

## Affordable Housing Needs Assessment

City of Ann Arbor 2007



## Sponsors

- City of Ann Arbor
- Washtenaw County
- Ann Arbor Downtown Development Authority
- Michigan State Housing Development Authority
- Fannie Mae
- Ann Arbor Area Board of Realtors
- Ann Arbor Area Community Foundation

## City and County Partnership

- Office of Community Development
  - Jennifer Hall, Housing Program Coordinator
- GIS Departments
  - Kim Wraight, Washtenaw County GIS
- ITS Departments

## Three Consultants

- J-Quad and Associates
- Community Research Services
  - Kelly Murdock, Managing Partner
- Sanborn and Associates



## Purpose: Strategic Change

- To provide a tool for decision makers to more effectively implement regional planning, allocate resources, leverage funds and develop additional affordable housing based on study results.
- To prioritize funding for Community Development projects, including income targeting, location, bedroom number, tenure and type of activity (new construction, acquisition, or rehabilitation)
- To encourage public-private partnerships and community discourse on long-term planning objectives and to fund specific housing, neighborhood infrastructure and mixed-use economic development projects

## What is Affordable Housing?

- Rental or owner
- *Less than* 30% of gross income
- NOT 30% of gross income
  - especially for renters and households under 50% AMI
- Includes utilities, taxes, insurance
- Otherwise considered cost burdened

## HUD 2007 Income Limits –

Ann Arbor Area PMSA includes Washtenaw and Lenawee Counties

| Household Size      | 1        | 2        | 3        | 4        | 5         | 6         |
|---------------------|----------|----------|----------|----------|-----------|-----------|
| 120% Median         | \$65,772 | \$75,168 | \$84,564 | \$93,960 | \$101,477 | \$108,994 |
| Median Income       | \$54,810 | \$62,640 | \$70,470 | \$78,300 | \$84,564  | \$90,828  |
| Low (80%/76%)       | \$41,700 | \$47,700 | \$53,850 | \$59,600 | \$64,350  | \$69,150  |
| Very low (50%)      | \$28,850 | \$32,950 | \$37,100 | \$41,200 | \$44,500  | \$47,800  |
| Extremely low (30%) | \$17,300 | \$19,750 | \$22,250 | \$24,700 | \$26,700  | \$28,650  |

Based on the Median Income of a household of 4. The 80% Area Median Income (AMI) cannot exceed the National Median Income, therefore the 80% AMI is actually 76% AMI. The A2 PMSA used to include Livingston County until 2007. The 50% AMI decreased statistically, but was grandfathered in at the 2006 levels.

## County-wide Indicators

- Household characteristics
  - Disability
  - Female headed
  - Dependents
  - Large families
  - Income
- Housing supply
  - Age of Structure
  - Overcrowding
  - Cost Burden (over 30% income)
  - Detached vs Multi-family
- Change in affordability
  - Poverty
  - Housing values
  - Unemployment
  - Rental costs
- Quality of Life
  - Schools
  - Travel Time
  - Linkages
  - Employment Sources
  - Services (food, medical, parks etc.)

## County-wide Recommendations

- Regional Planning
  - Distribution of new construction
  - Distribution of rental
  - Transportation
  - Jobs
- Mortgage & Tax Foreclosure
  - Over 100/month – mortgage 1<sup>st</sup> insertion
- Homelessness
  - Prevention
  - Additional units
- Owner Rehabilitation
  - Neighborhood revitalization
  - Tax Base
  - Modernization
- Senior Housing
  - Over 65 largest population growth since 1990
  - 50% increase in suburban & urban county
- Energy Efficiency
  - Universal Design
  - Long-term cost savings

## Downtown Ann Arbor Indicators

- Ranked the highest in the change in the median housing value with an increase of over 210 percent between 1990 and 2000, indicating decreasing affordability.
- Ranked highest in the percent of households earning below \$10,000 and second in poverty, indicating a need to preserve housing for this income group.
- Ranked lowest for percent of female headed households with children and percent of families of 6 or more earning less than \$25,000 indicating that families with children are not living in the downtown.
- There are no schools to rank in the downtown area, indicative of an area more attractive to empty nesters, young professionals without children, and single adults than family households.
- Ranked best in commute time to work indicating that many downtown residents are working in or near the downtown.

## Downtown Ann Arbor Recommendations - Tools

- Tax Increment Financing
- Brownfield Redevelopment
- Planned Unit Development (PUD)
- Zoning Premiums
- Municipally-Owned Land
- Rehabilitation Code Promotion
- Large Scale Multi-Unit Construction
- Rental Assistance

## Downtown Ann Arbor Recommendations - Units

- Homeowner Units:
  - 30 new efficiency & 1 bedroom units for 60% - 80% AMI
  - 20 new efficiency & 1 bedroom units for 80% - 120% AMI
  - Preserve 10 units through rehabilitation
  - 10 down payment assistance
- Rental Units:
  - Preserve 20 rental units for 80% AMI and less
  - 10 new efficiency & 1 bedroom units for under 50% AMI
  - 20 new efficiency & 1 bedroom units for 80% - 120% AMI
- Special Needs:
  - Preserve all existing special needs units and shelters
  - 100 new PSH units to replace YMCA SRO

## Rest of Ann Arbor Indicators

- Ranked highest in the average school score, indicating a strong attractor to the city for families with children.
- Ranked fifth (behind Ypsilanti and the college areas) in the percent of homeowner households where housing costs exceed 30% of income, indicating affordability issues and a need for the preservation of low-income owner housing.
- Ranked fifth (behind downtown and the college areas, and the county's small cities and villages) for an increase in poverty.

## Rest of Ann Arbor Recommendations - Tools

- Tax Exemption (new law)
- Tax Code 63/20
- Revenue Bonds, Revolving Loan Fund, and Section 108 Loans
- Planned Unit Development (PUD) Ordinance
- Accessory Dwelling Units
- Municipally-Owned land
- Cooperatives
- Medium and Large Scale Acquisition and Rehabilitation
- Rent Assistance
- Cottage Housing
- Intentional Communities for Disabled Households
- Permanent Supportive Housing

## Rest of Ann Arbor Recommendation - Units

- Homeowner Units:**
  - 40 additional 2 – 4 bedroom units for 50% - 80% AMI with resale restrictions (Habitat 30% -50% AMI)
  - Preserve 240 units through rehabilitation and energy efficiency improvements
  - 60 down payment assistance
- Rental Units:**
  - 120 additional subsidized 0 – 4 bedroom units for 0% - 50% AMI
  - 600 units preserved for affordable housing 0 – 4 bedrooms 0% - 80% AMI
  - Preservation of all existing income-restricted rental units
- Special Needs:**
  - 100 additional units of independent and assisted senior housing
  - 200 additional units of permanent supportive housing for under 30% AMI which could be off-set by tenant-based rental assistance (TBRA) vouchers

## Countywide Priorities, Including Ann Arbor

- 1) Mortgage Foreclosure – Immediate Crisis
- 2) Preservation of existing units – Don't lose what we have - Owner and Rental
- 3) Regional Economic & Community Development – Our neighbors success is our success
- 4) Permanent Supportive Housing – Critical for long-term success
- 5) Seniors – Looming crisis

## Next Steps

- Annually work on a minimum of 2 priorities from the assessment that result in strategic policy development by staff, HHSAB, and City Council
- Neighborhood Level Recommendations
- GIS training
- GIS annually updated



<http://housing.ewashtenaw.org>

