Aksarben and Midtown Crossing. They intend to use TIF and Historic credits in the development, which will include relatively upscale multi-family housing, retail, restaurants, office space, etc. Right now, they are interfacing with City Planning and Public Works to discuss accessibility and aesthetics and public safety, turning one-way streets into two-way streets to slow traffic, improve walkability and increase foot and bicycle traffic.

While the Flatiron District is adjacent to our target Drake Court neighborhood, the strength of its developer/property owner coalition and their cohesive planning will surely have repercussions and ripple effects in the Drake Court neighborhood. The Flatiron District will not be using LIHTC or other affordable/low-income incentives, since their focus is on market-rate and higher occupants. That leaves me wondering what the effects will be on our target neighborhood.

Submitted by Diane Wanek
Joslyn Institute for Sustainable Communities
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Original indicators from Drake Court study, below
How my findings so far fit into the Drake Court Sustainometrics diagram:

**SOCIO-CULTURAL**

Public Facilities
- Liberty School
- Community Garden
- Completely Kids (social services)
- Lutheran Family Services (social services)
- CASA (social services)

Urban Village
- More successful in some parts of the neighborhood than others, but all are striving for it

Safe Streets
- Generally safer streets, due to “more eyes” on the street, not due to policing

**ECONOMIC**

Locally-owned businesses
- More locally-owned businesses—both retail and commercial—have been established in the neighborhood; more are needed
- Some non-locally-owned businesses have moved into the area as well, such as a hotel

Affordable Housing
- Only one or two small developers (InCommon and Arch Icon) have been working to establish more affordable housing; there is less affordable housing than there was 15 years ago

City Incentives
- Only very small grants are available for small projects like community gardens; few financing incentives are available other than TIF

**TECHNOLOGY**

District Energy System
- None envisioned

Wi-Fi Access
- Very limited to tiny parts of two sub-areas

Multi-Modal Transportation
- Widely seen as no real challenge or obstacle; but also not fully multi-modal yet

**ENVIRONMENT**

District Identity
- The strongest of the neighborhood associations (The Quarters and The Flatiron) are working hard to promote these brands/identities

Walkability/Bikeability
- Some progress has been made here, but all interviewed agree more progress is needed

Green Spaces
- No real progress here, with some tiny exceptions like a children’s playground in an old empty
lot, and a soccer field in an already-established park

PUBLIC POLICY

Sub-Area Plan
   In Common and the Flatiron Development Group are the only two with cogent plans; the city has none

Green District
   None envisioned or planned

Development Coalition
   A loose one exists, but is a coalition of developers, leaving out residents and businesses, churches and non-profits in the neighborhood; InCommon is working to form a kind of development coalition among residents, business owners and developers

Note: Appendix continues with attached Excel spreadsheet, indicating building permits issued over the past 15 years for this neighborhood.