

# Housing Affordability and Economic Equity - Analysis

## Washtenaw County, Michigan



The imbalance in income, education and opportunity between the jurisdictions along with the segregation that goes with it will hamper the regional economic growth potential of the area. Regions that experience strong and more stable growth are typically more equitable, have less segregation and better balanced workforce skills within them.

This report was commissioned by the Washtenaw County Office of Community and Economic Development, and was funded by the U.S. Department of Housing and Urban Development, the City of Ann Arbor, the Ann Arbor Downtown Development Authority, and Washtenaw County. The goal of this analysis is to provide a snapshot of housing market conditions and corresponding goals to improve affordability across a wide spectrum of households in Washtenaw County's urban core communities. In support of these goals, the report identifies tools intended to guide the allocation of resources and policy decisions toward a regionally balanced housing market in order to maximize opportunity for lower and middle class households. This supports the development of a more equitable community, with corresponding economic, environmental, and other quality of life benefits for all residents.

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## EXECUTIVE SUMMARY

While real challenges require attention, the overall housing market in Washtenaw County is basically healthy.

Despite foreclosure and resulting - and troubling - tenure shifts in Ypsilanti Township, the countywide market has stabilized to where most homes in most jurisdictions have recovered at least 85% of their 2005 value. And, at the county level, the “housing ladder” is balanced, with a wide range of options for renters and buyers. Though more than 90% of renter households with annual incomes below \$20,000 are cost burdened, the overall market is affordable. Value to income ratios throughout most of the county are between 2.67 (Ypsilanti Township) and 4.34 (Ann Arbor), making home ownership possible. Plus, renter household incomes to median rent ratios range from 2.4 to 3.4, meaning that all but the most challenged can find an affordable apartment in the county without a significant commute.

However, this is not a complete picture. The fuller story is that while Washtenaw County’s housing market today is basically healthy, it won’t be for long, as it is likely to become considerably out of balance. And while the county is fundamentally affordable today, housing cost increases are going to so outpace income gains that affordability will be a real challenge in the future as regards both housing and transportation expense.

### **The reality is that Washtenaw County has two distinct housing markets.**

One is fundamentally strong - anchored by the City of Ann Arbor. The other - the City of Ypsilanti and Ypsilanti Township - is fundamentally weak and in some respects in abject distress.

The former has a high quality of life and excellent public schools. The latter faces real challenges. The former does not have a perception problem when it comes to safety and housing equity, the latter does.

Ann Arbor - and its central driver, the University of Michigan - is a magnet for highly educated households with upward mobility and significant disposable income. With some exceptions, Ypsilanti (City and Township) - and their challenge of being overloaded by a disproportionate number of at risk households and homes with negative equity - is where the most affordable options exist.

Moreover, the deeper truth is not just that the City of Ann Arbor (and Ann Arbor Township) is strong, but that both and Pittsfield are getting stronger, and their rate of growing strength is likely to increase.

And, correspondingly, that the City of Ypsilanti and Ypsilanti Township have not kept pace, and neither are well positioned to keep pace, and are thereby at real risk of falling even further behind.

In sum, Ann Arbor and those with Ann Arbor addresses are at one end of the spectrum where property values are increasing and that appears likely to continue, while Ypsilanti (City and Township) is at the other and in real trouble. **At this unblended scale, these are two markets going in opposite directions with three very probable outcomes, barring a significant change in policy at the local jurisdictional or countywide level.**

- First, Ann Arbor will become more costly, and less affordable, especially to non student renters in the short run and eventually, to aspiring buyers as well. The driver for higher costs is a combination of high livability and quality of life, great public schools, resulting sustained demand by households with discretionary income, and resulting expectations of stable and continually rising property values.
- Second, Ypsilanti will become more distressed and thus more affordable, especially to at-risk households. The reasons include unstable and falling property values and the impacts of disproportionate concentrations of struggling families (crime, lower levels of property maintenance, fiscal stress).
- Third, as housing costs in the Ann Arbor market outpace the incomes of working families employed in Ann Arbor but not able to afford to live there, those families will commute to housing they can, particularly on key corridors. This will increase congestion, compromising environmental quality and market appeal. And since more and more of the area’s very low income families (working, as well as unemployed) will locate to the City of Ypsilanti and Ypsilanti Township for pricing advantages, those markets will be at increased risk for even higher concentrations of struggling households. In turn this will further weaken those jurisdiction’s fiscal capacity.

The result will be a county decreasingly affordable and out of balance and, eventually, unsustainable, as some parts of the county possibly degrade beyond a point of no return, and others grow in value beyond a point that's ever again affordable.

The imbalance in income, education and opportunity between the jurisdictions along with the socioeconomic segregation that goes with it will hamper the regional economic growth potential of the area. Regions that experience strong and more stable growth are typically more equitable, have less segregation and better balanced workforce skills within them. <sup>1</sup>

In the Ann Arbor Metro Area, households in the 90th percentile (income) have experienced an 18.8% gain since 1979 while wages have *decreased* by 14.4% for those in the 10th percentile.

**“The rise in inequality in the United States over the last three decades has reached the point that inequality in incomes is causing an unhealthy division in opportunities, and is a threat to our economic growth. Restoring a greater degree of fairness to the U.S. job market would be good for businesses, good for the economy, and good for the country.” - Alan Kreuger**

This is important because racial gaps in income correlate with educational attainment and projected job education requirements. The National Equity Atlas shows that in the Ann Arbor Metro Area, 43.6% of all jobs require at least two year's of college. Education gaps for Black (36.9%) and Latino (40.6%) households translate into wage gaps which translate into racial gaps in income which turn translates into lost GDP.<sup>2</sup>

As pointed out by PolicyLink, this contributes to a \$1.43B opportunity cost in lost potential regional GDP resulting from racial gaps in income. For Washtenaw County, this means persistent (if not worsening) gaps in the conditions that lead to income disparity and lost economic output.

Why? With very few exceptions - parts of Appalachia and the Ozarks where white poverty is significant - race and class are near perfect proxies for one another in America today.

To be in the 90th percentile (income) in Washtenaw County is to be white, and to be in the 10th percentile is to not be white.

Any concentration of households in the 90th percentile in one location is a de facto guarantee of a concentration of households in the 10th percentile in another. If the former results in demand for housing that so outpaces supply that values rise at a greater rate than do the incomes for anyone below the 90th percentile, housing becomes decreasingly affordable for all but those at the top. In other words, when the rate of return on capital (principally in the form of real estate investments in Ann Arbor by those at the top) is greater than the rate of economic growth (principally as a function of the wages of everyone else), the result is a concentration of wealth that by definition will trigger instability if not curtail growth.<sup>3</sup>

These problems can be addressed, and Washtenaw County is not unique; many jurisdictions across the country are facing similar challenges, but hard choices will be required.

- Right now, the City of Ann Arbor focuses much of its attention on the housing problems for the poorest households. Increasingly however, another critical housing dilemma in Ann Arbor will be for affordable non-

<sup>1</sup> Aghion and Caroli asked in 1999 in their seminal *Inequality and Economic Growth*, “can the negative impact of inequality on growth be reduced by redistribution?” They (and others - Persson and Tabellini) concluded that inequality may have a direct negative effect on growth because inequality reduces investment opportunities, b) worsens borrower incentives, and c) generates volatility. See also:

- America's Tomorrow: Equity is the Superior Growth Model by PolicyLink (2011)
- The Rise and Consequences of Inequality in the United States by Alan Kreuger (2012)
- Equality of Opportunity by Richard Reeves and Isabell Sawhill (2014)
- Neighborhoods, Cities, and Economic Mobility (Draft) by Patrick Sharkey (2014)

<sup>2</sup> National Equity Atlas; PolicyLink (2013)

<sup>3</sup> Capital in the 21st Century by Thomas Piketty, President and Fellows of Harvard College, 2014; p 353

student rentals. Where will they go? Who will develop them? In what ratio to market rate units?

- Right now, vastly disproportionate numbers of subsidized housing units are in Ypsilanti. Land is less expensive there, as are rents. Greater numbers of cost-burdened households can be housed in Ypsilanti than in Ann Arbor or Pittsfield.
  - If these trends are not reversed, or worse are continued, the overall Ypsilanti market and the fiscal stability of the city itself will be in further jeopardy.
  - It is in no one's best interest for Ypsilanti (city or township) to fail, as failure brings on a whole host of increased service costs that invariably become constraints (such as police and public safety, prolonged demand for housing subsidies, insurance, et.al.)
  - But if subsidized low income households are not housed in Ypsilanti, where else in the county will they go?

Put another way, there are always going to be those in Washtenaw County who earn significant incomes, those who earn very little, and those in between. The more that those who earn very little are segregated and concentrated, the more those jurisdictions will be in fiscal distress, and the more those jurisdictions are in fiscal distress, the more the costs of segregation reverberate throughout the county in costly ways - air quality reductions through congestion, business attraction and retention challenges, safety compromises through concentrations of poverty, reduced real estate values through falling demand and prices.

- Right now, the market is doing an adequate job of addressing significant portions of the rental housing needs of working families. But families with poor credit and work histories, disabilities, or other challenges are not being served by the market, and there is limited public and nonprofit sector capacity to handle the balance, irrespective of where housing might be found or developed. Addressing this will not be inexpensive. Who is going to pay for these costs?
- Right now, Ypsilanti Township is at risk of entering a point of no return in its downward spiral, as the domino effect of foreclosures roots ever more deeply. Turning this around will require expensive cost gaps to be closed, and most likely, a clawback process relying on rental households in the short run to achieve stability before a future home ownership strategy can work. This will require patience and financing. By no means is it too late. But the current array of policies and practices require revision.

- Right now, throughout the Ann Arbor-Ypsilanti corridor, in each jurisdiction, significant stretches of valuable land provide extensive redevelopment opportunities that can produce large amounts of both market and below-market rate housing, especially in Ann Arbor and Pittsfield. These areas can act as powerful receiving areas to absorb directed growth, contribute to regional balance, reduce congestion in the long run, and add to multi-jurisdictional stability by taking the pressure off the weaker Ypsilanti markets to absorb more than their fair share of low income households. But this requires putting sustainable policies in place that actively aim for regional balance.

## **Housing Affordability and Transportation Expense**

This report focuses on the urbanized area for Washtenaw County. This is not to conclude that there are no affordability or neighborhood stabilization challenges throughout the remaining geography of Washtenaw County. Significantly, the urbanized area jurisdictions include 64% of the County's population and 66% of the County's housing stock. These areas also have the greatest access to public transportation, non-motorized networks, and higher instances of transportation choice.

This is important as transportation is usually the second largest household expense for families, after housing costs. This impacts the housing market in Washtenaw County in many ways. In one regard, housing that is close to job centers can make land and housing more valuable. These location-based amenities are valued by the market, enabling households to reduce transportation costs through non-motorized trips, utilization of public transit, and shorter trip distances. In these areas, the same community characteristics that drive value upward result in a reduced transportation burden for the average household. Conversely, land is often cheaper further away from job and economic centers. On one hand this is appealing, as land cost is a significant determinant in housing development value and cost. When housing units are moved significantly outside the job center however, any savings in land value are quickly redirected to increased transportation costs. This occurs through more trips requiring automobile access, at greater distances.

Therefore, it makes sense to focus the development of affordable units in areas with transportation choices, which are typically close to job centers and other services, to maximize the long term sustainability of households in these units. As commuting expenses as a percentage of income are reduced, either by less costly transportation options or reduced spatial mismatches between jobs and housing, more will be available for housing, food, education, and health care.

The bottom line is that the greater the degree to which Ann Arbor invests in affordable housing for those working in Ann Arbor, and Ypsilanti makes progress towards growing demand by investing in livability, the less the commuting pressures - and resulting congestion - along Washtenaw Avenue and other key corridors will occur.

# PART 1

## Qualitative Analysis

## QUALITATIVE ANALYSIS : INTERVIEWS + SURVEYS

czb met and held telephone calls with over 33 elected officials, community leaders, and staff to discuss issues around affordability in Washtenaw County during June, July, and August 2014. From those discussions we have identified a number of themes regarding people's views about affordable housing in the region. We also conducted a survey of 489 people to gauge their views and ideas about affordable housing. The survey responses contain significant information about respondent's affordable housing priorities, preferred policy options, and community concerns.

### Respondent Input and czb Comment

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1. **The sky isn't falling.** Yet. As many pointed out, the county has a range of housing options and smart government policies like the new transit system will afford even more opportunities. We agree, but think Washtenaw County can do much better. There is broad agreement that the jurisdictions can do a better job of addressing affordable housing needs. There are clearly growing concerns about the ability of current residents to continue to afford to live in their community and the long-term sustainability of affordable housing prices.
2. **The big challenge is balance.** As many pointed out, there is growing inequity. Some used the word "segregation" to describe gaps between jurisdictions. Many concerns were raised about the creation of luxury units in Ann Arbor at the expense of middle class housing. Over time, that imbalance is going to harm the economic potential of the county. It will also continue to conflict with the strong desire for racial and socio-economic equity in the county expressed repeatedly by many.
3. **There is good news.** Fortunately, the region is well equipped to develop and manage a balanced affordable housing policy that can be

coordinated between the jurisdictions. It will take work, but the civic and community ingredients are there to create a state and perhaps national model. People clearly see the value of a regional policy framework to help guide the future of housing in the county.

4. **Quality of life is the biggest driver - and divider - of value in the region.** This is a double edged sword as higher quality of life in one area can cause that area to leapfrog other places quickly and create greater imbalance around housing affordability. Ann Arbor is on this trajectory now. If not checked, Ann Arbor will turn into an exclusive enclave with little alignment between jobs and housing and greater transportation and environmental impacts as a result.





5. **Vocabulary.** Affordable Housing is a complex term in Washtenaw County that different people understand differently. The region would benefit from a shared understanding and language about affordable housing, its relationship to jobs, to development and growth and to planning. There isn't a consistent framework for discussing or evaluating these issues, and there needs to be one.
6. **Image and perception matter greatly.** Respondents expressed concerns about how subsidized housing in Washtenaw County looks, and about the general safety of the community that is implied by how well or poorly a place is taken care of. They say they want their region to be integrated; they also want it to look nice and they want to feel safe in their neighborhood. These issues need to be addressed in the context of any housing effort, with safety being the number one issue for quality of life.
7. **Agreement.** There is strong regional agreement about the value of mixed-use, mixed-income development along transit corridors and equally strong agreement about the need to limit sprawl and protect agricultural and open space areas. It would be unfortunate to not capitalize on the convergence of opinion and market reality.
8. **Transportation, commuting, jobs, and housing.** People want housing choices to exist throughout the region and believe they should be, ideally, close to jobs. This came up over and over; the issue of housing near jobs, or workforce housing, was a strong thread in interviews and the survey. This can become the undergirding for a regional housing policy.
9. **Concentrated poverty is a problem that isn't going away.** People understand that it isn't economically healthy for any community to have a disproportionate share of low-income housing. It isn't sustainable for one area to essentially send low income residents and the resulting service needs to communities that are not able to afford the services needed to give the residents the best chance at success. This imbalance is one of the most striking and hardest issues that needs to be addressed.

10. **Focus.** There is a strong desire to focus on homelessness in Ann Arbor. While appropriate and well-meaning, has taken energy away from workforce housing preservation and creation, which is the more significant issue at hand.
11. **Government resources and priorities.** To the extent current government funds are spent, we think the needs to preserve public housing, subsidize low-income housing and that addressing the service needs of these residents should take precedence. Strong civic support for these efforts is healthy and should be fostered. It is important though, that they be better balanced geographically in terms of how and where these funds are spent.
12. **Market forces.** There is a need to look at market solutions, and land-use incentives, for workforce housing needs and as something in the survey suggested, there is clear value in evaluating a funding stream to ensure the preservation of workforce housing for the long-term. Like the difficulty of addressing concentrations of poverty (which require diffusion in a county where few are going to come forward and volunteer to absorb their fair share), the only value market forces provide is the value the community extracts through policy.
13. **Nominal history of serious collaborative output.** We have been surprised that there isn't greater collaboration or policies around the development community to address these issues. The opportunity for public-private partnerships, especially around workforce housing, is not being taken advantage of. This needs to be explored in more detail. We see opportunities to both educate the development community and residents about what could be possible, such as development rights transfer programs.
14. **Weakness and Imbalance.** The lack of balance in the housing mix of each jurisdiction has weakened both the overall economic prospects for the region as well as the ability to give all residents of the region an equal chance to move forward successfully. There's a discernible gap between viewpoint and rhetoric and nominal collaborative output to address equity issues. Focusing on this is essential and hard.
15. **Housing ladder.** While housing for families and people starting out was emphasized, people understand the need to provide housing for all life-stages from people starting out to seniors as well as people with unique health needs. The view of "community" as being driven by the stakeholders was powerful thread through most discussions. The desire for a diverse community is a strength that can be built on.
16. **Wages.** There is some awareness, especially in the survey, that jobs and wages are one of the policy arenas that should be focused on. We strongly encourage housing policy discussion to be connected to wage issues for there to be any chance for sustainable outcomes.
17. **Schools. Schools. Schools.** The fact that some areas of the region have access to Ann Arbor schools and others don't creates an inherent economic challenge for the value of housing outside of the Ann Arbor school district. Poor performing schools are an issue that will handcuff any weak market's capacity to recover, so school quality differential requires attention.
18. **Capacity.** The capacity and ideas to address these issues are within the County. Between the survey's and the interviews, it is clear to us that a policy framework to address the housing issues can be developed and that champions exist to help develop and support it over time. We are impressed with the breath and depth of civic interest and passion around this issue. There is a healthy range of viewpoints and ideas to create something that can last for the long term. But experience also tells us that the ability to craft sustainability policies can vary wildly based on willingness. No progress is likely without risks being taken, issue literacy being elevated, innovation occurring, and multi-jurisdictional collaboration at the center.
19. **Positioning.** The county is well positioned to play a leading role helping to address its housing and market strength imbalances and to support quality economic development and balanced growth throughout the region, at the center of which are looming affordability challenges given Ann Arbor's high and increasing quality of life. People in the county understand that there should be a planning relationship between jobs, housing, and transit. The challenge is developing a policy framework for the region to work within that also respects the unique differences of each jurisdiction as well as the different economic capacities of each jurisdiction, and then takes those differences into account.

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## RECOMMENDED NEXT STEPS

Building on past, successful regional collaborations, we suggest the creation of multi-jurisdictional housing policy working group.

- The group would be responsible for distilling the qualitative and quantitative information collected and analyzed by czb about housing in the county and then to develop a set of housing goals & strategies, as well as metrics and action steps to pursue.
- The importance of reshaping the county into an equitable community across jurisdictions cannot be overstated. Segregation of any sort - racial, economic, other - is also a two way street. It is never mathematically possible for one area to become segregated unless other areas as oppositely comprised. The more segregated into a high income area Ann Arbor becomes, the more segregated Ypsilanti will be. This group should be responsible for educating the community on equity issues.
- Specifically:
  - A working group from multiple jurisdictions should be impaneled
  - The group should receive a detailed briefing on the housing issues in the county

- The focus should be on bringing the group to a common understanding of the following:
  - Terms/Vocabulary of Affordable Housing
  - Drivers for generating or undermining demand, and thus triggering price change
  - Relationships of housing to job locations and wages to housing cost burdens
  - Link between livability and demand and price and affordability
  - Role of land in determining value and in addressing imbalances
- Agreement should be pursued on the following:
  - Baseline conditions
  - Trajectory
  - Metrics

From this foundation, the working group may subsequently be in a position to collaborate on multi-jurisdictional responses to the two looming challenges that the county faces: equity imbalance and affordability for low and moderate income working households.

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## POLICY OPPORTUNITIES FOR CONSIDERATION FROM INTERVIEWS AND SURVEYS

The interviews and surveys exposed a broad range of policy ideas to consider. Below is just a list of the most frequently mentioned concepts. A plan development process would include a process to identify more ideas to consider.

- Push for higher density, mixed-use projects along transit corridors.
- Re-visit parking requirements to ensure they are encouraging transit and not driving up housing prices.
- Consider multi-jurisdictional tax-districts to support the growth of mixed-use development areas.
- Push for new state rules regarding property taxes for seniors. Current rules may discourage seniors to move to smaller, more manageable homes and essentially “lock-up” larger homes thereby limiting family housing choices.
- Consider ways to develop zoning or other rules that approximate inclusionary zoning or ask the state for new powers.
- Consider ways for zoning to encourage smaller starter homes, family sized units and to add some workforce options to existing neighborhoods.
- Consider changes to zoning and/or policy to encourage development of mixed-income housing in targeted areas.
- Consider ways to ensure property owners don’t set unfair requirements for renters and essentially limit choices for low income residents.
- Identify infill opportunities for new affordable housing projects.
- Consider the use of public lands to help develop affordable housing projects.
- Consider a "fair share" housing provision (each local unit provides a percentage of the region's affordable housing equal to its percentage of the region's total population) or an "impact fee" approximation of such a system, in which units that don't provide housing units provide financial support to those who do.
- Consider metrics between a jurisdictions workforce needs and available housing and set goals for the relationship of the two.
- Consider ways to reduce waiting list for affordable housing (vouchers, etc.)
- Evaluate something like the Twin Cities Fiscal Disparity Act / tax-base sharing -- in part, approximates a per-community payment-in-lieu fair share housing system; regional shift in property tax revenues from communities with high taxable value per capita to those with low, so that cities hosting more low-income residents (and low taxable-value housing) can address the service needs they have.
- Consider creating a local land trusts to hold land to help with affordability.
- Consider increasing local housing trust funds and/or creating a county trust fund.
- Consider approaches to discouraged or prevent over-concentration of low income housing.
- Consider policies to ensure public services are available in areas with greatest need.
- Consider policies to give tenants greater opportunities to purchase units or stay in units after sale.
- Consider changes/update to plan to end homelessness in Ann Arbor
- Explore ways to encourage more co-ops.
- Explore ways to encourage co-housing options.

# PART 2

## Quantitative Analysis

## What affordability challenges are faced by Washtenaw County owners and potential buyers?

Throughout the target area (as well as in the portions of the county outside the target area), the number of owners facing unaffordable housing costs (in excess of 30% of income) increased substantially between 2000 (pre-recession) and 2012 (post-recession).<sup>4</sup> Countywide, the number of owners paying more than 30% of their income on housing costs increased by 12,438 households between 2000 and 2012; just under half of this increase (5,358 out of 12,438) was in the target area (Table 1). The number of Washtenaw County owners paying more than 50% of their income on housing costs (those considered to have very unaffordable

costs) increased by 5,078 households; again, roughly half of this increase occurred in the target area (where the number of owners with very unaffordable housing costs doubled between 2000 and 2012).

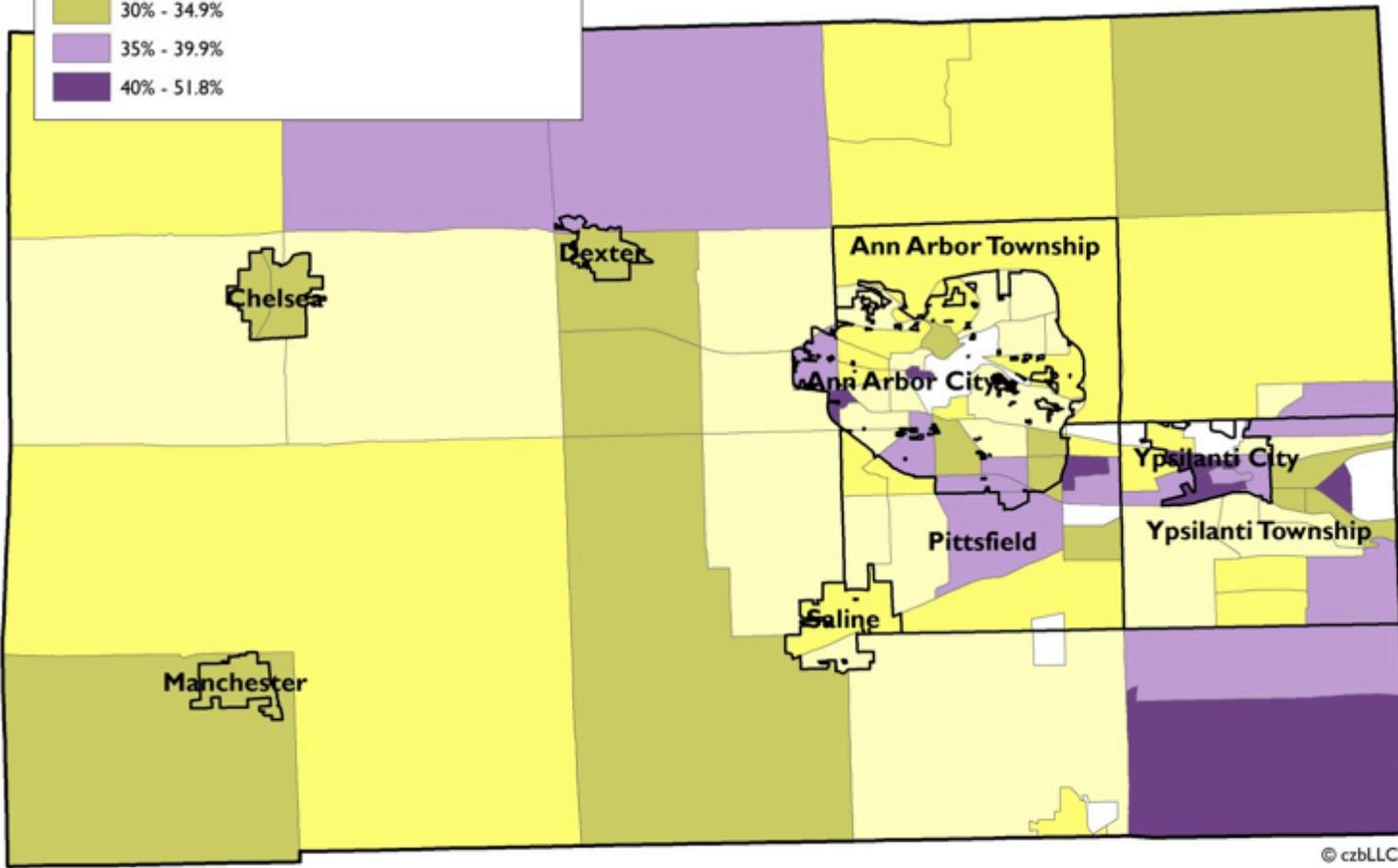
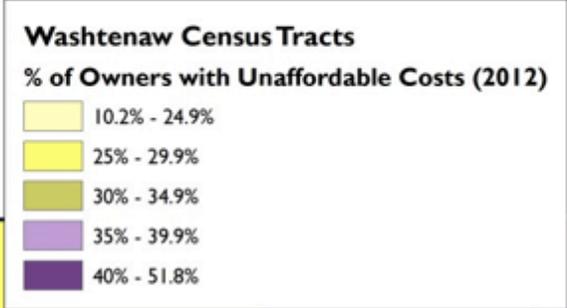
By 2012, nearly three out of every ten owners in the county (and in the target area) paid too much for housing, up from two out of every ten owners in 2000. The largest percentages of owners had unaffordable costs (>30% of income) in Census tracts in western and southern Ann Arbor city, parts of Pittsfield township, southern Ypsilanti city, and parts of Ypsilanti township (see map on following page).

TABLE 1 :: UNAFFORDABLE HOUSING COSTS, WASHTENAW COUNTY VS. TARGET AREA

	Washtenaw County				Target Area			
	2000	2012	Change	% Change	2000	2012	Change	% Change
Unaffordable (>30% of Income) Housing Costs	11,397	23,835	12,438	109%	7,288	12,646	5,358	74%
Very Unaffordable (>50% of Income) Housing Costs	3,428	8,506	5,078	148%	2,200	4,404	2,204	100%
% Unaffordable	19%	29%	10%		19%	28%	9%	
% Very Unaffordable	6%	10%	5%		6%	10%	4%	

source: US Census (2000); 2012 ACS 5 Year Estimates; czb

<sup>4</sup> For the purposes of this analysis, the “target area includes Pittsfield, Ann Arbor City, Ann Arbor Township, Ypsilanti City, and Ypsilanti Township.



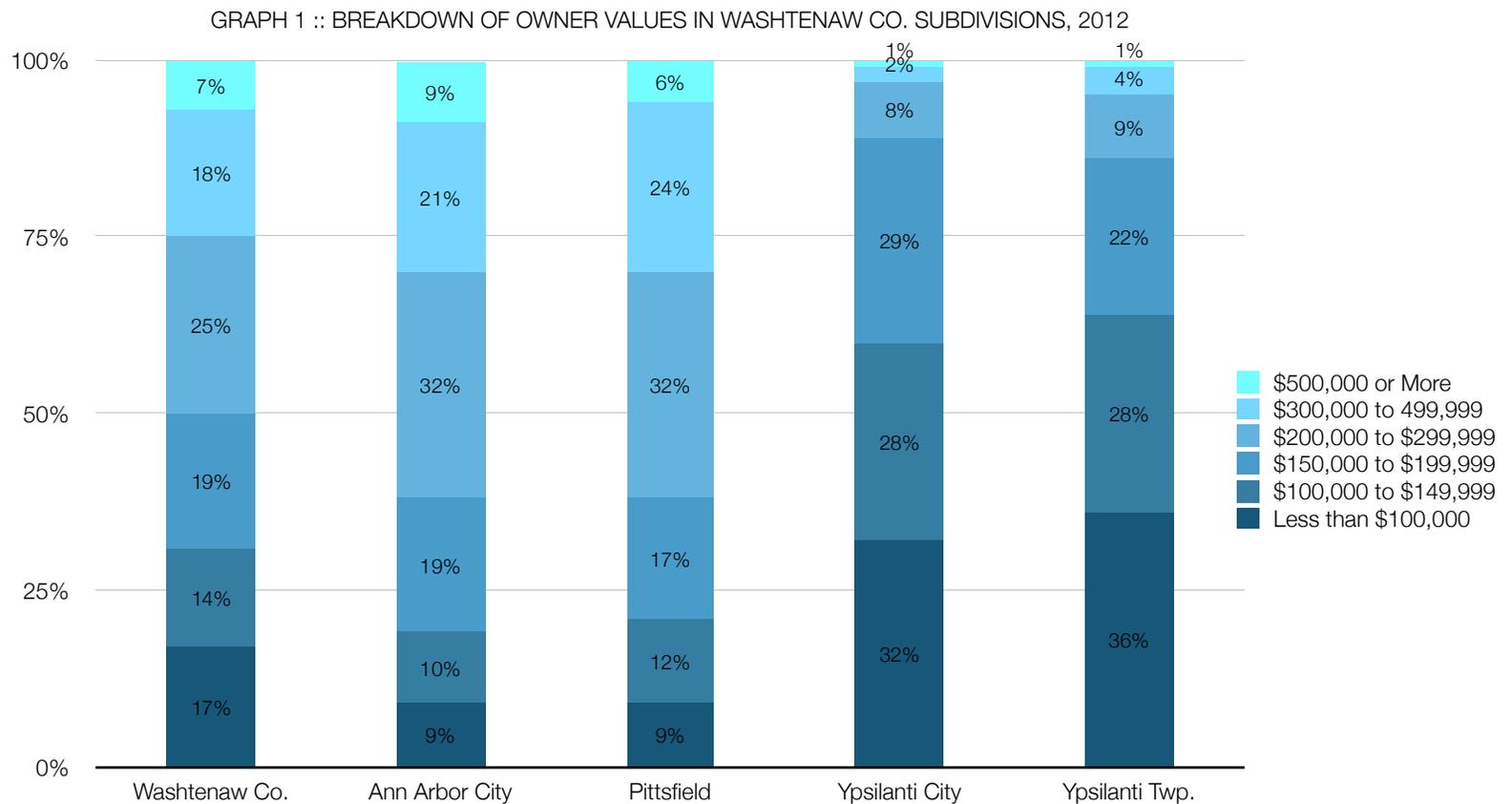
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## Consistent Affordability for Others – Great Housing Values for Buyers

Yet, on the whole, for-sale housing is fairly affordable in Washtenaw County. Countywide, half of all units are valued below \$200,000 (according to the 2012 American Community Survey 5-Year Estimates); just 25% were valued at \$300,000 or higher (Graph 1). This breakdown varies greatly, though, between local municipalities: in Ann Arbor city, nearly two-thirds of all owner-occupied units were valued over \$200,000, as were almost 90%

in Ann Arbor township; in Ypsilanti city and Ypsilanti township, in contrast, roughly three in five units (60% and 64%, respectively) were valued below \$150,000.

This variety not only creates vastly different housing markets (for both owner-occupied housing and for rentals) across the target area, but has put different communities and neighborhoods on different trajectories, as some have quickly recovered from the recent recession and others have not.



## How do housing market conditions vary across Washtenaw County Target Area municipalities?

For the Washtenaw County Target Area analysis, we analyzed a range of people- and place-based data from the 2000 and 2010 Decennial Census and the 2012 American Community Survey 5-Year Estimates. We also received data from the Multiple Listing Service (MLS) on for-sale properties and rentals made available through the system and sold or rented between.

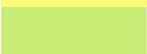
These MLS records included 16,570 sales between 2000 and 2014 (with the bulk sold after 2004) and 1,866 apartments rented between 2003 and 2014 (with the bulk rented after 2006). To complement these MLS records, czb compiled an inventory of all rental properties in the target area, which included the number, characteristics, and costs of apartments at each location.

As of 2012 (according to the 2012 American Community Survey 5-Year Estimates), the county's higher-cost owner-occupied housing units were concentrated in Ann Arbor City and Pittsfield (which both had more than their share of housing units valued over \$200,000) and particularly Ann Arbor township (which had two times its share of owner units valued in the \$200,000s, three times

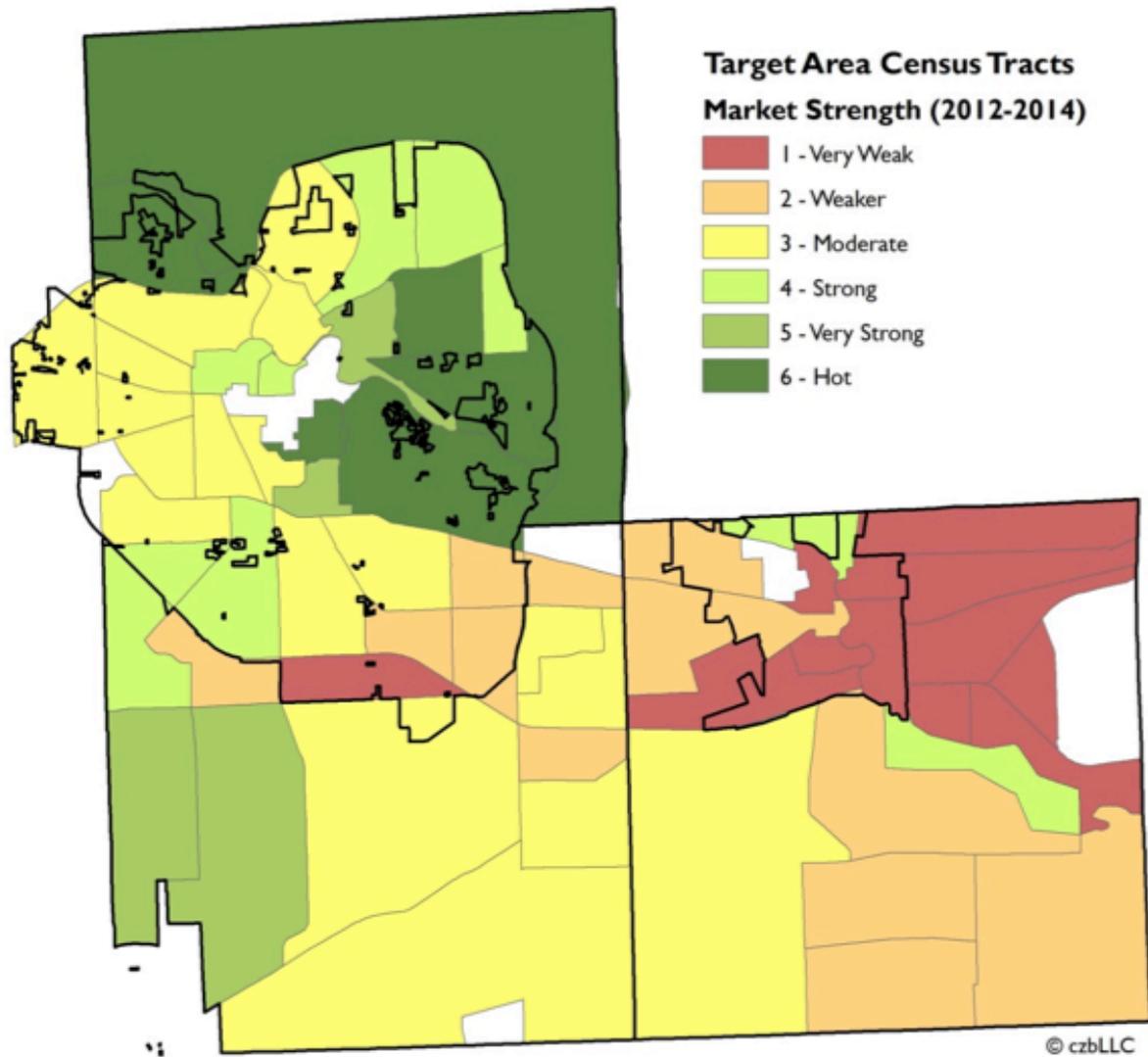
its share of owner units valued in the \$300,000s, and four times its share of owner units valued over \$500,000). In contrast, both Ypsilanti city and Ypsilanti township had twice their share of owner units valued below \$150,000.<sup>5</sup>

To further understand these market dynamics, czb utilized sales data (collected from the multiple listing service (MLS)) to generate average sale prices at the Census tract level based on single-family home sales in 2012, 2013, and 2014. Based on these averages, czb divided Washtenaw County Target Area Census Tracts (those within Ann Arbor city, Ann Arbor township, Pittsfield, Ypsilanti city, and Ypsilanti township) into 6 market types – from “very weak” to “hot.” “Very Weak” market Census tracts were those with average sale prices between roughly \$25,000 and \$75,000 between 2012 and 2014, or had averages more than one standard deviation away from the target area average sale price during that time. The average sale price and Z Scores (or how many standard deviation units each average stood from the overall average) are listed in the table below (Table 2); the market strength for each target area Census tract are shown in the map on the following page.

TABLE 2 :: SALE PRICE RELATIVE TO MARKET TYPE

		Average Sale Price		Z Score Range
		Low	High	
	Very Weak	\$26,613	to \$75,492	Less than -1.00
	Weaker	\$94,086	to \$186,061	-0.99 to -0.25
	Moderate	\$199,050	to \$262,408	-0.24 to 0.24
	Strong	\$271,577	to \$357,699	0.25 to 0.99
	Very Strong	\$393,360	to \$463,355	1.00 to 1.74
	Hot	\$498,139	to \$622,393	1.75 or More

<sup>5</sup> Figures presented in this paragraph are explained further on page x, under the heading “Washtenaw County - Catch Up and Keep Up”.



GRAPH 2 :: AVERAGE SALE PRICE OF SINGLE-FAMILY HOMES IN WASHTENAW COUNTY TARGET AREA CENSUS TRACTS BY MARKET STRENGTH, 2005-2014

Across all market types, the average sale price of a single-family home was up in 2005 (during the housing boom) and declined during the recession, hitting lows between 2008 and 2011, before recovering in the years since (Graph 2, Table 3).

What this table illustrates is that the gap in value between the strongest and weakest submarkets in Washtenaw is growing, and all signs indicate a further widening.

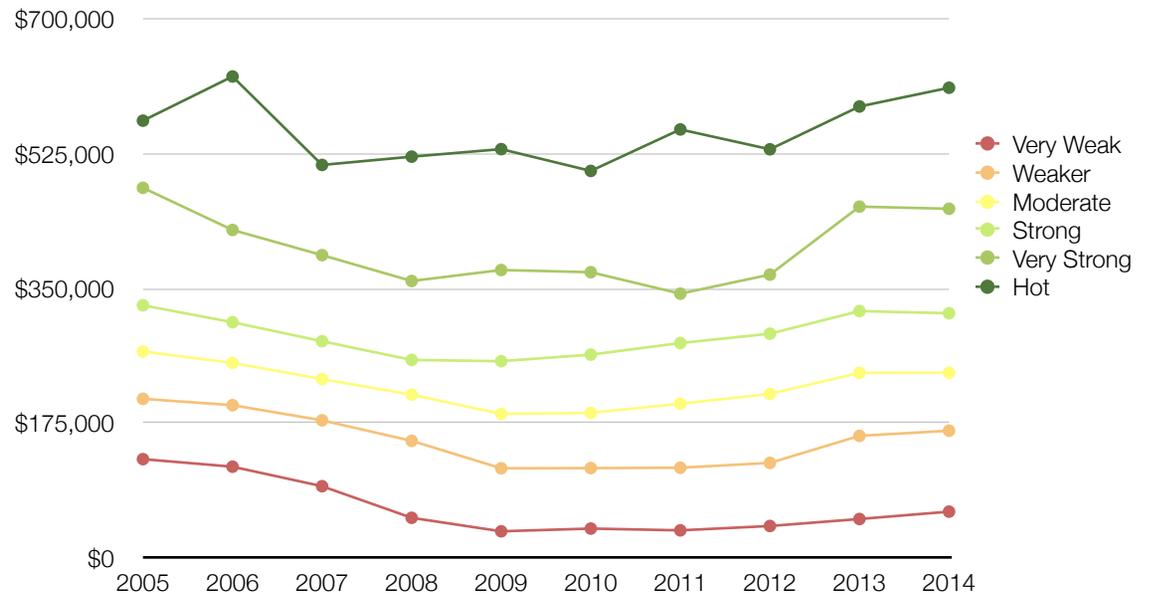
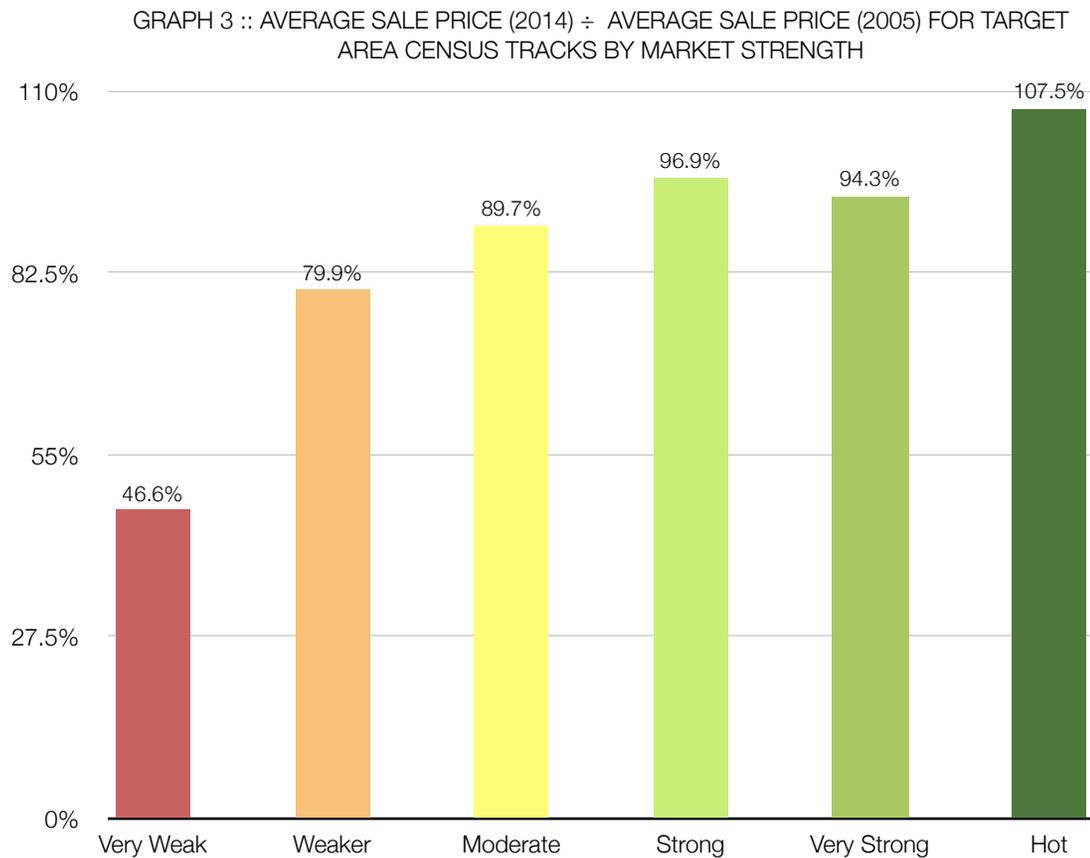


TABLE 3 :: AVERAGE SALE PRICE OF SINGLE-FAMILY HOMES IN WASHTENAW CO. TARGET AREA CENSUS TRACTS BY MARKET STRENGTH 2005-2014

		Average Sale Price									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	Very Weak	\$127,797	\$117,990	\$92,635	\$51,599	\$34,053	\$37,608	\$35,294	\$40,932	\$50,021	\$59,587
	Weaker	\$206,180	\$197,902	\$178,225	\$151,559	\$115,894	\$116,146	\$116,629	\$122,925	\$158,037	\$164,727
	Moderate	\$267,618	\$252,775	\$231,820	\$211,547	\$186,609	\$187,891	\$199,818	\$212,538	\$239,908	\$239,997
	Strong	\$327,626	\$305,656	\$280,968	\$256,689	\$255,048	\$263,556	\$278,612	\$290,768	\$320,132	\$317,318
	Very Strong	\$480,256	\$425,502	\$392,830	\$359,223	\$373,484	\$370,635	\$342,762	\$367,490	\$455,815	\$453,071
	Hot	\$567,486	\$624,889	\$509,958	\$520,733	\$530,523	\$502,209	\$556,091	\$530,312	\$585,900	\$610,267

Interestingly, though, while the average sale price of a single-family home was higher in 2014 than it had been in 2005 in “Hot” markets (suggesting a full recovery), the 2014 average sale price in “weaker” markets was equivalent to 80% of the 2005 average sale price; in “very weak” markets, the 2014 average sale price was equal to just 47% of the 2005 average (suggesting far from a full recovery in these areas) (Graph 3).

These still-struggling markets bore the brunt, to a certain extent, of the housing market meltdown: according to Neighborhood Stabilization Program Data released by the U.S. Department of Housing and Urban Development (HUD), Census tracts within and surrounding Ypsilanti city had the areas highest foreclosure rates and vacancy rates in the midst of the crisis.

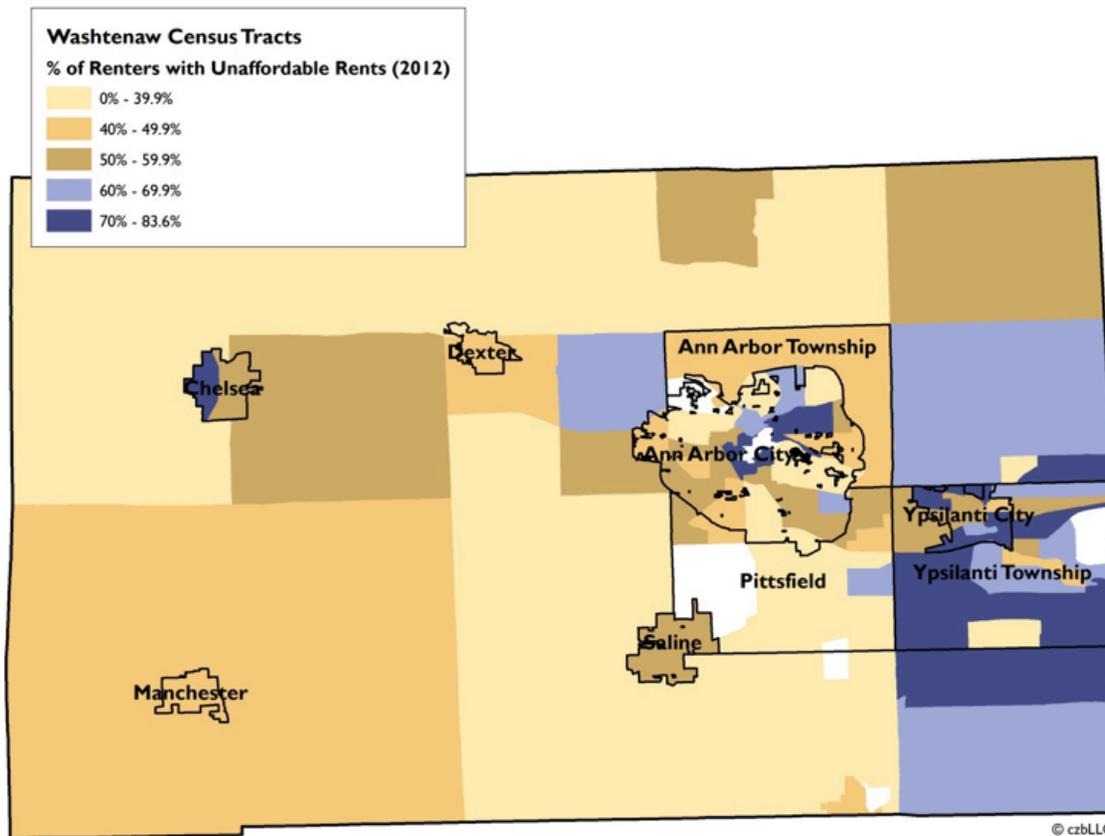


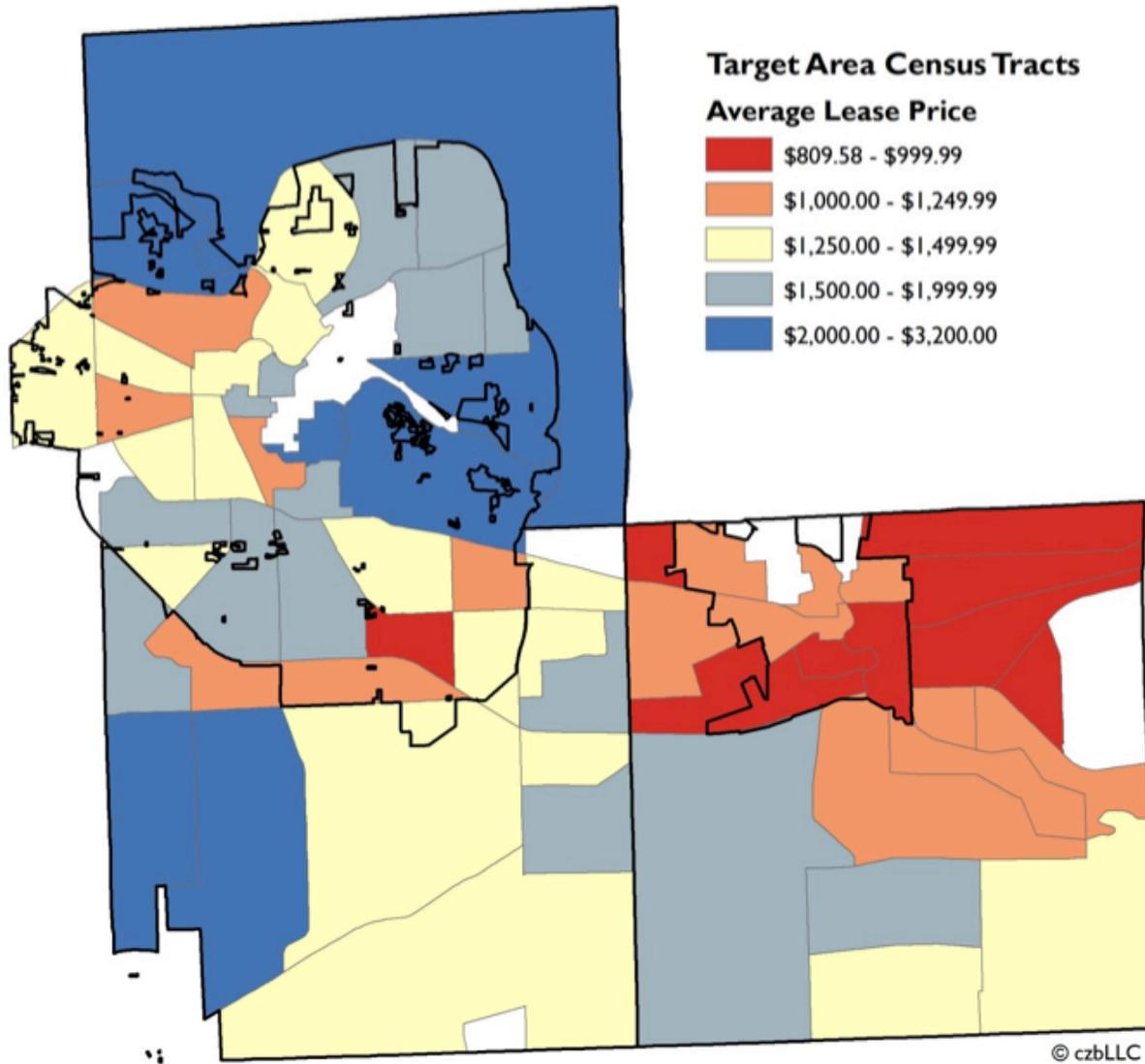
## What affordability challenges are faced by Washtenaw County renters and potential renters?

Renters are far more likely than owners to have excessive housing costs in Washtenaw County. In the Census tracts in Central Ann Arbor city (near the University of Michigan), as well as those in far northern and southern Ypsilanti city and throughout much of Ypsilanti township, in excess of 60% of renters pay more than 30% of their income on housing (see map below).

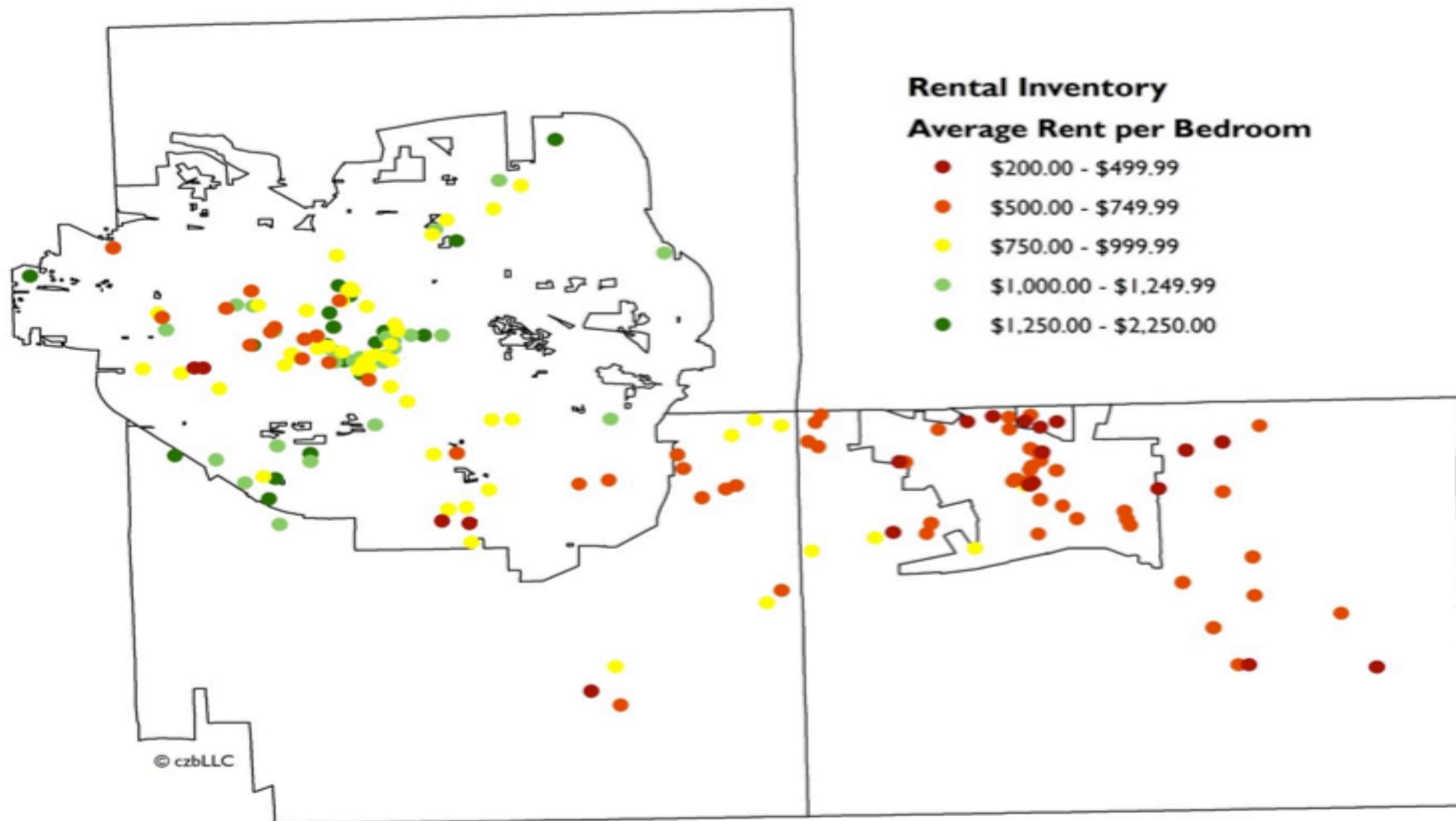
College undergraduate and graduate students, whose incomes tend to be very low (if not \$0), as well as higher rents, are driving these numbers in Ann Arbor city; lower-income non-student renters are doing so in Ypsilanti city and Ypsilanti township.

According to data from the Multiple Listing Service, the average lease price for units listed on the MLS was lowest in Ypsilanti city and Ypsilanti township (and in a few scattered Census tracts in Ann Arbor city), and highest throughout much of Ann Arbor city and Ann Arbor township (and in a few scattered Census tracts in Pittsfield and Ypsilanti township).



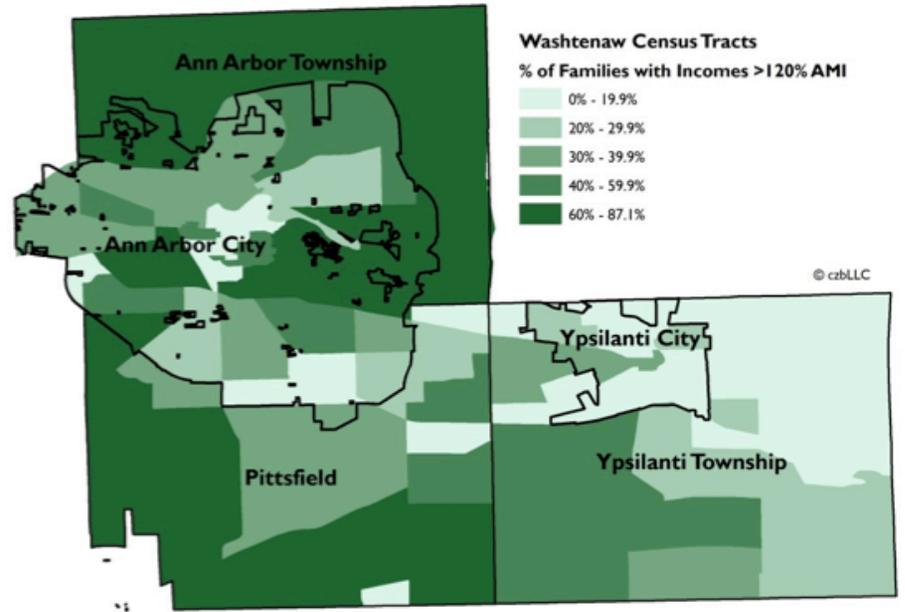
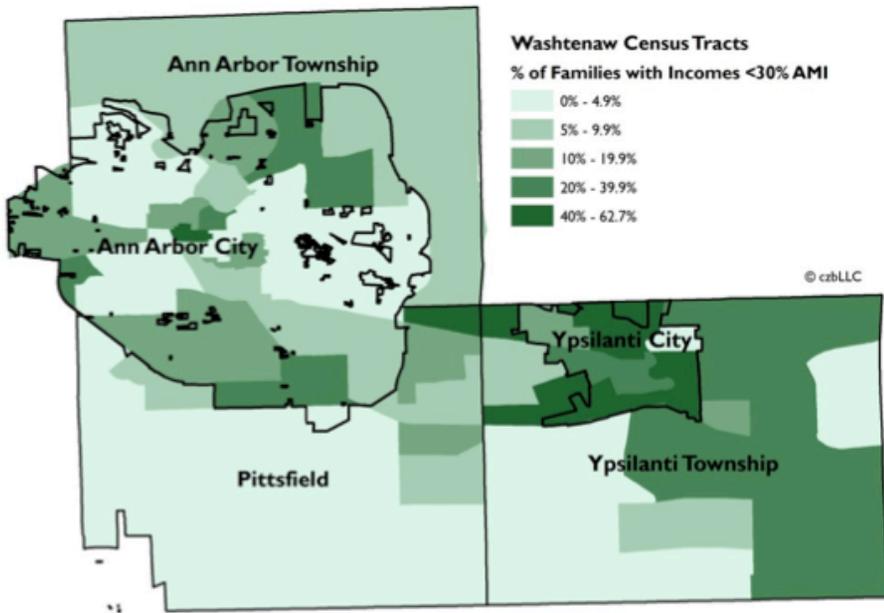
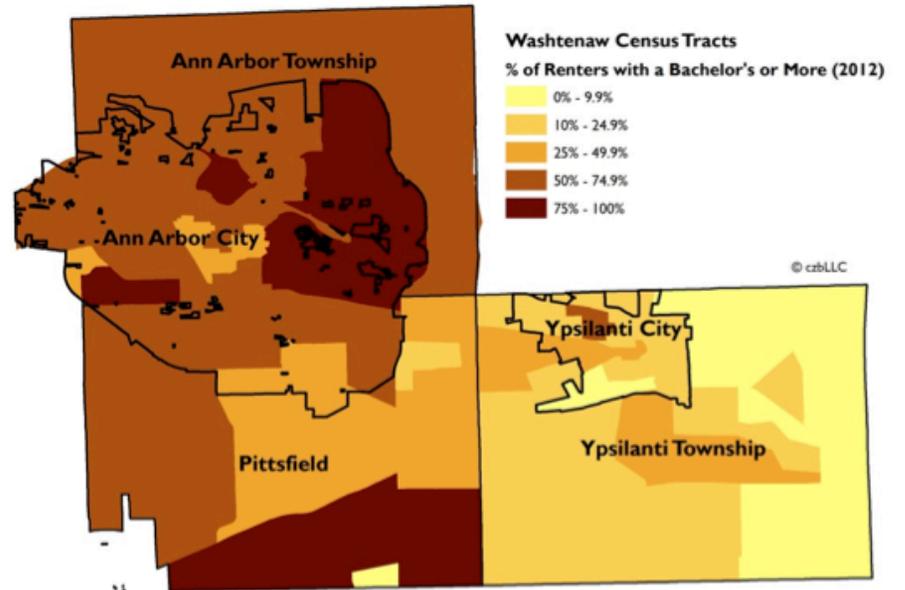
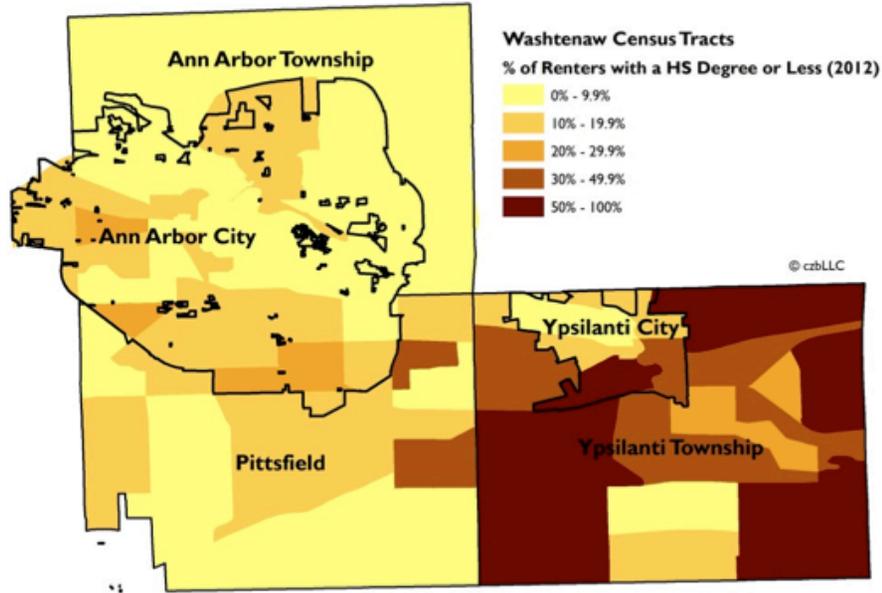


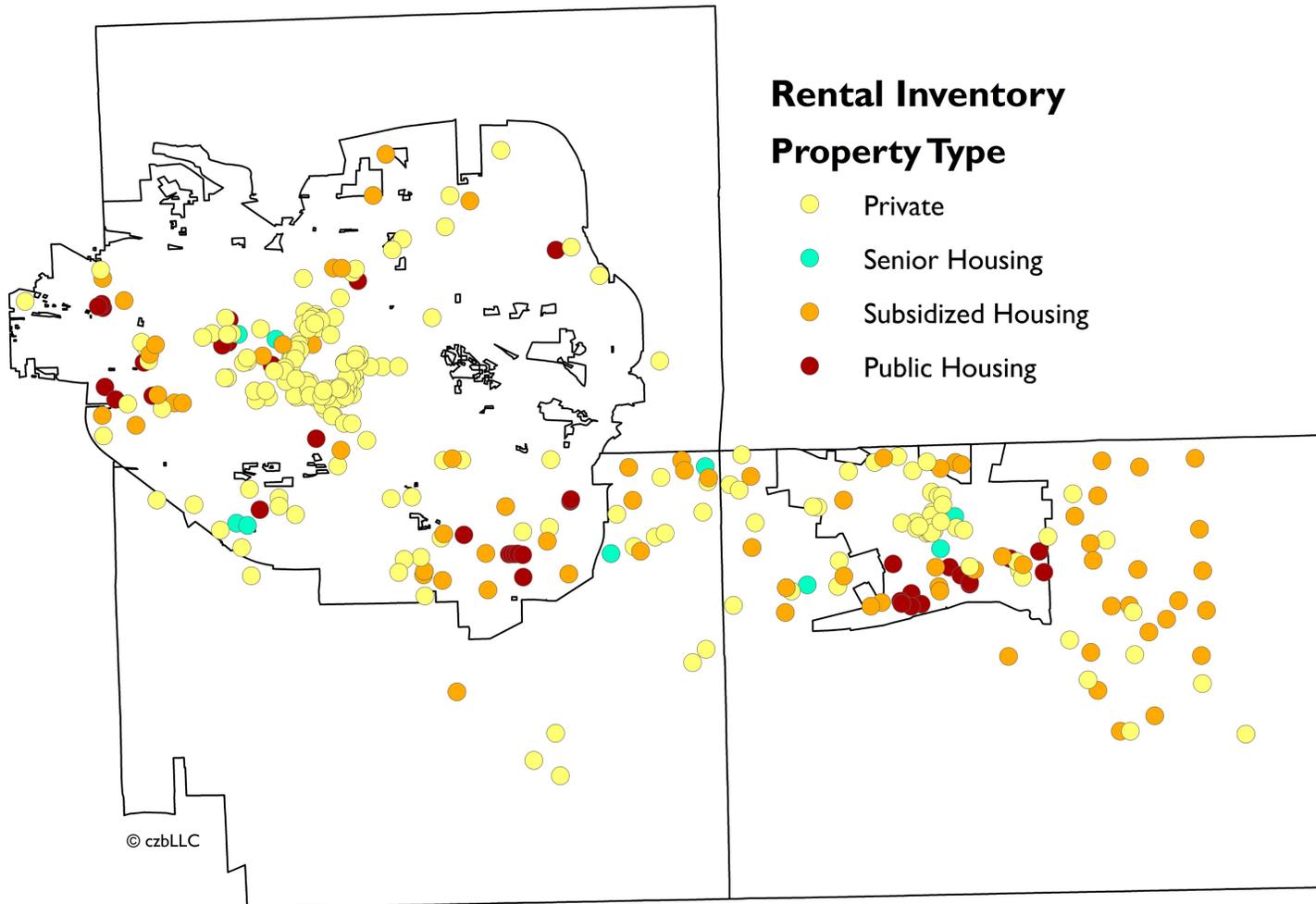
Pressure on the market from student renters certainly plays a role in driving up rents in Ann Arbor city and Ann Arbor township. Both communities have more than their share of rentals with rents over \$1,000 (according to data from the 2012 American Community Survey 5-Year Estimates), including those with rents over \$1,500. In contrast, Pittsfield and Ypsilanti township both have more than their share of rentals with rents between \$500 and \$999, and Ypsilanti city has far more than its share of rentals with rents below \$750.



A czb review of the county's rental inventory further highlighted the variety of the target area's rental market: almost exclusively buildings with average rents per bedroom below \$750 on the eastern side of the target area and primarily buildings with average rents per bedroom of \$750 or more on the western side of the target area (see map above).

At the same time, far more subsidized and public housing, as well as Section 8 vouchers, was concentrated on the eastern side of the target area as well (see map on following page).

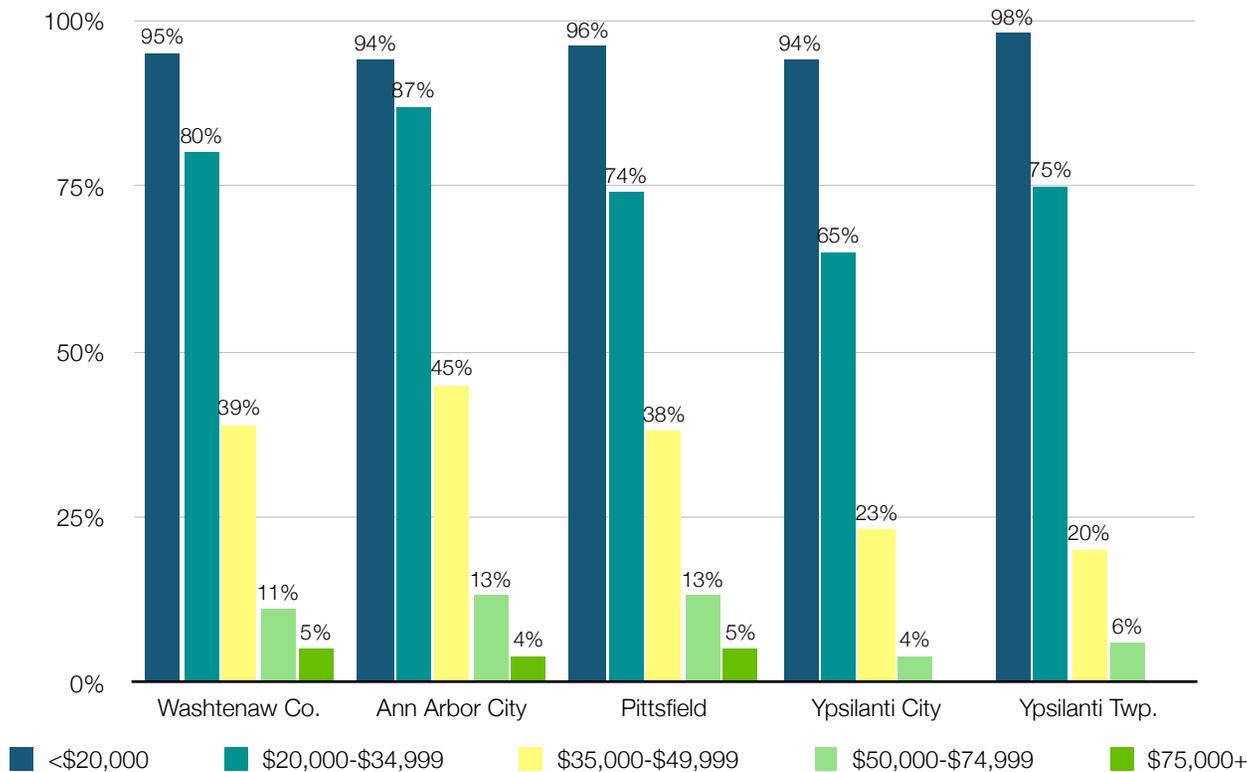




Such different rent levels mean that unaffordability reaches higher up the income ladder in some municipalities than others. For example, across in all target area municipalities, nearly all (94% or more) renter households with incomes below \$20,000 pay more than 30% of their income on housing (Graph 4). Most renter households with incomes between \$20,000 and \$34,999 also paid too much for housing – ranging from 65% of these households in Ypsilanti city to 87% of these households in Ann Arbor city. And while affordability was not really an issue for households with incomes between \$35,000 and \$49,999 in Ypsilanti city and Ypsilanti township (where just 23% and 20%, respectively, faced unaffordable costs), it remained a serious issue for renter households at this income level in Ann Arbor city (where nearly half (45%) faced unaffordable costs).

Differences in the price of rental units as well as differences in overall market vitality and amenities – in neighborhood quality of life – contributes to two very distinct rental markets in the Washtenaw County target area. Across nearly all Census tracts on the western side of the target area, the percentage of renter household heads with a high school degree or less and the percentage of renting families who have incomes below 30% of the Area Median Income (AMI) are very low, while the reverse is true on the eastern half of the target area. In contrast, across nearly all Census tracts on the western side of the target area, the percentage of renter household heads with a Bachelor’s degree or more education and the percentage of renting families who have incomes above 120% AMI are very high, while the reverse is true on the eastern half of the target area (see maps on following page).

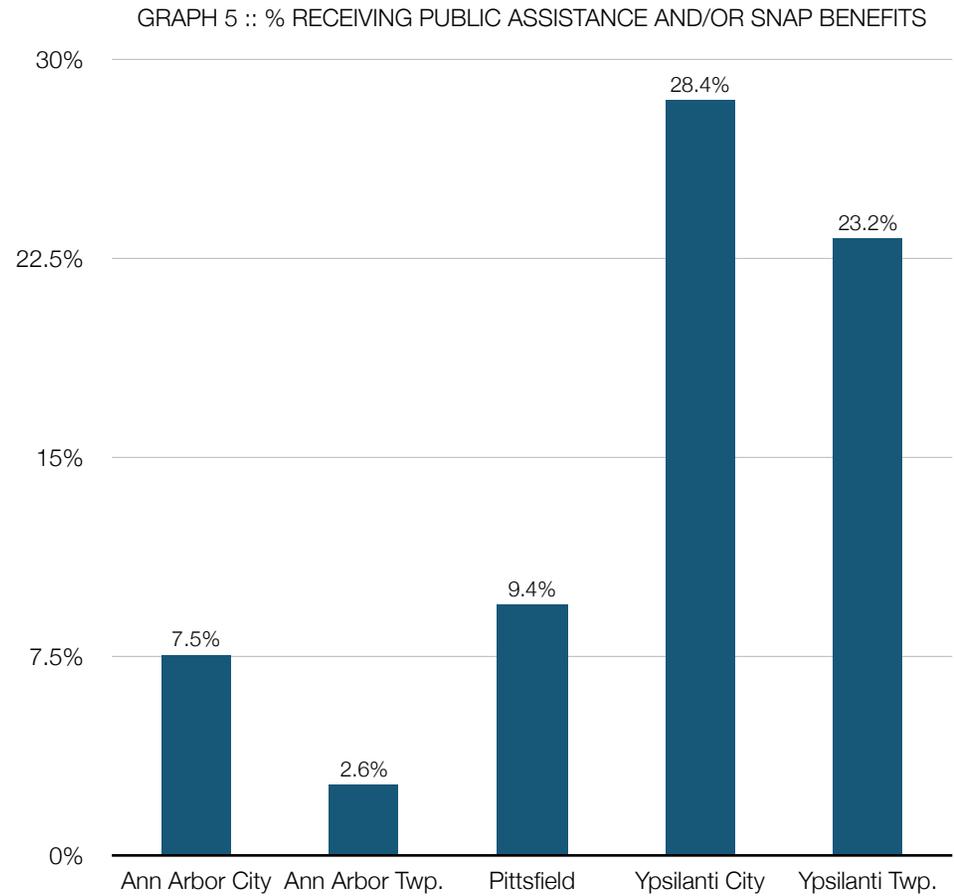
GRAPH 4 :: % OF RENTER HOUSEHOLDS PAYING >30% OF INCOME ON RENT BY INCOME LEVEL AND LOCATION, 2012



In a third example, while 2.6% of Ann Arbor township households and 7.5% of Ann Arbor city households received public assistance income or food stamp (SNAP) benefits in 2012, roughly one-fourth of Ypsilanti city (28.4%) and Ypsilanti township (23.2%) households did so (Graph 5).

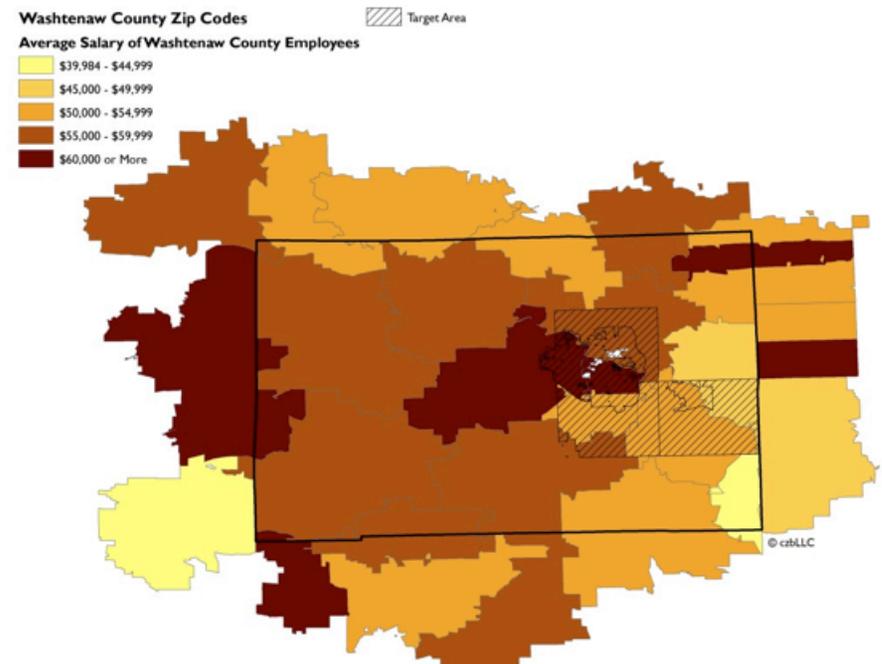
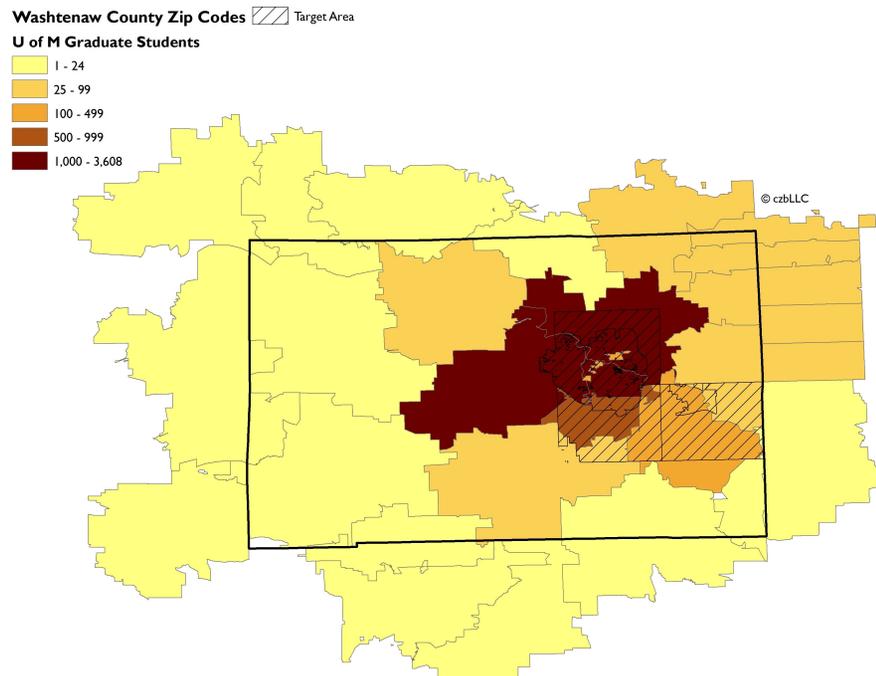
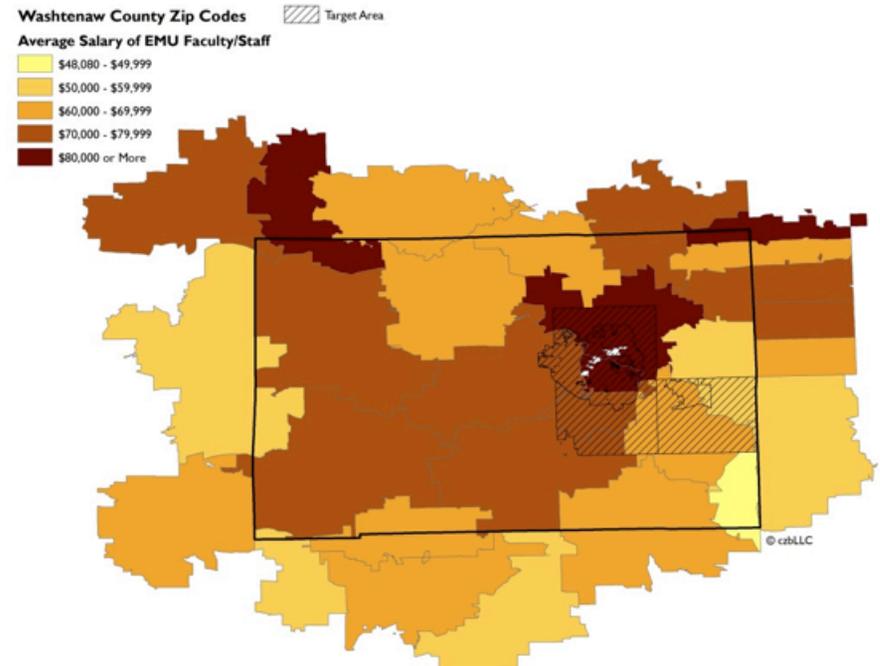
As evidenced by neighborhoods' varied recovery rates following the recent housing market meltdown and municipalities' varied severity of affordability challenges, such disparities between target area municipalities is not sustainable.

Such trends point to the need for regional cooperation going forward.



The target area is increasingly splitting into winning municipalities and losing municipalities, and, as time goes by, the gap between the two is only widening. An analysis of the residential choices made by Eastern Michigan University faculty and staff, Washtenaw County employees and University of Michigan graduate students all show the same thing: households with choice (higher incomes and more mobility) are concentrating in Ann Arbor city and Ann Arbor township and pricing out everyone else; those beat out for housing in these communities are concentrating in Ypsilanti city and Ypsilanti township (see surrounding maps).

- UM graduate should be taking advantage of the locational and pricing opportunities that Ypsilanti offers; *yet aren't*. Why? Because the affordability advantages Ypsilanti can provide are offset by the livability disadvantages that push UM graduate students away.
- Pittsfield is filling a middle ground, although is heavily influenced by the adjacent markets, both positively and otherwise.

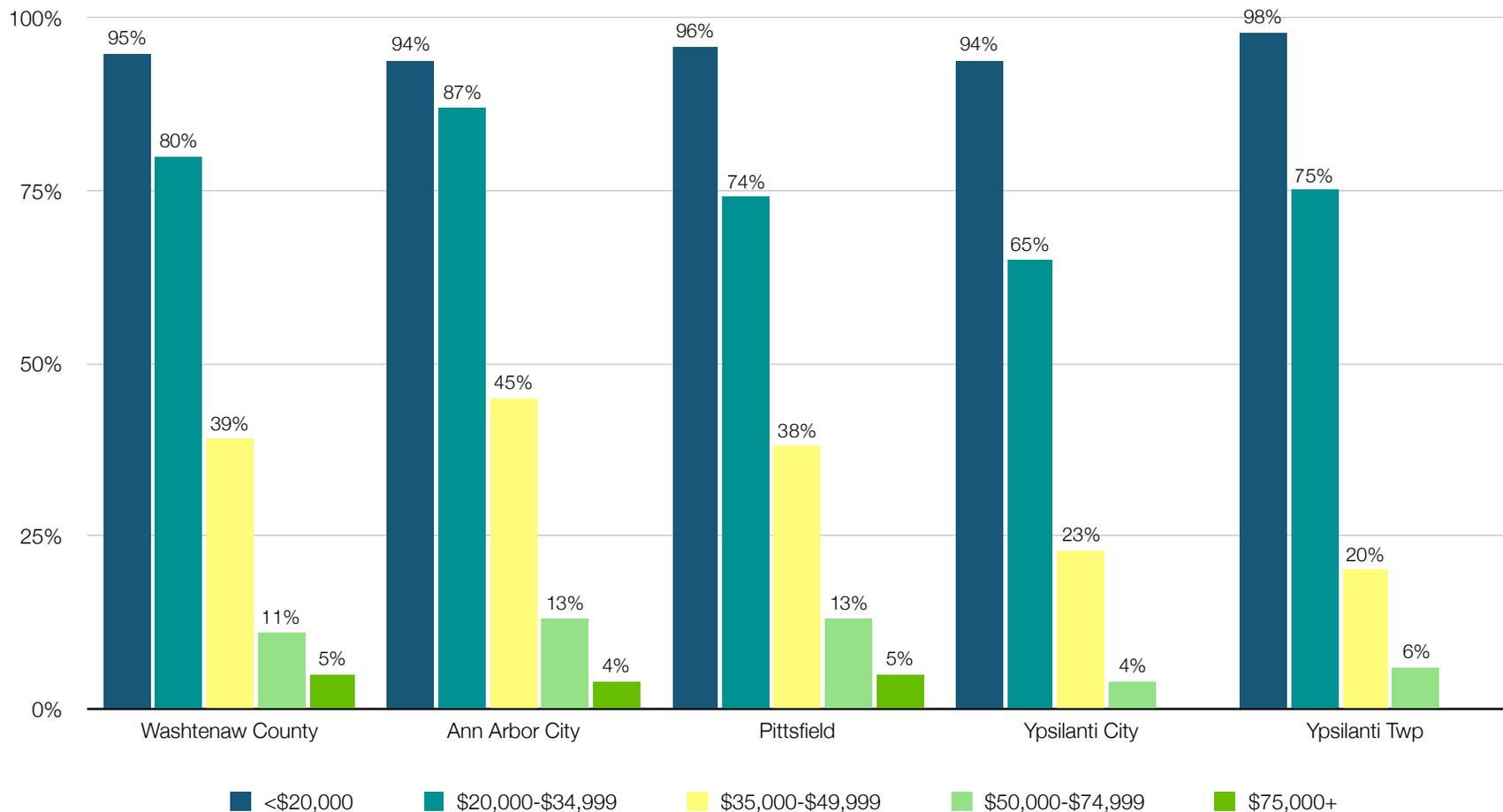


## Washtenaw County Catch Up and Keep Up

Most renters with household incomes below \$35,000 (or below roughly 40% of HUD's Area Median Income) in Washtenaw County generally, and the target area in particular, face housing cost burdens. In fact, over 90% of renter households with incomes below \$20,000 pay more than 30% of their income on rent; roughly three-quarters of households with incomes between \$20,000 and \$34,999 do so (Graph 6).

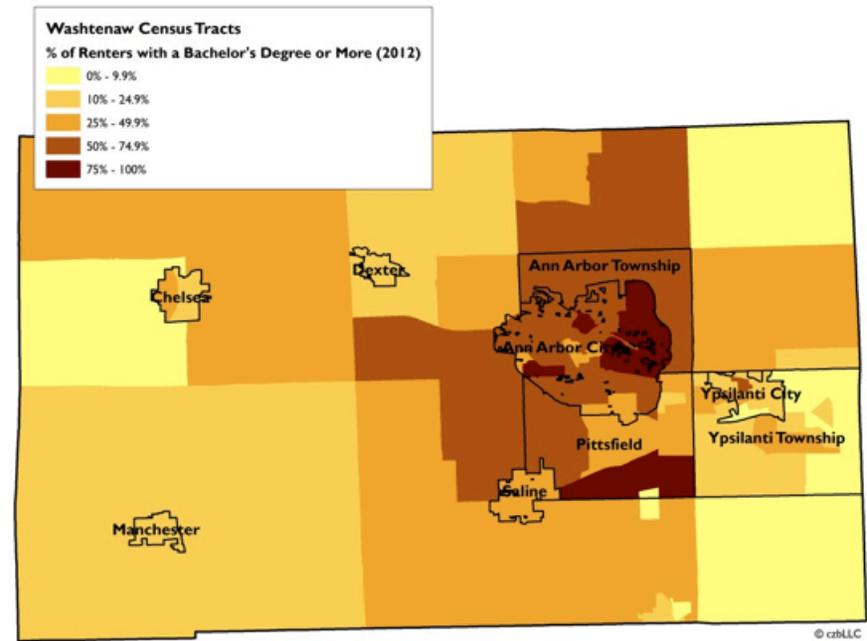
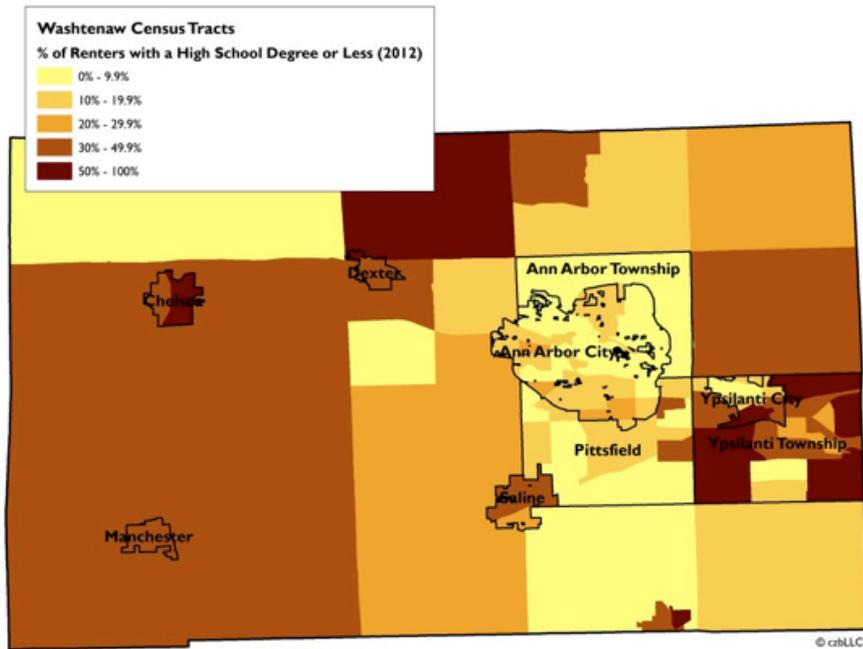
While housing cost burdens are less common among renter households with incomes between \$35,000 and \$49,999 (or between 40% and 60% of Area Median Income), unaffordable rents remain an issue for two-fifths of renters in this income bracket – and for 45% of renters in this income bracket in Ann Arbor city. (Rents are more affordable for households in this income bracket in Ypsilanti city and Ypsilanti township, where only about one-fifth of households with incomes between \$35,000 and \$49,999 pay more than 30% of income on rent.)

GRAPH 6 :: % OF RENTER HOUSEHOLDS PAYING >30% OF INCOME ON RENT BY INCOME LEVEL AND LOCATION, 2012



Housing costs make the Ann Arbor rental market harder to access for lower-income households; so does the intense competition for rental housing from 30,000+ undergraduate and graduate students, not to mention hundreds of recent graduates choosing to stay in town, also seeking apartments. As a result, just a small fraction of Ann Arbor renters have a high school degree or less; the reverse is the case in Ypsilanti city and township, where only a small fraction have a bachelor's degree or more (see maps below).

In Ann Arbor city, fully 58% of renter householders has a Bachelor's degree or more; just 13% have a high school degree or less. The breakdown of renters by educational attainment is far different in Ypsilanti city and Ypsilanti township, where far more renters have a high school degree or less (25% and 34%, respectively) and far fewer have Bachelor's degrees or more (22% and 18%, respectively).



In other words, while Ann Arbor city is home to 48% of the county's renter households, it is where just 30% of the county's renters with a high school degree/GED or less live (Graph 7, Table 4). To instead house 48% of the county's renters with a high school degree/GED or less (or the city's equitable proportion), Ann Arbor would need to accommodate nearly 2,000 more of them (1,948) (Table 5). Similarly, while Ann Arbor city is home to 48% of the county's renter households, it is where just 38% of the county's renters with some college or an Associate's degree live. To instead house 48% of the county's renters with some college or an Associate's degree (or the city's "fair share" of these renters), Ann Arbor would need to accommodate nearly 2,000 more of them (1,925). City officials could think of this as a strategy requiring 2,000 new units for households at 0-40% AMI and another 2,000 new units for households at 40%-60% AMI. (At the other side of the spectrum, to house its equitable proportion of renters with a Bachelor's degree or more, Ypsilanti city would need to add just over 1,000 units for these renters (1,030) and Ypsilanti township would need to add more than 2,000 units for them (2,174).)

GRAPH 7 :: BREAKDOWN OF RENTERS BY EDUCATION ATTAINMENT AND LOCATION, 2012

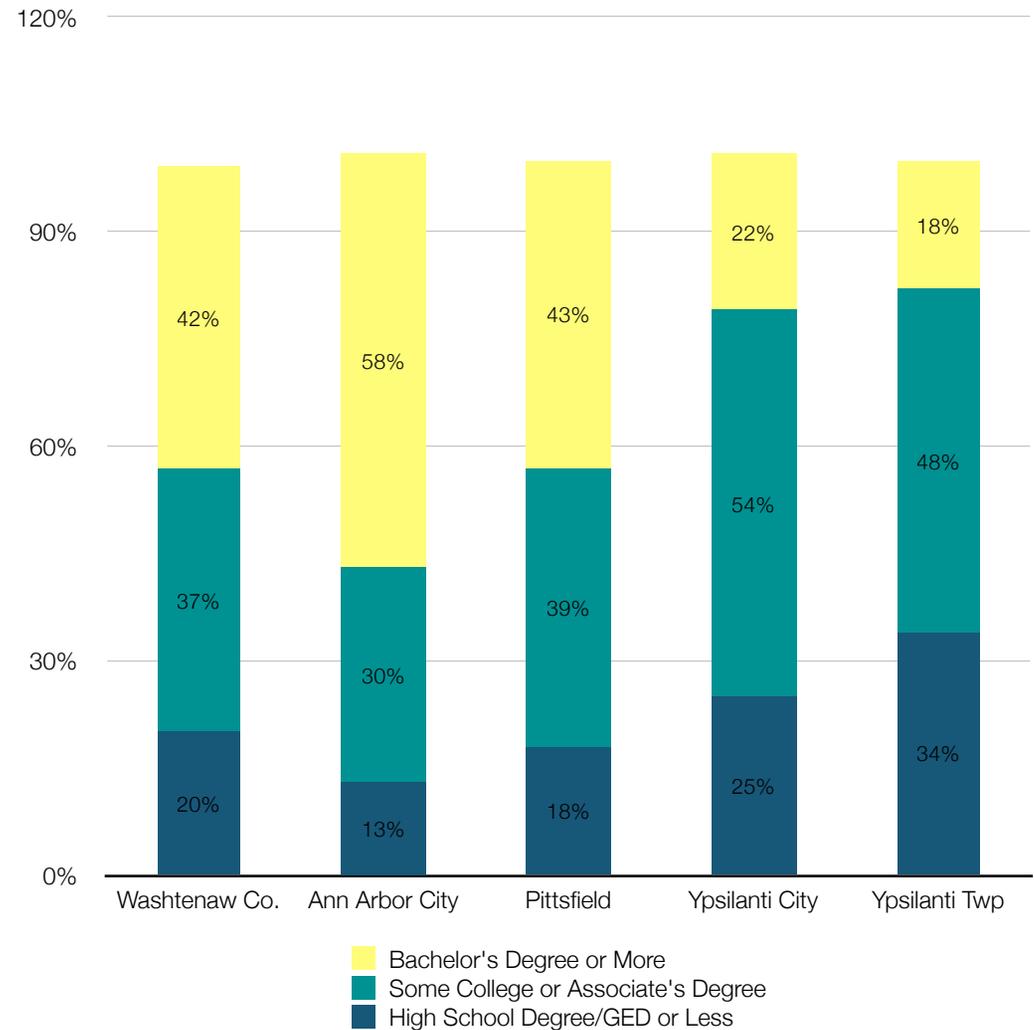


TABLE 4 :: BREAKDOWN OF RENTERS BY EDUCATION ATTAINMENT AND LOCATION, 2012

	Washtenaw County	Ann Arbor City	Pittsfield	Ypsilanti City	Ypsilanti Twp
All Rental Units:	51,945	24,905	5,922	5,001	8,785
Up to High School/GED	10,608	3,138	1,069	1,226	3,001
Some College/Associate's	19,340	7,348	2,318	2,687	4,238
Bachelor's or More	21,997	14,419	2,535	1,088	1,546
All Rental Units:	100%	48%	11%	10%	17%
Up to High School/GED	100%	30%	10%	12%	28%
Some College/Associate's	100%	38%	12%	14%	22%
Bachelor's or More	100%	66%	12%	5%	7%
All Rental Units:	100%	48%	11%	10%	17%

TABLE 5 :: "FAIR SHARE" DISTRIBUTION OF RENTERS BY EDUCATIONAL ATTAINMENT AND LOCATION, 2012

	Ann Arbor City			Pittsfield			Ypsilanti City			Ypsilanti Twp		
	Current #	Fair Share #	Difference	Current #	Fair Share #	Difference	Current #	Fair Share #	Difference	Current #	Fair Share #	Difference
High School Degree/GED or Less	3,138	5,086	1,948	1,069	1,209	140	1,226	1,021	-205	3,001	1,794	-1,207
Some College or Associate's Degree	7,348	9,273	1,925	2,318	2,205	-113	2,687	1,862	-825	4,238	3,271	-967
Bachelor's Degree or More	14,419	10,546	-3,873	2,535	2,508	-27	1,088	2,118	1,030	1,546	3,720	2,174

WASHTENAW COUNTY AFFORDABILITY GAPS - OWNER-OCCUPIED	% of County				
	Ann Arbor City	Ann Arbor Twp.	Pittsfield	Ypsilanti City	Ypsilanti Twp.
Total:	33.9%	1.3%	10.3%	5.7%	15.8%
Owner-occupied housing units:*	25.1%	1.5%	9.5%	3.2%	15.2%
Less than high school graduate	8.5%	0.2%	8.2%	5.8%	32.7%
High school graduate (including equivalency)	10.3%	0.6%	5.8%	3.4%	23.7%
Some college or associate's degree	14.8%	0.7%	6.8%	3.2%	19.1%
Bachelor's degree or higher	34.3%	2.1%	11.7%	3.0%	10.1%

	Current Share				
	Ann Arbor City	Ann Arbor Twp.	Pittsfield	Ypsilanti City	Ypsilanti Twp.
Less than high school graduate	0.339	0.127	0.855	1.804	2.154
High school graduate (including equivalency)	0.410	0.406	0.603	1.060	1.562
Some college or associate's degree	0.589	0.448	0.713	0.999	1.261
Bachelor's degree or higher	1.370	1.448	1.230	0.922	0.662

	2012 Totals					
	Washtenaw County	Ann Arbor City	Ann Arbor Twp.	Pittsfield	Ypsilanti City	Ypsilanti Twp.
Owner-occupied housing units:	82,938	20,799	1,214	7,912	2,677	12,588
Less than high school graduate	3,778	321	7	308	220	1,235
High school graduate (including equivalency)	11,284	1,159	67	649	386	2,676
Some college or associate's degree	20,415	3,018	134	1,388	658	3,907
Bachelor's degree or higher	47,461	16,301	1,006	5,567	1,413	4,770
	2035 Goal if Move to Fair Share Distribution					
	Washtenaw County	Ann Arbor City	Ann Arbor Twp.	Pittsfield	Ypsilanti City	Ypsilanti Twp.
Owner-occupied housing units:	96,790	24,273	1,417	9,233	3,124	14,690
Less than high school graduate	4,409	1,106	65	421	142	669
High school graduate (including equivalency)	13,169	3,302	193	1,256	425	1,999
Some college or associate's degree	23,825	5,975	349	2,273	769	3,616
Bachelor's degree or higher	55,388	13,890	811	5,284	1,788	8,407
	Difference between 2012 and 2035 Goal					
	Washtenaw County	Ann Arbor City	Ann Arbor Twp.	Pittsfield	Ypsilanti City	Ypsilanti Twp.
Owner-occupied housing units:	13,852	3,474	203	1,321	447	2,102
Less than high school graduate	631	785	58	113	-78	-566
High school graduate (including equivalency)	1,885	2,143	126	607	39	-677
Some college or associate's degree	3,410	2,957	215	885	111	-291
Bachelor's degree or higher	7,927	-2,411	-195	-283	375	3,637

WASHTENAW COUNTY AFFORDABILITY GAPS - RENTER - OCCUPIED	% of County				
	Ann Arbor City	Ann Arbor Twp.	Pittsfield	Ypsilanti City	Ypsilanti Twp.
Renter-occupied housing units:*	47.9%	1.0%	11.4%	9.6%	16.9%
Less than high school graduate	29.3%	0.9%	8.6%	14.3%	34.3%
High school graduate (including equivalency)	29.7%	0.2%	10.7%	10.4%	25.7%
Some college or associate's degree	38.0%	0.6%	12.0%	13.9%	21.9%
Bachelor's degree or higher	65.5%	1.7%	11.5%	4.9%	7.0%
	Current Share				
	Ann Arbor City	Ann Arbor Twp.	Pittsfield	Ypsilanti City	Ypsilanti Twp.
Less than high school graduate	0.611	0.858	0.754	1.488	2.031
High school graduate (including equivalency)	0.619	0.241	0.939	1.080	1.522
Some college or associate's degree	0.792	0.558	1.051	1.443	1.296
Bachelor's degree or higher	1.367	1.667	1.011	0.514	0.416

	2012 Totals					
	Washtenaw County	Ann Arbor City	Ann Arbor Twp.	Pittsfield	Ypsilanti City	Ypsilanti Twp.
Renter-occupied housing units:	51,945	24,905	520	5,922	5,001	8,785
Less than high school graduate	3,142	921	27	270	450	1,079
High school graduate (including equivalency)	7,466	2,217	18	799	776	1,922
Some college or associate's degree	19,340	7,348	108	2,318	2,687	4,238
Bachelor's degree or higher	21,997	14,419	367	2,535	1,088	1,546
	2035 Goal if Move to Fair Share Distribution					
	Washtenaw County	Ann Arbor City	Ann Arbor Twp.	Pittsfield	Ypsilanti City	Ypsilanti Twp.
Renter-occupied housing units:	60,621	29,065	607	6,911	5,836	10,252
Less than high school graduate	3,667	1,758	37	418	353	620
High school graduate (including equivalency)	8,713	4,177	87	993	839	1,474
Some college or associate's degree	22,570	10,821	226	2,573	2,173	3,817
Bachelor's degree or higher	25,671	12,308	257	2,927	2,471	4,341
	Difference between 2012 and 2035 Goal					
	Washtenaw County	Ann Arbor City	Ann Arbor Twp.	Pittsfield	Ypsilanti City	Ypsilanti Twp.
Renter-occupied housing units:	8,676	4,160	87	989	835	1,467
Less than high school graduate	525	837	10	148	-97	-459
High school graduate (including equivalency)	1,247	1,960	69	194	63	-448
Some college or associate's degree	3,230	3,473	118	255	-514	-421
Bachelor's degree or higher	3,674	-2,111	-110	392	1,383	2,795

# PART 3

## Implementation

## General

Ann Arbor needs to focus its attention on the preservation and production of affordable *non student* rental housing for low and moderate-income workers who are helping to keep so much of the Ann Arbor economy vibrant.

Pittsfield also needs to focus its efforts on existing and future demand for affordable non student rental housing for low and moderate-income workers.

Meanwhile:

Ypsilanti cannot remain the de facto affordable housing policy for Ann Arbor and Pittsfield; continuation of this default way of operating will ensure further decline of property values and fiscal stability.

Ypsilanti must find partners to intervene in the destabilizing cycle of foreclosure, disinvestment, abandonment, flipping, and distress.

Ann Arbor and Pittsfield	Ypsilanti (City and Township)
Add 3,137 non student affordable rentals next 20 years	Grow demand by 4,187 college educated HHs next 20 years

**TASK** **GROW THE SUPPLY OF AFFORDABLE NON-STUDENT RENTAL HOUSING IN ANN ARBOR AND PITTSFIELD**

GOALS	Annual	By 2035
Ann Arbor	139	2,787
Pittsfield	18	350

OBJECTIVE Regional Equity and Fair Share Balance (skills, education, housing) to help ensure the County is creating an environment that is best prepared for economic growth.

METRICS Additional Affordable Supply on an Annual Basis As Noted Above

TOOLS	Inclusionary Zoning	Incentive Based Zoning	Need Based Calculations	Housing Trust Fund	Development Review
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POTENTIAL IMPACT	HIGH	HIGH	HIGH	HIGH	HIGH
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ACTIONS	<ol style="list-style-type: none"> <li>1. Work with legislative partners to create framework by which high demand communities can implement inclusionary zoning provisions (i.e. amend State enabling legislation to enable communities to require % of residential units be maintained affordable).</li> <li>2. Work with the City of Ann Arbor to develop an Inclusionary zoning ordinance.</li> <li>3. Work with the Pittsfield Township to develop an Inclusionary zoning ordinance.</li> </ol>	<ol style="list-style-type: none"> <li>1. In high demand areas, development zoning premiums or other incentive-based approaches to add to affordable and workforce housing inventory. Evaluate planned unit development ordinances in urbanized areas to recommend methods of incorporating affordable and/or workforce housing component to public benefit evaluation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Develop a ratio that equates the development of commercial floor area or market rate housing floor area to a certain number of units of affordable housing required to support the new development. (i.e. the number of low income or workforce jobs that would be needed to support a particular development equate to a certain number of units to house those employees).</li> <li>2. Develop a ratio that equates the addition of new high-end jobs to a community with the service sector job needed to support the growing workforce. Use this framework to help establish and update annual housing targets.</li> <li>3. Develop a ratio for rental housing stock that relates current and proposed jobs in the jurisdiction/county to available/needed rental housing. Use this ratio to establish goals for new rental housing as well as affordable home ownership programs.</li> </ol>	<ol style="list-style-type: none"> <li>1. The sale of all public land will donate a portion of the provides to the trust fund.</li> <li>2. Explore millage, bonds and/or other methods of assembling adequate resources to meet affordable housing unit targets based on history of unit support and projected costs of future development. <ul style="list-style-type: none"> <li>• Seattle</li> <li>• Austin</li> </ul> </li> <li>3. Leverage DDA funds for affordable housing inventory.</li> <li>4. Establish a Land Trust to acquire costly land (at current prices) that can be later leased to developers as a tool for achieving affordability. Traditional Land Trust activities can also be accomplished by a Land Bank with suitable statutory language in the organization's enabling charter.</li> </ol>	<ol style="list-style-type: none"> <li>1. In high cost markets, evaluate opportunity to reduce development fees and/or streamline process to promote affordable units through reduced time and/or cost of development review process.</li> <li>2. Along major development corridors that span multiple jurisdictions, develop common developer procedures to help streamline and simplify developers working on cross-jurisdictional projects or on multiple projects within the corridor.</li> </ol>
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**TASK**      **GROW THE SUPPLY OF AFFORDABLE NON-STUDENT RENTAL HOUSING IN ANN ARBOR AND PITTSFIELD**

GOALS	Annual	By 2035
Ann Arbor	139	2,787
Pittsfield	18	350

**OBJECTIVE**      Regional Equity and Fair Share Balance (skills, education, housing) to help ensure the County is creating an environment that is best prepared for economic growth.

**METRICS**      Additional Affordable Supply on an Annual Basis As Noted Above

**TOOLS**      ADUs      Choice Voichers      Brownfields      Tax Foreclosures      Tax Exemption      108 Financing

**POTENTIAL IMPACT**      LOW - MODERATE      LOW - MODERATE

**ACTIONS**

Encourage zoning amendments across communities to provide additional housing unit opportunities (e.g. granny flats, small accessory apartments).	Work with housing choice voucher administrators to maximize utility of vouchers by utilizing tiered structure (i.e. higher voucher limits in higher market areas, lower in areas of concentrated poverty).	Amend policy and implementation of Brownfield incentives to require affordable housing units component to any supported residential project in the target areas; Establish thresholds for implementation.	Work with County Treasurer and municipalities to determine methods of maximizing the availability of appropriate tax foreclosed parcels to increase affordable housing inventory.	Maximize use of Public Act 216 of 2006 to provide tax exemptions for non-profit ownership housing; Utilize PILOTs to reduce development and operational cost of affordable housing developments consistent with Act 346 of 196.	Evaluate methods of utilizing Section 108 loan guarantees to support affordable and/or workforce housing development.
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**TASK** **GROW DEMAND BY WORKING AND COLLEGE-EDUCATED HOUSEHOLDS TO LIVE AND REINVEST IN YPSILANTI**

GOALS	Annual	By 2035
City	69	1,383
Township	140	2,795

**OBJECTIVE** Regional Equity and Fair Share Balance (skills, education, housing) to help ensure the County is creating an environment that is best prepared for economic growth.

- METRICS**
- Housing Values That Rise at Rates > the Regional Average
  - Poverty Rates That Are Falling Towards a Target Rate of < the Regional Average

TOOLS	Invest in Q/L Amenities	Regulatory Updates	Transportation Options	Educational Policy	Neighborhood Stabilization	Limit Additional Affordable Housing
<b>POTENTIAL IMPACT</b>	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH

<b>ACTIONS</b>	<ol style="list-style-type: none"> <li>Create a capital improvements plan that is geared towards urban amenities such as parks, plazas, transportation amenities including pedestrian facilities, bike lanes, new transit stops, etc.</li> <li>Explore millage, bonds and/or other methods of assembling adequate resources to implement capital improvements</li> <li>Develop county-wide grant program for targeted for community enhancements.</li> </ol>	<ol style="list-style-type: none"> <li>Update zoning ordinance to allow for higher density development along transit routes. Require high quality urban design in key areas.</li> <li>Curtail apartmentalization of large, single family homes</li> <li>Establish mandatory rental property registration and inspection program</li> <li>Alternatively deploy code enforcement (focus on code compliance in middle market sub areas and code enforcement in most troubled areas)</li> </ol>	<ol style="list-style-type: none"> <li>Develop more robust transit options including expanded bus services and potential BRT or light rail on major corridors as well as the creation of a complete network of walking and biking facilities.</li> <li>Ensure that public incentives and investments in affordable and/or workforce housing are made only in instances where housing is effectively linked with public transit, non-motorized networks, and other transportation choices.</li> </ol>	<ol style="list-style-type: none"> <li>Create a unified Ann Arbor, Ypsilanti School District</li> <li>Develop / Expand programs to provide continuing education to existing workforce in the community. Set goals for skill growth in the community each year.</li> </ol>	<ol style="list-style-type: none"> <li>Focus capital improvement on amenities that improved quality of life, such as parks, and trails. Prioritize projects based on greatest impact.</li> <li>Create the desire for private investment in local/neighborhood commercial areas by public investment in roads and street scape in order to make them attractive to developers and business owners.</li> <li>In areas of concentrated poverty, target investments and incentives to projects that stabilize neighborhoods and/or improve market demand/price point as a means of de-concentrating poverty.</li> </ol>	<ol style="list-style-type: none"> <li>Work with housing choice voucher administrators to maximize utility of vouchers by utilizing tiered structure (i.e. higher voucher limits in higher market areas, lower in areas of concentrated poverty)</li> <li>Ensure any investments in affordable and/or workforce housing meet or exceed the median cost of housing in the jurisdiction.</li> <li>Tie any investments in affordable or workforce housing to meaningful quality of life improvements.</li> <li>Work with County Treasurer and municipalities to determine methods to identify available tax foreclosed parcels and try to get them into the hands of programs like Habitat and avoid additional absentee land lords in order to stabilized/increase demand.</li> </ol>
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**TASK GROW DEMAND BY WORKING AND COLLEGE-EDUCATED HOUSEHOLDS TO LIVE AND REINVEST IN YPSILANTI**

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- METRICS
1. Housing Values That Rise at Rates > the Regional Average
  2. Poverty Rates That Are Falling Towards a Target Rate of < the Regional Average

TOOLS	Balance S-D to Stabilize Prices	Home Purchase Assistance	Tax Increment Financing	Development Review	Control Land***	Energy Efficiency
POTENTIAL IMPACT	MODERATE	MODERATE	MODERATE	MODERATE	MODERATE	MODERATE
ACTIONS	<ol style="list-style-type: none"> <li>1. Acquire and demolish obsolete pre 1930 wood framed houses throughout the Township</li> <li>2. Intervene in foreclosure process for post 1960 brick ranch homes throughout Township using an acquisition-rehab-sale process, and target finished product pricing above market</li> <li>3. Provide incentive and grants to Township and City owner occupants for exterior upgrades</li> <li>4. Provide incentive loans to Township and City owner occupants for interior upgrades</li> </ol>	<ol style="list-style-type: none"> <li>1. Target first time buyer programs to highly qualified working and professional households,</li> <li>2. Expand on successful efforts such as LiveYpsi</li> </ol>	<ol style="list-style-type: none"> <li>1. Develop TIF districts along key corridors or other methods to move value creation between jurisdiction into most regionally impactful areas.</li> <li>2. Strategically invest TIF funds into infrastructure and amenities that promote a sense of place, and quality of life.</li> </ol>	<ol style="list-style-type: none"> <li>1. In weaker markets, evaluate opportunity to reduce development fees and/or streamline process to promote market rate development through reduced time and/or cost of development review process.</li> </ol>	<ol style="list-style-type: none"> <li>1. Use County wide trust funds to acquire vacant parcels; where possible assemble large blocks of land by connecting land purchases to demolition of obsolete pre 1930s housing stocks.                     <ul style="list-style-type: none"> <li>• Start with those in foreclosure process.</li> </ul> </li> <li>2. Downzone and place in conservation easement to reduce excess land supply</li> <li>3. Establish a Land Bank to acquire fallow land (at current prices) that can be managed and, eventually, assembled for development as market rate housing on the demand side of the equation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Develop long term quality products that use best available technology. Create long term sustainability that focuses on the health of occupants and lowers energy costs.</li> </ol>

## Best Practices for Addressing Affordability Shortages in High Cost Markets (such as Ann Arbor)

Inclusionary Zoning	Incentive Zoning	Need Based	Housing Trust Fund/Levy/Bond
<p><b>Madison, WI</b>  <a href="http://www.cityofmadison.com/cdbg/iz/">http://www.cityofmadison.com/cdbg/iz/</a></p>	<p><b>Puget Sound</b>  <a href="http://www.psrc.org/growth/housing/hip/alltools/incent-zoning/">http://www.psrc.org/growth/housing/hip/alltools/incent-zoning/</a></p>	<p><b>Aspen, CO</b>  <a href="http://www.aspenpitkin.com/Departments/Housing-for-Workforce/">http://www.aspenpitkin.com/Departments/Housing-for-Workforce/</a></p>	<p><b>Boston, MA</b>  <a href="http://masshousing.com">masshousing.com</a></p>
<p><b>Boulder, CO</b>  <a href="https://bouldercolorado.gov/housing/inclusionary-housing">https://bouldercolorado.gov/housing/inclusionary-housing</a></p>	<p><b>Seattle, WA</b>  <a href="http://www.seattle.gov/housing/incentives/LandUseCode.htm">http://www.seattle.gov/housing/incentives/LandUseCode.htm</a></p>		<p><b>Austin, TX</b>  <a href="http://www.austintexas.gov/2013bond">http://www.austintexas.gov/2013bond</a></p> <p><a href="http://tdhca.state.tx.us/htf">tdhca.state.tx.us/htf</a></p>
<p><b>Montgomery County, MD</b>  <a href="http://montgomerycountymd.gov/dhca/resources/files/director/housing_policy/housingpolicy2012_draft.pdf">http://montgomerycountymd.gov/dhca/resources/files/director/housing_policy/housingpolicy2012_draft.pdf</a></p>	<p><b>New York City, NY</b>  <a href="http://www.nyc.gov/html/dcp/html/zone/zh_zoning_tools.shtml">http://www.nyc.gov/html/dcp/html/zone/zh_zoning_tools.shtml</a></p>		<p><b>Seattle, WA</b>  <a href="http://www.seattle.gov/housing/levy/">http://www.seattle.gov/housing/levy/</a></p> <p><a href="http://housing.ocd.wa.gov">housing.ocd.wa.gov</a></p>
<p><b>Sacramento, CA</b>  <a href="http://www.shra.org/LinkClick.aspx?fileticket=XZQq8ExTDCU%3d&amp;tabid=143&amp;mid=418">http://www.shra.org/LinkClick.aspx?fileticket=XZQq8ExTDCU%3d&amp;tabid=143&amp;mid=418</a></p>	<p><b>Cambridge, MA</b>  <a href="http://www.cambridgema.gov/CDD/housing/fordevelopersandpropmanagers/incentivezoning.aspx">http://www.cambridgema.gov/CDD/housing/fordevelopersandpropmanagers/incentivezoning.aspx</a></p>		
<p><b>Barnstable, MA</b>  <a href="http://ecode360.com/6556730">http://ecode360.com/6556730</a></p>			
<p><b>New York City, NY</b>  <a href="http://www.nyc.gov/html/dcp/html/zone/zh_inclu_housing.shtml">http://www.nyc.gov/html/dcp/html/zone/zh_inclu_housing.shtml</a></p>			
<p><b>Seattle, WA</b>  <a href="http://clerk.seattle.gov/%7Escripts/nph-brs.exe?s1=&amp;s3=31551&amp;s2=&amp;s4=&amp;Sect4=AND&amp;l=20&amp;Sect5=RESNY&amp;Sect6=HITOFF&amp;d=RESF&amp;p=1&amp;u=%2F%7Epublic%2Fresny.htm&amp;r=1&amp;f=G">http://clerk.seattle.gov/%7Escripts/nph-brs.exe?s1=&amp;s3=31551&amp;s2=&amp;s4=&amp;Sect4=AND&amp;l=20&amp;Sect5=RESNY&amp;Sect6=HITOFF&amp;d=RESF&amp;p=1&amp;u=%2F%7Epublic%2Fresny.htm&amp;r=1&amp;f=G</a></p>			

## Best Practices for Addressing Demand Problems in Weak Markets (such as Ypsilanti - City + Township)

Use of Vacant Parcels	Healthy Neighborhoods	Using Major Institutions	Historic Preservation	Scaled Redevelopment
<p><b>Pittsburgh, PA</b>  <a href="https://gtechstrategies.org/wp-content/uploads/2013/10/VacanttoVibrant.pdf">https://gtechstrategies.org/wp-content/uploads/2013/10/VacanttoVibrant.pdf</a></p>	<p><b>Baltimore, MD</b>  <a href="http://www.healthyneighborhoods.org">http://www.healthyneighborhoods.org</a></p>	<p><b>Philadelphia, PA</b>  <a href="https://www.fels.upenn.edu/news/new-report-urban-revitalization-1">https://www.fels.upenn.edu/news/new-report-urban-revitalization-1</a></p>	<p><b>Frederick, MD</b>  <a href="http://www.downtownfrederick.org/downtown-history">http://www.downtownfrederick.org/downtown-history</a></p>	<p><b>Denver, CO (LoDo)</b>  <a href="http://urbanland.uli.org/development-business/from-skid-row-to-lodo-historic-preservation-s-role-in-denver-s-revitalization/">http://urbanland.uli.org/development-business/from-skid-row-to-lodo-historic-preservation-s-role-in-denver-s-revitalization/</a></p>
<p><b>Louisville, KY</b>  <a href="http://www.metropolitanhousing.org/get-involved/louisville-vacant-properties-campaign/">http://www.metropolitanhousing.org/get-involved/louisville-vacant-properties-campaign/</a></p>	<p><b>Milwaukee, WI</b>  <a href="http://city.milwaukee.gov/HealthyNeighborhoods#.VKb-sluppFI">http://city.milwaukee.gov/HealthyNeighborhoods#.VKb-sluppFI</a></p>		<p><b>Durham, NC</b>  <a href="http://durhamnc.gov/ich/cb/cdd/Pages/ssd_revit.aspx">http://durhamnc.gov/ich/cb/cdd/Pages/ssd_revit.aspx</a></p>	<p><b>Baltimore, MD (EBDI)</b>  <a href="http://www.ebdi.org">http://www.ebdi.org</a></p>
	<p><b>Jamestown, NY</b>  <a href="http://jamestownrenaissance.org/neighborhoods/">http://jamestownrenaissance.org/neighborhoods/</a></p>			<p><b>Oakland, CA</b>  <a href="http://www.downtownoakland.org">http://www.downtownoakland.org</a></p>
	<p><b>Battle Creek, MI</b>  <a href="http://www.nibc.org/#&amp;panel1-1">http://www.nibc.org/#&amp;panel1-1</a></p>			
	<p><b>Chattanooga, TN</b>  <a href="http://choosechattanooga.com/neighborhoods/">http://choosechattanooga.com/neighborhoods/</a></p>			
	<p><b>Oswego, NY</b>  <a href="http://www.oswegonyonline.com">http://www.oswegonyonline.com</a></p>			

# APPENDIX

## Survey and Interviews

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## ADDITIONAL QUALITATIVE FINDINGS FROM INTERVIEWS

Significant feedback was obtained from a large volume of interviews. There was widespread agreement that the community overall faces some hard choices. Likewise there was general agreement that the issues facing one community - while connected - are not the same as those facing others. There was consensus that Ann Arbor is a strong market with an acute affordability challenge; and agreement that Ypsilanti is a weak market with equally acute challenges, but of a different nature. An additional common recognition was the acknowledgment of the limited capacity of the nonprofit development sector.

1. While most believe the region values the need for affordable housing, there is a sense that the region lacks a common definition or understanding of what affordable housing is.
2. There is a strong interest in addressing affordable housing needs in the region in a balanced, thoughtful way.
3. There is some confusion about what affordable housing is (meaning); we were told that some residents have been critical of people that may live in affordable housing even when the new residents would have the same income as the current residents.
4. Some have indicated that issues of race and ethnicity play into where the community wants to put and have affordable housing, but that these issues are not often discussed in public. This contrasts with many public statements about the value of diversity. The question appears to be how that value is supported and implemented through planning and services.
5. Racial and ethnic diversity is a value shared throughout the jurisdictions. But it is a spoken value not revealed in objective data regarding settlement patterns, market values, school district boundaries, and livability. Residential segregation analysis by both the Brookings Institution and the Institute for Social Research at the University of Michigan Social Science Data Analysis Network) speaks clearly to this issue.
6. Most people say they don't want rising housing values to push their neighbors out of their community.
7. The recent regional mass transit plan is an example of multi-jurisdictional collaboration. There have been other regional efforts around policing and others that indicate an ability for the region to cooperate.
8. Mass transit is seen an important part of regional housing, development and economic planning.
9. When talking about affordable housing, people emphasize the need to encourage people to live near where they work and the goal of giving residents a range of housing choices. This idea of workforce housing was regularly identified as a priority.
10. Preserving workforce units - especially as prices are rising and older low income tax credit projects age - may not be getting the focus it deserves, given that the public has focused on, especially in Ann Arbor, the housing options for the very lowest income households.
11. There is considerable civic and policy focus on people under 30% of AMI, especially the homeless, and especially in Ann Arbor. Many commented that public money should focus on helping those under 30% of AMI.
12. Still, generous supportive services for people under 30% of AMI (area median income) in Ann Arbor have attracted people from outside the county to Ann Arbor. This has raised concerns about the sustainability of these programs.
13. The fact that most of Ann Arbor's housing vouchers are used outside the city has created a services imbalance as other communities, often with fewer resources than Ann Arbor, are pressed to provide supportive services to high concentrations of voucher residents.
14. There is a struggle between housing advocates that want to build in lower cost jurisdictions to maximize their investments and people in those jurisdictions concerned about the pressure on their local budgets and overall economic prospects from over concentration of any one type of housing or a lack of alignment between housing and jobs.
15. Existing zoning (density, parking, height, design) can make it hard to provide under 30% AMI housing as well as other levels of affordable housing.
16. Some in Ann Arbor have suggested local zoning and land-use could be modified to encourage transit, discourage cars, and provide for more affordability, as well since providing parking spaces for cars. But this costs extra money. It was raised a few times that changing city parking

requirements away from a minimum parking requirement would open up more options for mixed use, transit projects that support a range of housing prices.

17. While the student population is not growing very fast, there are concerns (completely validated by quantitative analysis) that new student housing is driving up the cost of housing in Ann Arbor as developers focus much of their attention on high-end student housing.
18. People want to make sure seniors can age in place and/or live in the community for the long term. Many have criticized the state policy that pushes seniors to stay in their current home at a lower tax level because it functions as a disincentive from moving into a smaller and more manageable home.
19. Some suggested that more assisted living, co-housing, rooming and/or co-operative housing options for seniors would be helpful. These housing approaches could be a beneficial tool to support regional affordable housing goals.
20. A number suggested greater density in urban areas would help the region provide a range of housing prices and affordability. Jurisdictions in the region clearly understand the benefit of mixed-use, higher density development clusters in areas with appropriate transit services and their master plans reflect this. But recent development projects, where developers built less than they otherwise could due to concerns about market demand, parking, neighborhood concerns, demonstrate that achieving this development vision can be difficult. Some believe the government should be stronger about enforcing master plans and the calls for mixed income, mixed use development.
21. Urban infill, government owned land and the Washtenaw Avenue Corridor regularly come up as the best opportunities for bringing a range of housing options to the area. Also, Reimagine Washtenaw came up repeatedly as an important regional project that can help foster the collaboration and regionalism needed to also address a balance of affordable housing options. But it was stressed that this project can't address all the affordability issues.
22. Where possible, the jurisdictions want to protect rural areas and prevent sprawl. This is important for environmental, quality of life and infrastructure reasons. It was not generally acknowledged that such aims increase the cost of housing.
23. There is a sense that area developers are not as committed to affordable housing or mixed-income/mixed-use housing as they could be. It was suggested a few times that the local development community needs to be augmented by outside developers with experience in mixed-use-mixed-income projects.
24. A number expressed frustration about lack of inclusionary zoning powers due to state law, though many suggested zoning could still be used to encourage a range of price points.
25. There may be an opportunity to work more closely with developers to provide workforce housing options in the area. Public-private partnerships to create affordable housing have not been as common as some believe they should be. Most said that there is limited collaboration with developers today. Many suggested that there are not enough market-driven developer projects to generate a lot of affordable housing and that more pro-active efforts using publicly owned land and, perhaps even publicly purchased land, would be needed.
26. It can be hard to get private land-lords and apartment companies to accept vouchers or ex-felons. Both policies make providing affordable housing for especially lower income populations hard.
27. There is natural civic tension between doing what is needed to respond to the housing market so that a community can provide a range of affordable housing options and community concerns about change and density. Many indicated that people in the community are concerned about the scale of buildings created obstacles to building affordable housing. We also heard clearly that there are many that associate their community's charm, sustainability and social equity as coming from the diversity and types of people that can live there. But what we heard varies. (The sentiment in Ann Arbor is not the same as the view in Ypsilanti.) The perspective in Ypsilanti Township is not shared by everyone else, and vice versa. Markets with different strengths produce people with different viewpoints.
28. There is concern from some that taking a don't change, low density approach will essentially drive up home values, create sprawl, exasperate traffic and lead to a less balanced region.
29. Carrot Way came up a number of times as a good model for an affordable housing project with people suggesting it should be replicated.
30. Many believe that there is a lot of interest and value in using areas outside Ann Arbor as the affordable housing for the region because they are less expensive and government subsidies can go further. This

is tempered by the fact that people outside of Ann Arbor are worried about over concentration of low income housing and the overall balance of housing options in their communities.

31. Outside of Ann Arbor there is concern about the amount of rental housing. They have a desire to see more affordable home ownership options. Since the recession, some areas have seen a substantial change from home ownership to rental.
32. As already stated, housing vouchers for Ann Arbor are most often used outside of Ann Arbor and are creating concentrations of vouchers in a few limited areas. This creates demand for supportive services (jobs, mental health, public safety, etc.) that these communities can't afford. Prisoner re-entry programs often send people to the same communities and these residents (as well as those exiting homelessness) have similar needs for support services. It also creates anger and frustration in the receiving jurisdictions.
33. Some expressed concern that the region may lack the staff resources and capacity to support a truly collaborative approach to affordable housing. Others suggested that the County is well positioned to help coordinate and catalyze regional collaboration through the management of grants as well as staff support.
34. There is general agreement that residents of each jurisdiction should have multiple choices about where they can live and that there should

be a balance of housing options. No one jurisdiction should have all the high income or the lower income housing, but there are different views about what balance and regionalism mean with some saying it means somebody else takes more and few saying it means they should take more affordable housing. Everyone generally agrees that affordable housing is important, as long as it is located someplace else.

35. Sustainability is integrated into area master plans, transportation, energy and civic planning, but generally speaking is not directly associated with housing affordability. There are some current efforts to make affordable housing more energy efficient. There is a sense that sustainability could be more clearly aligned with affordable housing as the two go hand in hand.
36. Schools play a significant role in how people think about where they live and the value of the housing. Communities that are a part of the Ann Arbor school district have a clear real estate advantage; This does impact the balance of housing choices in the region.
37. There is a sense that more focused political leadership would help affordable housing issues and that the area lacks clear metrics or goals. Past efforts with specific numerical goals failed, so some have also suggested that the focus should be on projects instead.

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## SURVEY REVIEW

1/3 of homeowners surveyed (321) are concerned (119) that they couldn't buy their own home if they tried to do it today.

64% of survey respondents are pretty happy about where they are living now. 20% ready to move if they can afford it.

80% of those contemplating moving in the future are focused on quality of life and cost. Some mentioned work, changes in relationship status, a desire for something new (e.g. warmer weather, country living) as driving their desire to move.

Safety (19%), Affordability (16%), Schools (15%), and Employment options/jobs (11%) are seen as the top public priorities.

40% live where they are due to quality of life, 31% for cost/affordability reasons, and 28% because it is close to work. Others indicated they live where they do so they can live near family and friends; the need for a larger or smaller house; a change in their relationship status (married, single, etc.); retirement; eviction; safety; a desire for something different (e.g. rural living); needing a place for dogs; needing a place for kids, and; that their previous rental building had been sold.

80% see community sustainability as an important value, including making sure a broad range of people can live in a community (50%), a sense of social justice (44%), protecting community assets (36%), ensuring people that grow up in the community can live there (36%) and about 33% identifying clean water and mass transit as important for sustainability.

Others, when asked about lost affordability, brought up concerns about gentrification, increased foreclosures, increased homelessness, segregation, and longer commutes.

### Feedback on Purpose and Value of Affordable Housing

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The top goal identified for affordable housing was making sure people have choices about where they live (62%). 48% said affordable housing is necessary to help their community thrive. 41% said the ending

homelessness is a major goal. 37% said helping seniors age in place was a top goal. 37% said helping people live near their jobs was an important goal.

The top purposes identified for affordable housing are: 69% housing for working families; 56% entry level rental options; 52% Homeless housing options; 51% senior housing, first time home buyer and general home ownership options.

84% believe that affordable housing is an important issue and 86% believe it is important that people living in their community now can continue to live there into the future.

46% of respondents think others in their community are worried that affordable housing will hurt their home values. 36% think their neighbors believe affordable housing should be somewhere else.

31% of respondents think others in their community want to live in a place with a range of housing options.

31% of respondents think there is modest interest in affordable housing issues amongst their neighbors.

34% are concerned that lost affordability will make it harder to fill jobs in the community and

32% are concerned that lost affordability will contribute to increased traffic and congestion.

49% believe families with children need the most help with affordable housing. 45% say the homeless. 39% say entry-level workers. 37% say seniors.

### Why is affordable housing important?

*(summary of written responses)*

- It is needed to attract and keep community diversity and talent; we need housing for people that work in and contribute to our community.

- It is important to have options for people to buy housing so they can put down roots and become a part of the community.
- Important to attract and retain young people who contribute to workforce and put down roots.
- People shouldn't have to be homeless.
- People should be able to live near where they work.
- It is an important part of dealing with congestion and sprawl.
- Because many of us could need a different housing option at some point.
- Housing is critical to a person's ability to work and get ahead.
- People should have housing choices.
- To attract new families to an area and to create safe places for children to grow up.
- Single parents need affordable places to raise their families.
- So our children can move back and live where they grew up.
- It is a human right. Social justice is a core community value.
- It helped me.
- People deserve a safe, clean place to live.
- A strong community should not exclude low-income people.
- A strong community has people from all backgrounds and economic levels.
- People with developmental disabilities and mental illness should have places to live in a community.
- The new housing being built is too expensive.
- People shouldn't be priced out of their communities/homes/apartments.
- It is very hard to find a place to live (especially in Ann Arbor).
- Ownership opportunities are too limited for folks; there are not enough affordable choices.
- People shouldn't have to choose between food and rent.
- It is hard to save to buy a home if you can barely afford your own rent. This makes it hard to climb the economic ladder.
- We don't have enough options for seniors to live in.
- Affordable housing in Ann Arbor would increase access to good schools.

### Why is it important for people to be able to continue to live in their current community?

*(summary of written responses)*

- A stable community should have a mix of people, talent, backgrounds.
- Family and community stability require people to have the ability to live in their community for a long time.
- To prevent/slow gentrification.
- The residents are the character and most valuable assets of a community.
- Contributes to strong neighborhoods; long term residents are more civically active.
- If people don't think they can keep living in a place, they are less likely to help improve it or to participate in civic life.
- I want to stay in my community.
- Helps promote pride in the community; community roots get stronger the longer somebody lives in a place.
- People should be able to stay in a community they enjoy.
- Fairness.
- Contributes to community balance and sustainability; community is based on long-term relationships and shared experiences.
- Stability helps contribute to economic base of a community.
- A true community should support people at every stage in their life; Aging in place is important.

### What is quality of life?

*(summary of written responses)*

- A safe and well maintained neighborhood.
- A place you can safely walk around; the ability to walk places.
- Quiet.
- Access to parks & green space. Trees and grass.
- Neighborhood with kids & sense of community.
- Great neighbors.
- Civic pride.
- Grocery stores.
- Access to arts and culture and entertainment.
- Transportation options (walking, biking, transit).
- Access to health care.
- Access to friends.
- Access to farmer's markets and local food choices and local farmers.

- Access to libraries.
- Good schools nearby.
- Diversity.
- Time to spend with friends and family.
- Quality landlords that are available and provide good customer service.
- Access to restaurants.
- Vibrancy and activity.

### What should affordable housing look like?

*(summary of written responses)*

- Safe.
- Clean and well cared for.
- Well-built.
- Need to fix derelict buildings.
- Affordable housing should be energy efficient.
- Close to good schools.
- It should allow people to have disposable income for other needs.
- It needs to be transportation and transit accessible (need more of this).
- A part of a stable community.
- It should ensure people have choices as to where they can live.
- Close to work. Affordable homes should be within two miles of a job.
- It should be in mixed-income settings. [very strong comments about not segregating housing types].
- Must be compatible with surrounding neighborhood; Should look like the other housing that is near it.
- There should be a range of housing types in every neighborhood for different life stages.
- Denser urban areas with greater mix of housing price points.
- It should not be concentrated; it should be integrated & blended throughout community.
- Smaller scale housing units that are more affordable.
- It should provide options for families. We need more family sized housing.
- Options for working families and retirees.
- Avoid city-owned housing; focus on private-ownership rental.
- Explore market-based affordability rather than government subsidies; zoning and density should be tied to market-based affordability.

- Affordable housing needs to include ownership options, not just rental.
- Ownership is important. Co-ops could be a good form of ownership to encourage.
- Rental and purchase options mixed together.
- Opportunity for long-term living to put down roots in the community.
- Should encourage personal responsibility, growth and ownership.
- Co-housing options should be explored.

### Regional Coordination + Balance

88% of respondents believe that communities should provide a range of housing options and types for their residents.

65% don't think there is a fair distribution of housing types in the county. 41% would like to see more opportunities for people to live where they work. 29% wants to see more balance of housing affordability options. 19% wants to see more affordable entry-level housing options.

65% of respondents believe that their community should provide a range of ownership and rental options and need to do more to make this happen. 21% think their community is already doing enough.

83% would like to see coordination between jurisdictions on affordable housing issues, but only 9% think this coordination is already happening.

45% believe different areas of the county currently have different roles with regard to affordable housing...

### What does that mean?

*(summary of written responses)*

- Clearly some areas have more affordable housing than others; all areas should have affordable housing - there shouldn't be a "poor" area.
- Ann Arbor has more subsidized housing, but outside areas are more affordable.
- Ann Arbor should do more. It has become very expensive.
- Ann Arbor needs to focus more on making housing affordable for working people.

- Ann Arbor provides a lot of services, but other areas of the county have greater numbers of people with needs.
- All of the new development in Ann Arbor is high-end and expensive for people to afford.
- There are options, but not enough.
- Ypsilanti seems to be more diverse and affordable than Ann Arbor.
- Ypsilanti houses a disproportionate amount of the county's affordable housing.
- Ypsilanti isn't as supportive of new affordable housing as other areas.
- It appears that some think Ypsilanti should solve everybody else's affordable housing and workforce needs.
- Rentals are concentrated in the eastern end of the county.
- Ypsi/Eastern Washtenaw generally has enough affordable housing and need to focus on stabilizing neighborhoods, fixing the public schools and getting people good jobs, and encouraging home investment.
- Service needs are concentrated in the eastern end of the county.
- Western Washtenaw, Chelsea and Dexter in particular, are fast becoming retirement centers for wealthy baby boomers & should maybe start thinking about affordability now while space is still available.
- Urban areas have a greater role to play due to proximity to jobs and transit; the more urban an area is, the more important affordable housing is for workforce needs.
- If you have employment, you should have housing near it.
- There should be a variety of people and housing everywhere; everybody has a role to make sure people have housing options.
- Some areas of county are very expensive; wealthier areas of county should do more.
- Some areas of county have disproportionate share of housing vouchers.
- Need more transit services to support housing options for people.
- We need a regional approach rather than each jurisdiction having a different model.
- Every community needs a health triple bottom line--socially, economically and environmentally--to become truly sustainable.
- Diversity is not spread evenly throughout the county - the county seems very segregated in terms of housing.
- Less dense areas are pushing the more urban areas to cover the needs for affordable housing.
- Some places are trying to ban affordable housing.

- Areas with the most transit and services should support the most affordable housing.
- The County is balanced overall.
- The decisions about balance should depend on each community's unique needs.

**What does “fair” mean with regard to affordable housing distribution?**  
(summary of written responses)

- Every jurisdiction has a role in helping provide the region's housing needs for all income levels; each community has some reasonable degree of diversity of housing options and price points.
- No one community (or two) should have to bear a disproportionate share of low income housing; over concentration isn't fair.
- We should have a fair distribution of tax base so lower cost, lower tax producing properties are not concentrated in one area.
- Ann Arbor, Saline, Dexter and Chelsea should play more of a role.
- We should work to distribute rents/housing choices based on average wages in an area.
- If 20% of the jobs in a town pay poverty-level wages, then 20% of the homes in the town should be affordable to those workers who live in poverty.
- Housing should be available within a 45 minute commute to work or less.
- If you can be employed in a community, you should be able to live there.
- Minimum wage should enable you to find housing that is safe and clean.
- Teachers, firefighters, police officers should all be able to live in the community they work in.
- You should not have to earn 6 figures to live in the community.
- Paying a fair rent (30% of income)
- We need more affordable options near transit lines.
- More opportunities for families with kids.
- People shouldn't have to choose between good schools for their kids and affordability; the best schools should be available to all communities
- People should have a chance to get on their feet, but should not get a free ride.
- People should have a chance to live in a community and get ahead.

- People shouldn't get special deals based on their income — fair is everybody pays the same for the same house.
- Ex-felons should have a chance to re-start their lives
- Elderly and disabled should be able to live in their community.
- Every community should provide a certain amount of housing options for those with disabilities, senior citizens, and the poor because that is the decent thing to do.
- We should have either a "fair share" housing provision (each local unit provides a percentage of the region's affordable housing equal to its percentage of the region's total population) or an "impact fee" approximation of such a system, in which units that don't provide housing units provide financial support to those who do.
- There should be a sliding scale of income to rent payment.
- Housing choices should take into account all aspects of a person's life. Look at poverty issues and disability issues that affect a person's income.

#### What affordable housing policies and programs are you most familiar with?

*(summary of written responses)*

- Low income tax credits (some would like them to allow for more mixed income projects).
- Community Development Block Grant Funds.
- HOME Funds.
- Section 8 Vouchers (frequently mentioned, many concerned about concentrating poverty or concerns about being bad neighbors, many also say they work when they are available but that they are not available in all communities or usable with all land-lords and the waiting lists are too long).
- Habitat for Humanity (most commonly cited) people want to see it used more.
- Avalon (mentioned multiple times as needing more support, as providing good supportive services).
- RAAH.
- Shelter Association.
- Ann Arbor Housing Commission.
- Ann Arbor and Ypsilanti Housing Authorities.
- HOPE 6.

- Public housing projects raised as being unsafe while others talked about how vouchers work and that more are needed (and they should be accepted in more places).
- Co-ops do work.
- USDA Rural Homeowners Program.
- Strong comments about the value of mixed-income development (we don't want segregated areas).
- Rent controls like in NYC.
- Concerns raised about effectiveness of developer contributions and small projects to impact market forces.
- Increase housing first funding.
- Should offer tax incentives so people can live closer to work.
- Inclusionary zoning (mentioned a few times to help create mixed-income housing options).
- Fair share housing (per-community).
- Twin Cities Fiscal Disparity Act / tax-base sharing -- in part, approximates a per-community payment-in-lieu fair share housing system; regional shift in property tax revenues from communities with high taxable value per capita to those with low, so that cities hosting more low-income residents (and low taxable-value housing) can address the service needs they have.
- Tenant right of first refusal.
- There are few programs to help seniors.
- Should have local land trusts to hold land to help with affordability.
- Housing first policies.
- Should have a larger housing trust fund.
- Shared Tax District between jurisdictions to address infrastructure and housing needs.
- Some concerns about concentrated low income housing in Ypsilanti.
- Concerns about low income tax credit projects expiring and people being priced out.
- MSHDA downpayment assistance program helps homebuyers with the substantial financial burden of the downpayment on a mortgage.
- Plan to end homelessness needs to be updated.
- Concerns about subsidized housing producing dependency.
- Step Forward Michigan.
- Interfaith Hospitality Network.
- Some think the focus should be on education not on housing.
- Some want "granny-flat" rental options
- Hamilton Crossing pointed to as a good project.
- Delonis and Alpha House. Need more of these and mental health services.

- Water street
- 1st ave
- Paradise manor
- University Townhouses
- Arrowwood mentioned a few times as a good project

**What would you do for affordable housing if you could do anything?**  
*(summary of written responses)*

- New, denser mixed use and mixed income development near all transit lines in region.
- Increase affordability in downtown areas with the most walkability, jobs and transit
- Allow for more density.
- Have a mix of housing in every neighborhood; balance in the region.
- Provide more home ownership options.
- Prevent sprawl; halt all development on agricultural land.
- Stop McMansions.
- Increase housing supply along key corridors, including both subsidized and market-rate housing.
- Don't allow developers to tear down modestly-priced housing.
- Stop building luxury apartments.
- Don't segregate or concentrate — integrate.
- Expand transit routes (have more buses to and from Chelsea, Dexter, Canton and add Saline)
- Make sure all affordable housing looks nice and is something we can be proud of.
- Make units small so they are more affordable (e.g. 800 sq ft); make sure zoning allows smaller homes (e.g. more affordable)
- Make all affordable housing energy efficient.
- Support small, modest apartment units/buildings throughout the urban areas.
- Allow ADUs in Ann Arbor.
- Provide more starter homes for young families.
- More rental options for young professionals just starting.
- More affordable first time home buyer options.
- House young families with seniors so the seniors can help with the kids
- More co-ops.
- More senior housing options.
- Affordable 2 bedroom apartments.

- Affordable 3 bedroom purchase options/starter homes.
- More infill housing.
- More housing for non-students in Ann Arbor.
- Less low income housing in Ypsilanti.
- Something near Chelsea that is affordable.
- Change state law to allow inclusionary zoning.
- Expand incentives for developers to include affordability benefits in market-rate housing developments.
- Increased government investment/subsidy.
- Expand Ann Arbor's housing trust fund.
- Rebuild all current public housing.
- Eliminate housing waiting list.
- More options for use of section 8 vouchers.
- Expanded voucher program for more people at a range of income levels.
- Increase use of habitat for humanity.
- Provide vouchers targeted for senior citizens.
- More housing re-habitation funds for seniors and others.
- More support services (mental health, social workers, jobs programs) for people in subsidized housing.
- Make sure people living in subsidized housing take care of their homes.
- Increase subsidized housing options for working - poor with incentives for them to maintain their units.
- Help people with underwater mortgages.
- Lower taxes.
- Continue building the Sister Yvonne Gelise Fund for Supportive Services.
- Reclaim abandoned properties for affordable housing. Use housing funds to buy up low cost housing and work with habitat for humanity to then re-sell it; Take over all vacant properties fix them up.
- Bring in more outside capital to the area to invest in housing choices.
- Put less money into housing first and more into first time home-buyers and workforce housing needs.
- Increase the living wage in county.
- More job training so people could work and afford housing; attract more jobs to area.
- Provide more security in neighborhoods with a lot of affordable/public housing.
- Provide rent to own housing options.
- Develop rent control policies.
- More Avalons.

- Work collectively as a region; create a region-wide plan.
- County-wide affordable housing trust fund paid for through millage.
- Create a community/regional panel to oversee these issues on a regional scale.
- Create some sort of income metrics to guide plans.
- End homelessness.
- More safe shelters, especially for women and children.
- Improve options for Camp Take Notice.
- More emergency housing options.
- Just let the market do what it does - don't try to control it.
- Work with private investors instead of government.
- Remove the fear and bias from this issue - eliminate the stigma.
- Make sure everybody could find a place to live.
- Working people, seniors, vets, families all deserve places to live.
- Make sure everybody has access to a great education.
- Make sure everybody has access to healthy, local, foods
- More housing options, with services, for people with mental illness.

70% think developers should do more to help with affordable housing...

#### **What does that mean?**

*(summary of written responses)*

- They need to set aside more units as affordable.
- There should be more incentives for developers to create affordable housing.

- We need them to stop building luxury housing — they are only focused on expensive homes and condos.
- They need to put more work into making inexpensive housing look good.
- They are only focused on profit, so their profits should be tied to affordability.
- They are not building mixed income and mixed use buildings that we want
- We need more Avalon's.
- We need inclusionary zoning.
- Should require smaller homes integrated with larger, more expensive ones.
- Unless they are forced to, they won't do it.
- They should have to build on transit and infrastructure corridors... stop sprawl.
- Need to build more small, starter homes.
- When developers do try to build affordable housing, the community opposes it and/or it is struck down by the local government; developers need confidence their affordable projects have a fair shot to move forward.
- Ann Arbor's extra floor space premiums for developers have not been working.
- Zoning restrictions make it hard for developers to expand housing supply and thus impact supply and demand pressures.
- Developers focus a lot on the student market, not the workforce market.