

Washtenaw County Housing Affordability and Economic Equity - Analysis



czb

czb is an Alexandria, Virginia - based community planning practice specializing in econometric analysis, community engagement, and strategy and comprehensive planning - www.czb.org



OFFICE OF COMMUNITY &
ECONOMIC DEVELOPMENT

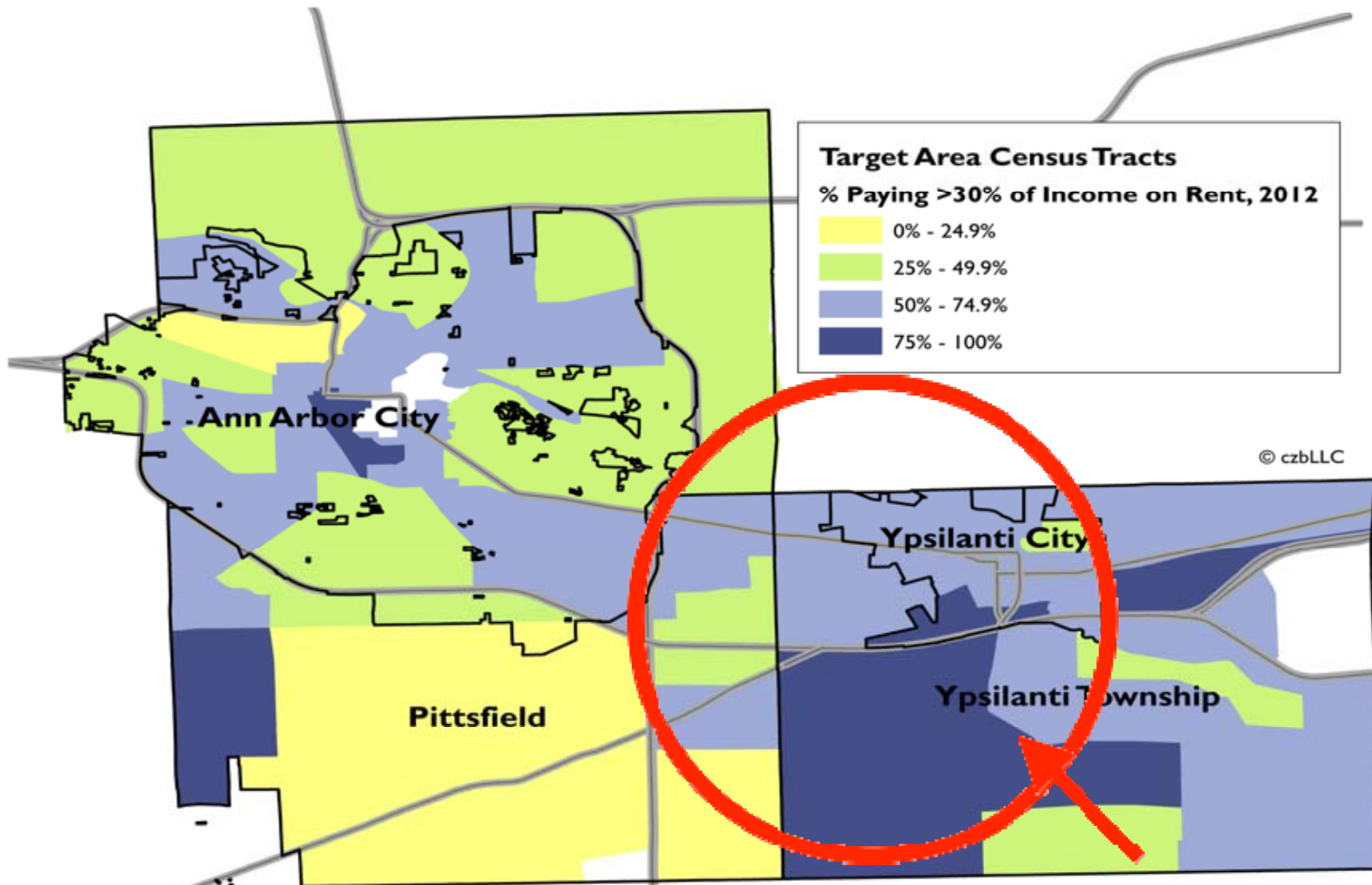
What have we been doing?



czbLLC 2014

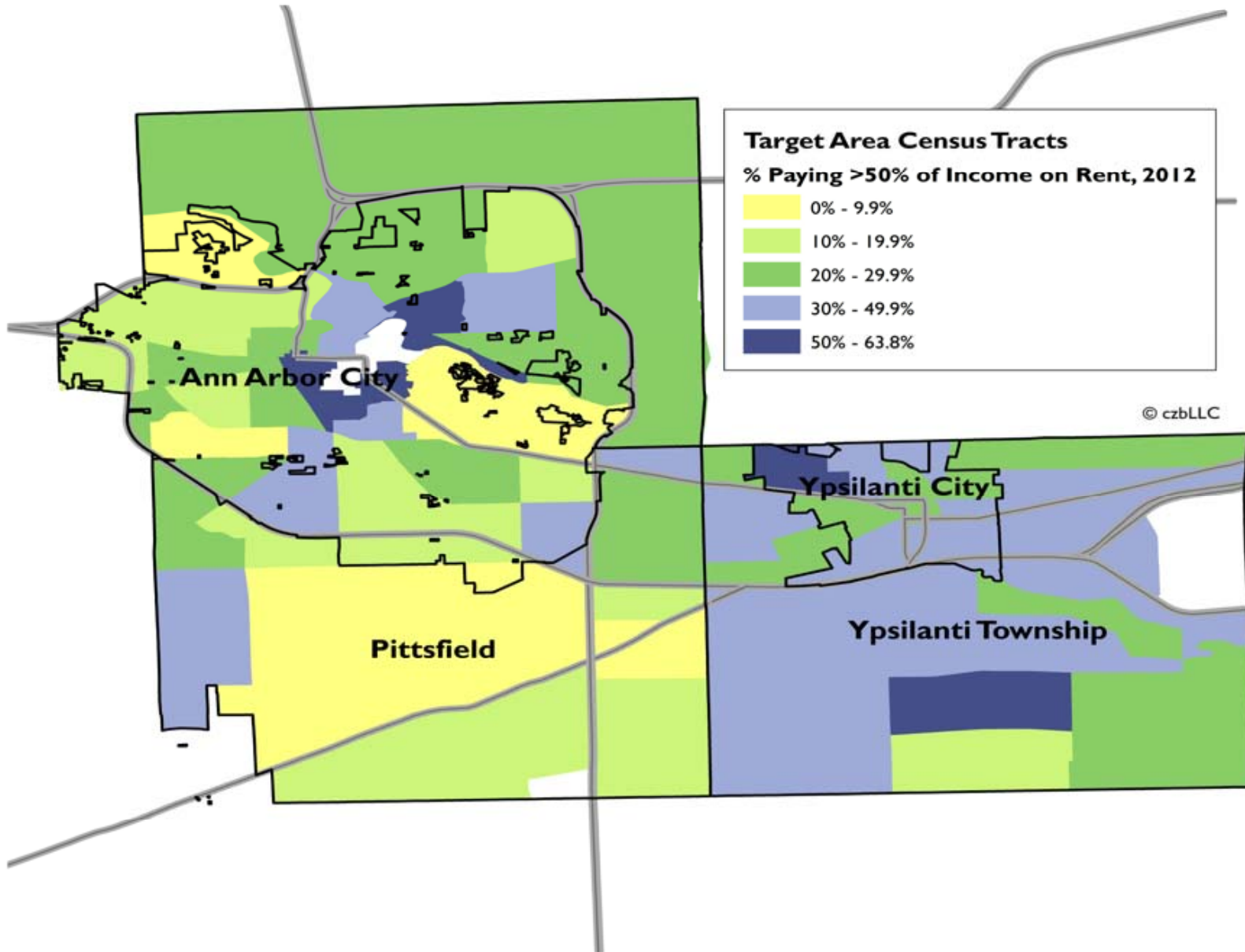
Why do you keep hearing about
affordable housing?

UNAFFORDABILITY: 56% of all renters pay more than 30% of their income on housing

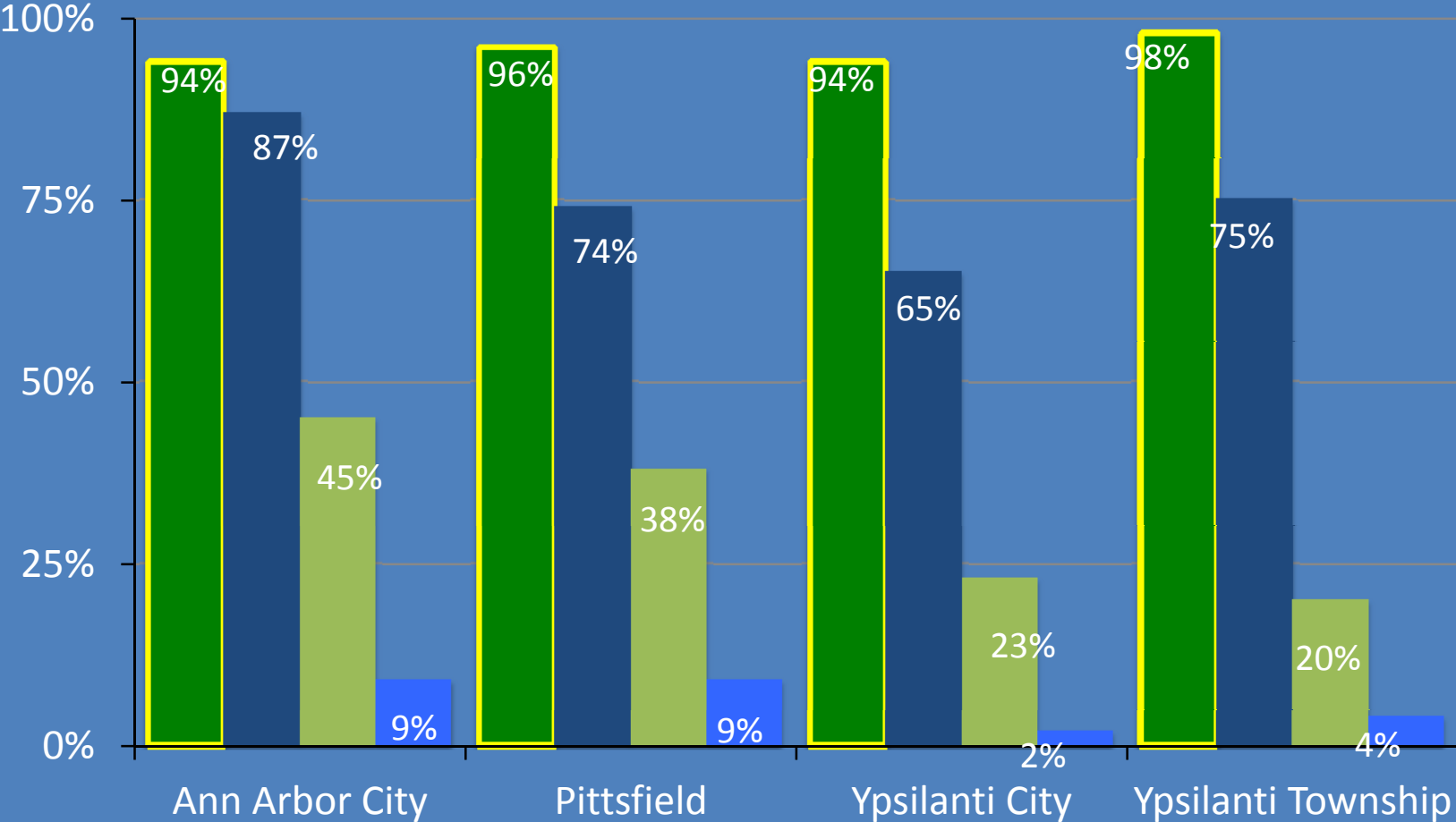


Nearly every HH paying >30% of their income for housing

UNAFFORDABILITY: 32% of all renters pay more than 50% of their income on housing



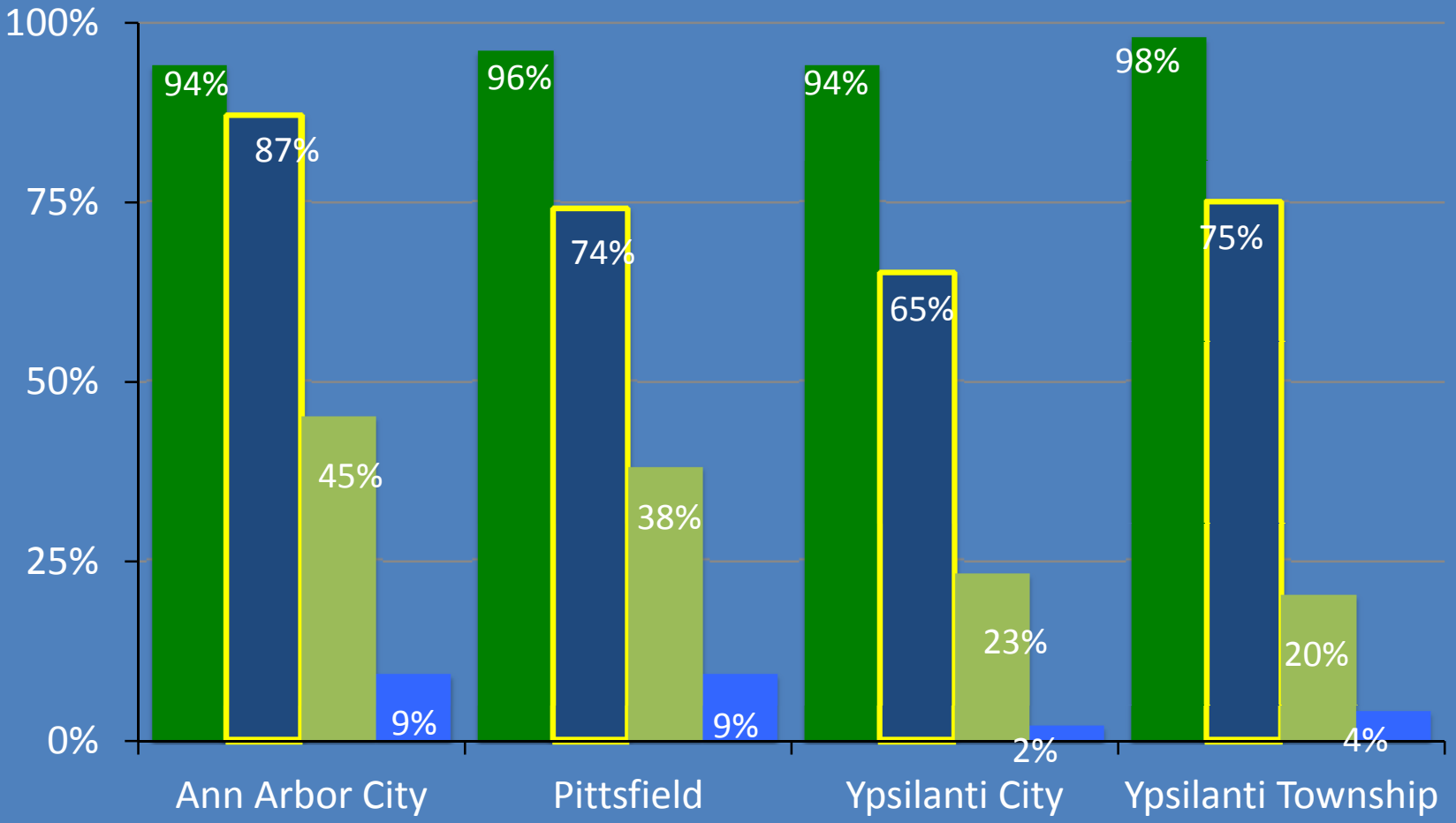
Unaffordability: % paying >30% of income for housing



■ < \$20,000 ■ \$20,000 - \$34,999 ■ \$35,000 - \$49,999 ■ \$50,000+

Poor HHs

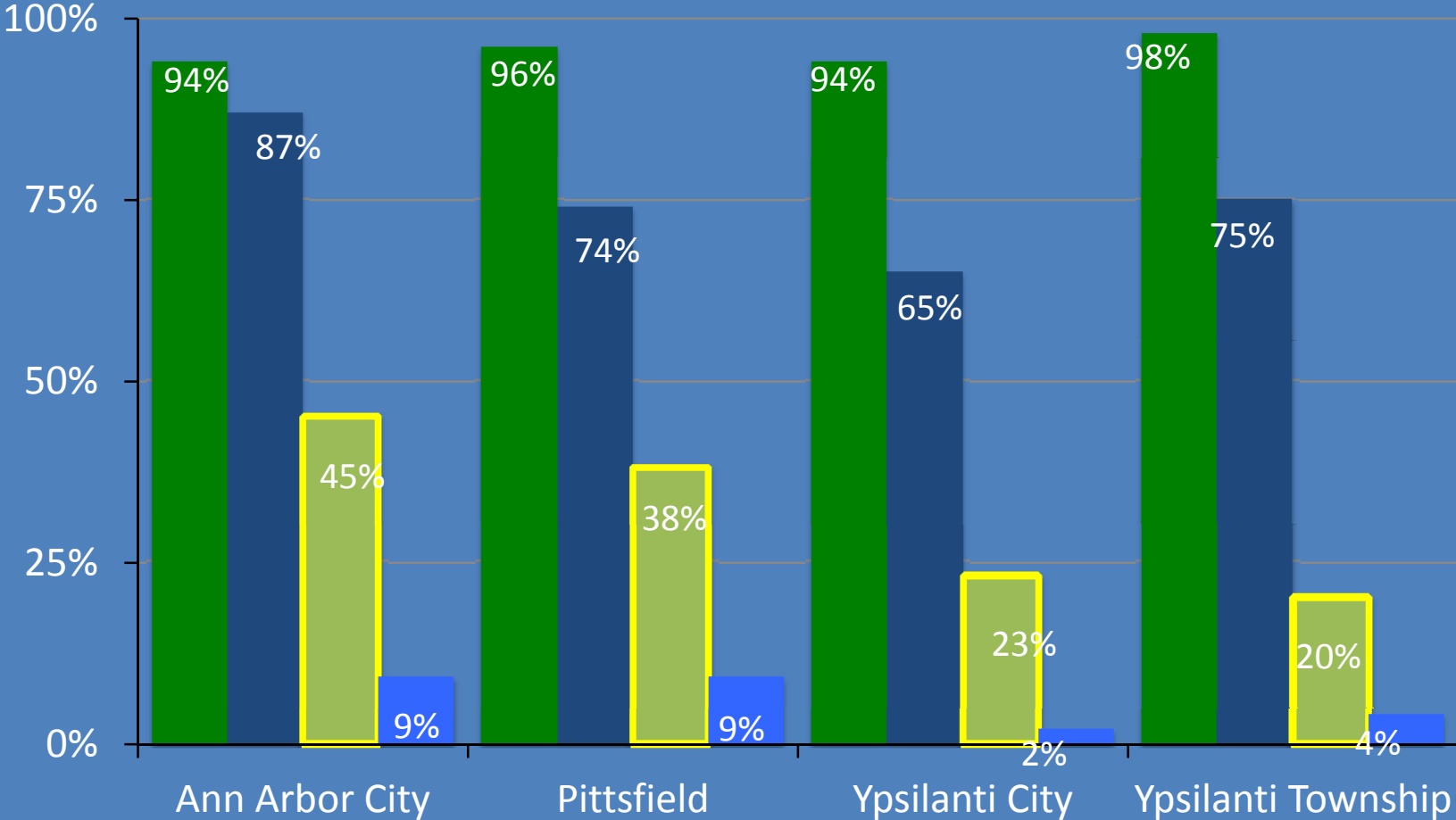
Non Student working HHs earning \$9-\$16/hr paying > 30% of income for housing



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Working Hourly

Unaffordability: % paying >30% of income for housing



< \$20,000 **\$20,000 - \$34,999** **\$35,000 - \$49,999** **\$50,000+**

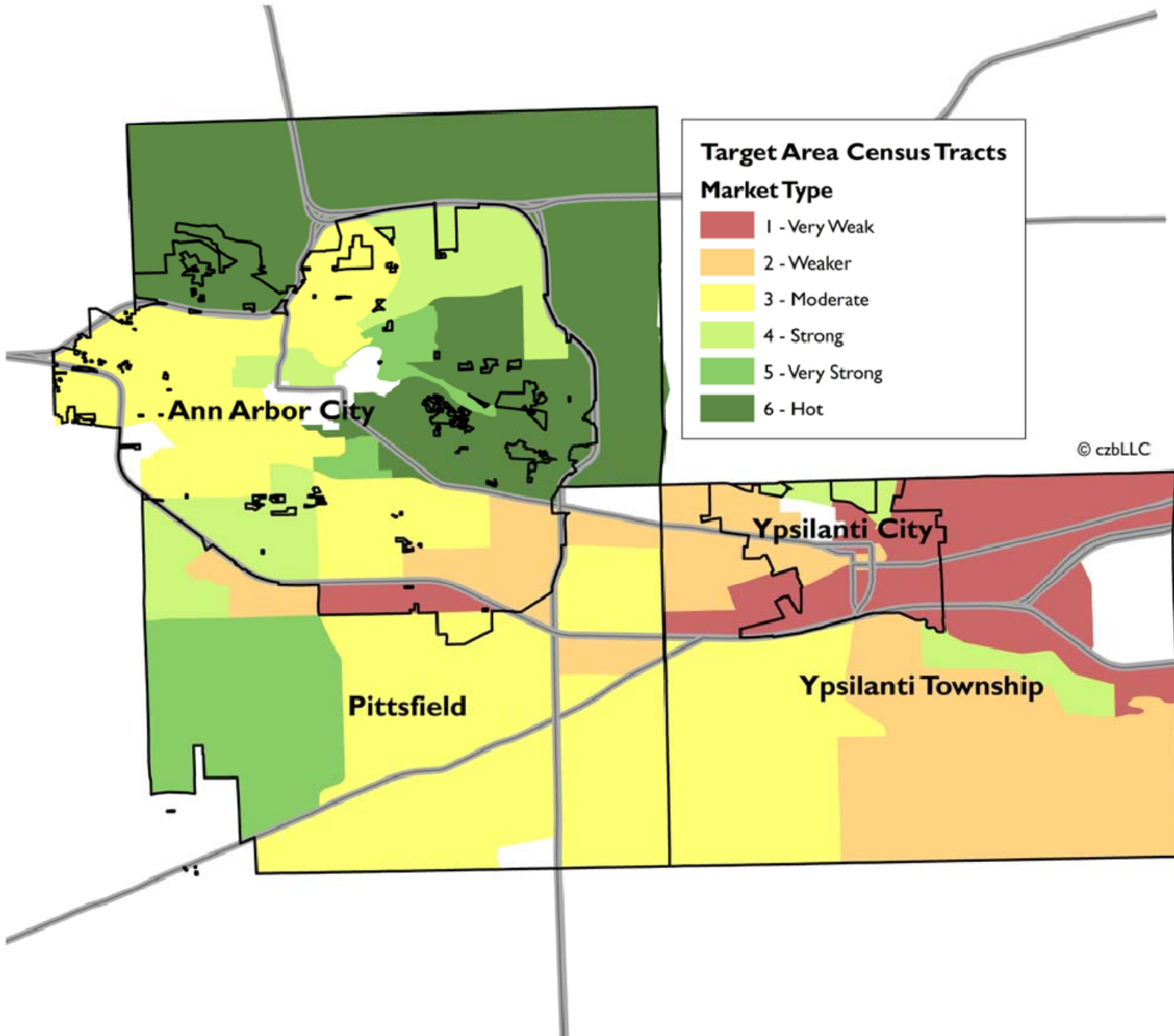
Salary

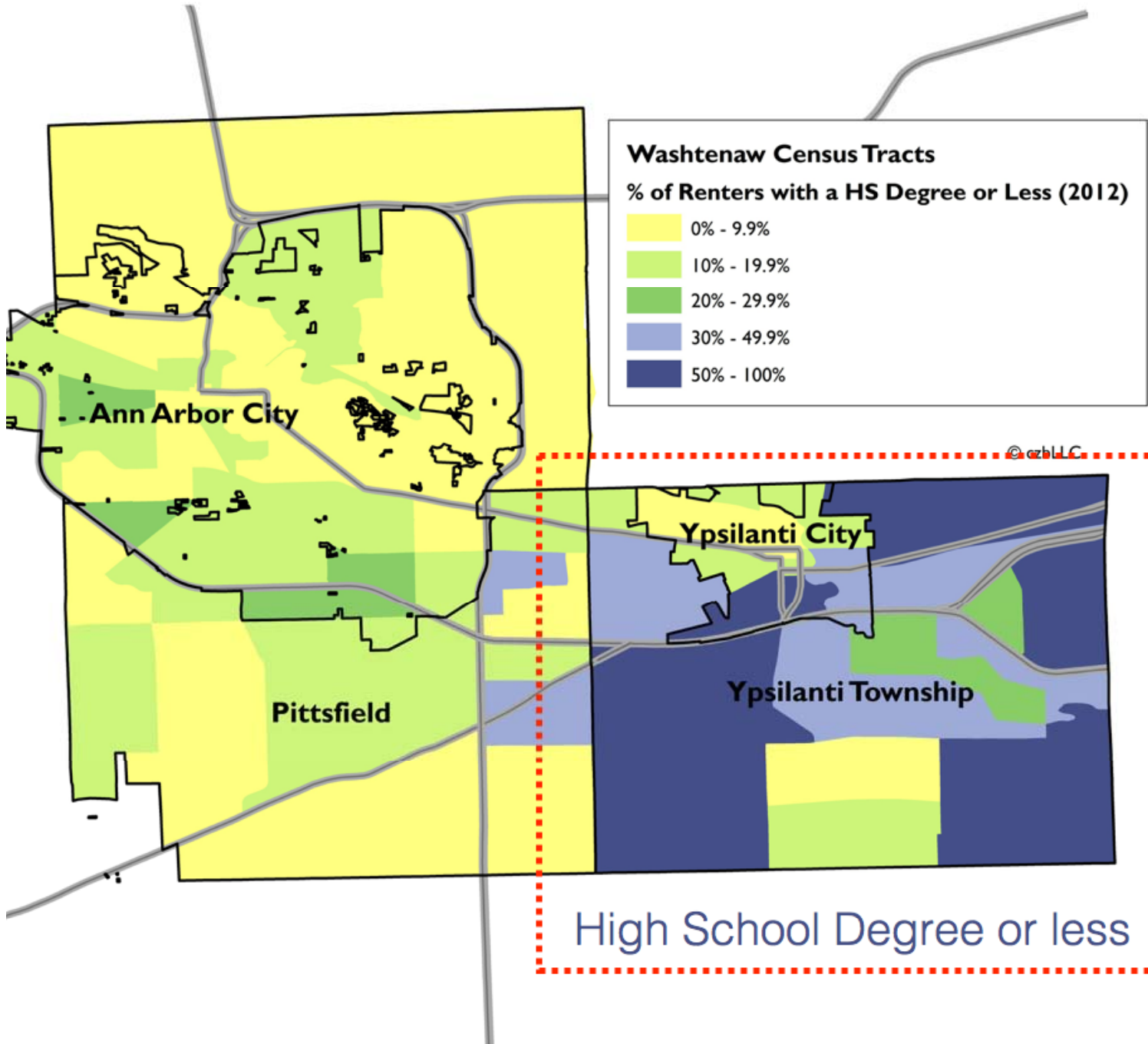
Aren't we just like every other overheated housing market?

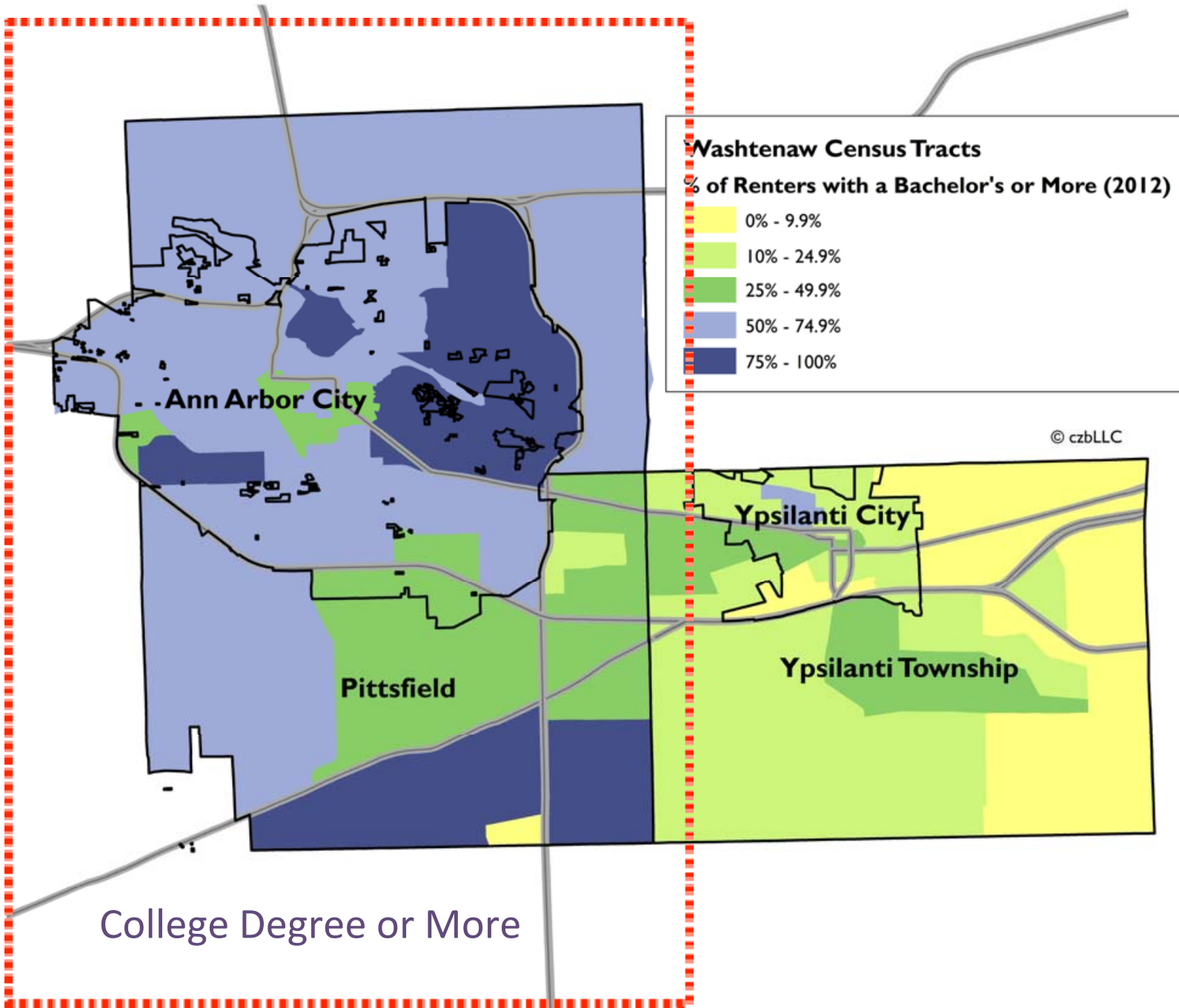
NO

	Median HH Income	Median Home Value	Ratio
Chapel Hill, NC	55,305	343,033	6.20
Boulder, CO	56,207	477,200	8.49
Alexandria, VA	81,160	501,200	6.18
Boston, MA	51,642	370,040	7.17
San Francisco, CA	73,012	727,600	9.97
Austin, TX	52,453	222,100	4.23
Seattle, WA	64,473	415,800	6.45
Ann Arbor, MI	50,648	220,000	
Ypsilanti, MI	31,469	125,680	3.99

If things are not that bad, what's
the issue?

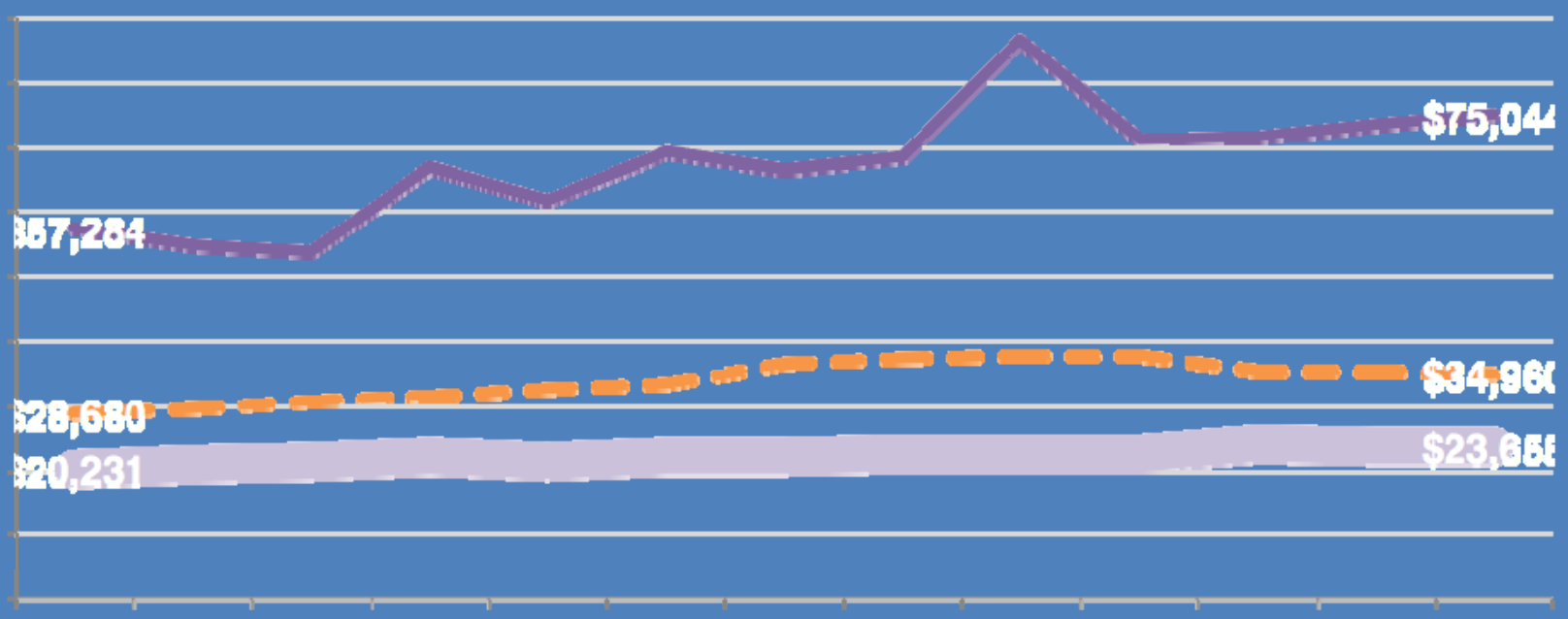






How does imbalance impact our economy?

Differing Recoveries: Pay Differential High/Low Wage



Isn't this just a wage issue?

1 in 3 Jobs Pay Too Little to Keep Pace With Housing Costs

Ann Arbor, MI

Wage (hourly)	Income (Annual)	Max Rent	Max Buy	Income/Median	Gap to Buy	Gap to Rent
7.40	14,800	411	44,400	30%	180,000.00	-616.69
10	20,000	566	60,000	40%	166,000.00	-472.44
12	26,000	694	76,000	60%	160,000.00	-333.66
14	30,000	833	90,000	60%	138,000.00	-194.67
17	36,000	972	106,000	70%	120,000.00	-66.76
19	40,000	1,111	120,000	80%	106,000.00	
21	46,000	1,260	136,000	80%	90,000.00	
24	60,000	1,389	160,000	100%	76,000.00	
29	60,000	1,667	180,000	120%	46,000.00	
38	76,000	2,083	226,000	160%	0.00	
46	100,000	2,778	300,000	200%		
60	126,000	3,472	376,000	260%		
71	160,000	4,167	460,000	300%		
95	200,000	5,556	600,000	400%		
119	260,000	6,944	760,000	600%		

Need \$75,000
annual
income to buy
in Ann Arbor

Need \$17/hr
annual
income to rent
in Ann Arbor

Ypsilanti, MI

Wage (hourly)	Income (Annual)	Max Rent	Max Buy	Income/Median	Gap to Buy	Gap to Rent
7.40	14,800	411	44,400	47%	87,900.00	-295.89
10	20,000	555	60,000	64%	72,300.00	-161.44
12	26,200	700	76,600	80%	56,700.00	-7.00
14	28,400	817	88,200	93%	44,100.00	
17	36,700	992	107,100	113%	26,200.00	
19	39,900	1,106	119,700	127%	12,600.00	
21	44,100	1,225	132,900	140%	0.00	
24	50,400	1,400	161,200	160%		
29	60,900	1,692	182,700	194%		
36	76,600	2,100	226,800	240%		
46	100,800	2,800	302,400	320%		
60	126,000	3,600	376,000	400%		
71	142,100	4,142	447,300	474%		
85	169,500	5,542	636,600	634%		
110	242,900	8,942	749,700	794%		

Need \$44,000
annual
Income to buy
in Ypsilanti

Need \$12/hr
annual
Income to rent
in Ypsilanti

How does this impact Ann Arbor's
Quality of life?

So who are we talking about?

JOB	County Wage	Hourly	Max Rent	Max Buy
<i>Dishwasher; Mani Osteria Restaurant</i>	15,342	7.67	426	46,026
<i>Receptionist, Zengenuity Design</i>	19,809	9.90	550	59,427
<i>Cost Plus World Market Supervisor</i>	25,203	12.60	700	75,609
<i>Ann Arbor Substitute Teacher</i>	27,037	13.52	751	81,111
<i>Assistant Principal Huron Valley Catholic</i>	28,448	14.22	790	85,344
<i>Assistant Trainer Eastern Michigan University</i>	33,149	16.57	921	99,447

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31% OF YOUR WORKFORCE

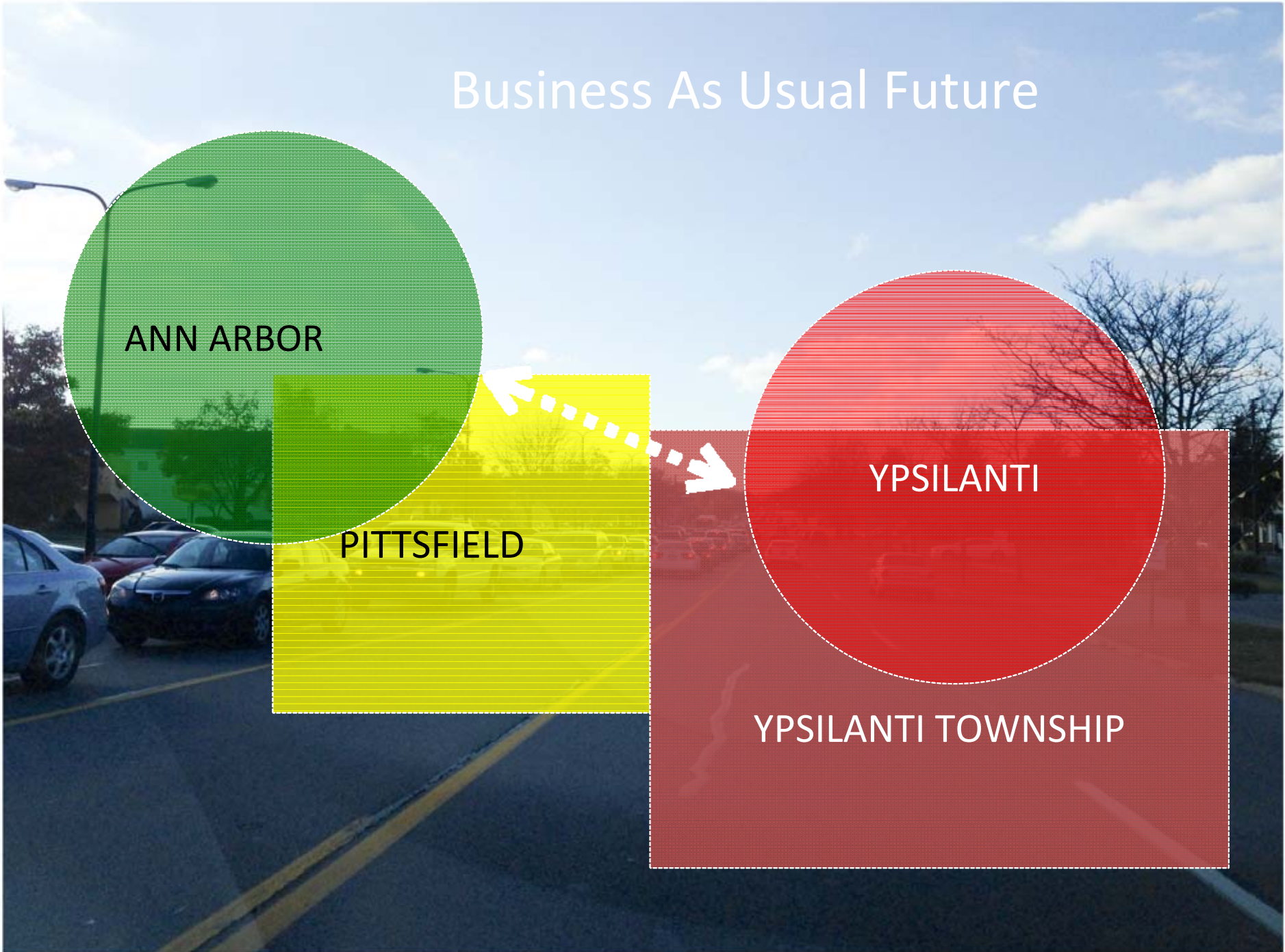
Business As Usual Future

ANN ARBOR

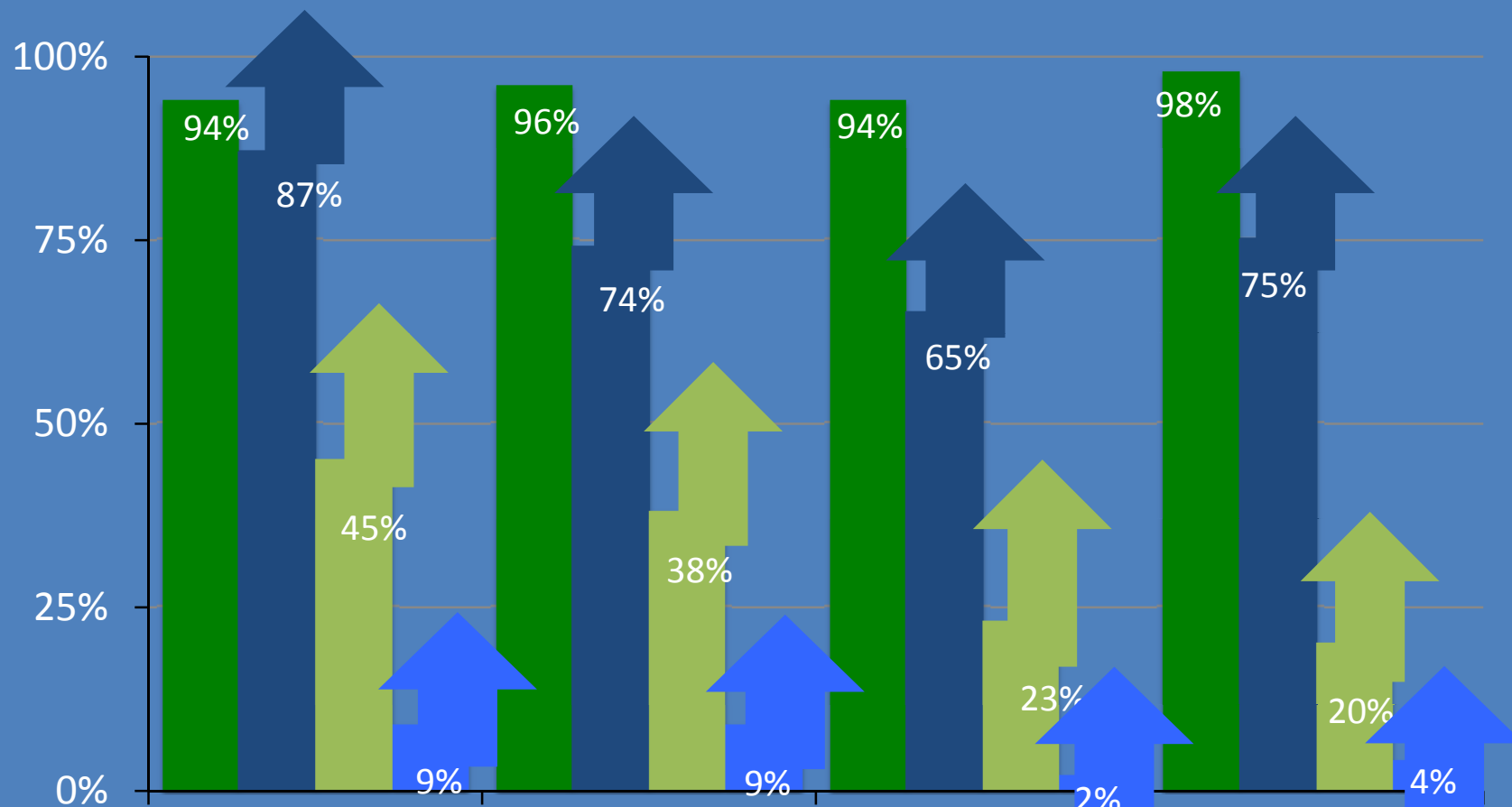
PITTSFIELD

YPSILANTI

YPSILANTI TOWNSHIP



Business As Usual Future



 < \$20,000

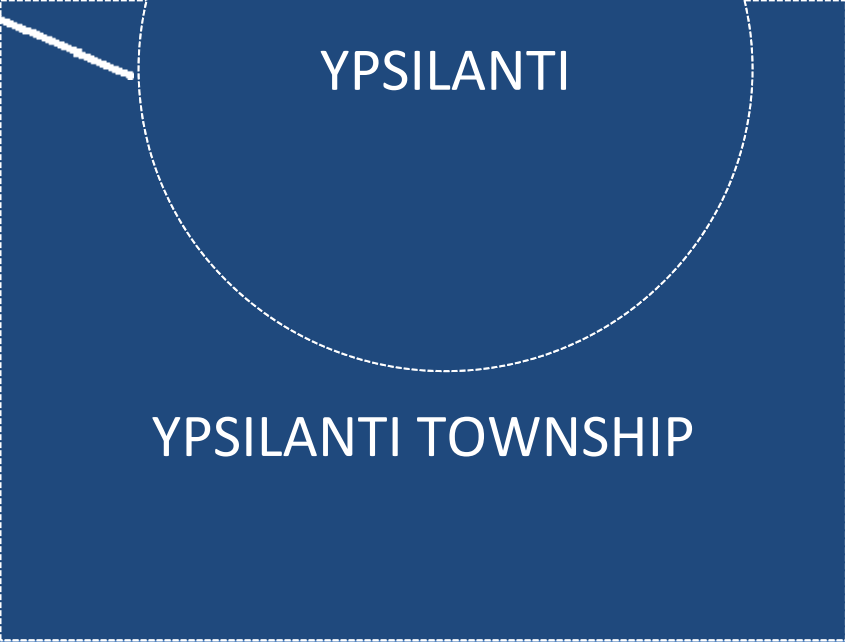
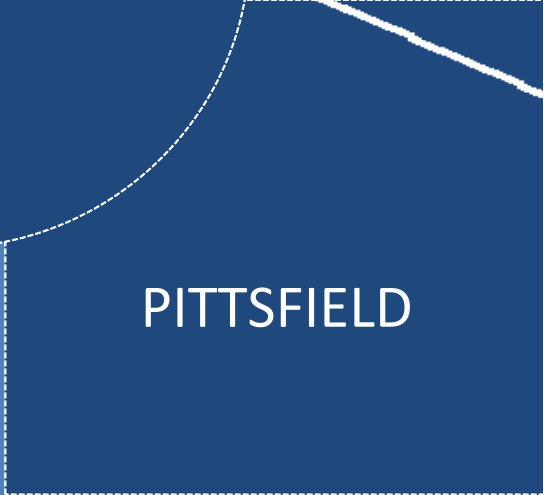
 \$20,000 - \$34,999

 \$35,000 - \$49,999

 \$50,000+

Why not Ypsilanti?

D>S



S>D

Poverty Rates:

- Youngstown, OH 38.9%
- Gary, IN 38.8%
- Camden, NJ 39.3%
- Akron, OH 29.1%
- Saginaw, MI 36.8%

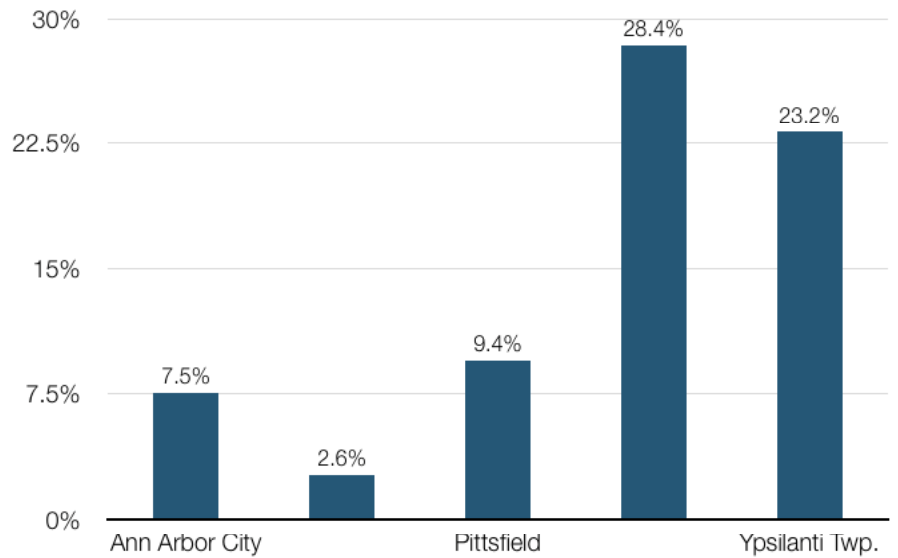


D>S

ANN ARBOR

PITTSFIELD

GRAPH 5 :: % RECEIVING PUBLIC ASSISTANCE AND/OR SNAP BENEFITS




YPSILANTI

YPSILANTI TOWNSHIP

S>D

How do you define balance?

Rebalancing As A Way to Think About Progress



+ 2,797 Units of
Opportunity Housing
Needed

+ 342 Units of
Opportunity Housing Needed

3,139

*For AA that would mean adding a net of
2797 affordable units by 2035 (140 a
year)*

4,178



Demand by BA+ HHs for
+1,383 Units

Demand by BA+ HHs
for +2,795 Units

What can we do?
What will this cost?

How to add Opportunity Units?

- Establish regional approach & strategy
- Adopt goal, measure progress
- Focus on 60% Area Median Income (AMI) and lower
- Look at strategies that support existing affordable units and promote increased inventory (2,797 by 2035)

Add Opportunity Units – High Impact

- Inclusionary zoning
- Incentive-based zoning
- Need-based calculations
- Housing Trust Fund

Add Opportunity Units – Moderate Impact

- Accessory Dwelling Units
- Maximize utility of Housing Choice Vouchers
- Brownfields
- Tax Foreclosures
- Tax Exemption
- Section 108 Financing (CDBG)

Add Opportunity Units – Moderate Impact

- Balance inventory/demand
- Home Purchase Assistance
- Tax Increment Financing
- Development Review
- Land Control
- Energy Efficiency

Can we do it?

What do you think?

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