Housing Profile

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Overview

- Background and Purpose
- Summary of profiles
- Extra data: Map review
- What is next?





W.E. Upjohn Institute for Employment Research

The Institute is an activity of the W.E. Upjohn Unemployment Trustee Corporation, which was established in 1932 to administer a fund set aside by Dr. W.E. Upjohn, founder of the Upjohn Company.

MISSION:

The W.E. Upjohn Institute for Employment Research is a private, nonprofit, nonpartisan, independent research organization devoted to investigating the causes and effects of unemployment, to identifying feasible methods of insuring against unemployment, and to devising ways and means of alleviating the distress and hardship caused by unemployment.





Background

- The Upjohn Institute researches housing policies and their impacts
- Funding from Regional Prosperity grant to create a regional housing toolkit for local communities
- Assisting several counties with full housing plans

^{we} UPJOHN INSTITUTE	EMPLOYMEN	T RESEARCH
	The Effect of New Housing Constru Low-Income Hou	uction on the
ARTICLE HIGHLIGHTS	Housing costs and the share of income spent on housing are rising rapidly in many large cities,	I use data on household address histories to directly examine this mechanism and shed light on
 There is a heated debate on whether building new housing will improve defordability. I sue household migration data to study this question. I find that migrants to new central city multijumily building: come from neighborhoods with still lower incomes, and migrants into these neighborhoods come from areas with still lower incomes, and so forth. Using a simulation model, I find that 100 new market- rate units ultimately create 70 vucancies in middle-income 	inspiring a heated debate on the appropriate policy response. "Vei-In My-Backyard" (YIMBY) groups advocate for market-based strategies that relax regulation and increase housing construction. Their rationale is Economics 101: increasing supply decranse prices. Opposing groups argue that the YIMBY position is flawed because unsubsidized new housing is tyrically much more expensive than the housing units that are affordable to middle- and low-income households. They claim that these types of housing are so different that new constructions is irrelevant to rents and home prices faced by low-income households, and they advocate for subsidized housing and voucher programs instead of new market-rate construction. Prior research has shown that new housing depreciates and "filters" to become alfordable over the course of decades, but little is known about shorter timerame of, say, there to five years—a	Individuals frequently move to neighborhoods that are slightly different from their previous neighborhoods, but they rarely make large jumps. the effect of new housing on the market for lower- income housing. I highlight three main findings: (1) Individuals frequently move to neighborhoods, that are slightly different from their previous neighborhoods, but rarely make large jumps. This implicit that there are divisions between segments of the market, but they are frequently crossed.
should lower prices, but the effect may be small in the least expensive areas, where prices are close to the marginal cost of providing housing.	horizon that is quite relevant to the acute housing crunch at the center of the current debate. One common theory is that a "migration chain" mechanism could quickly link acpensive new housing to cheaper types of housing. Some households who would have otherwise occupied cheaper units move into new units, reducing demand and lowering prices for the units they	 areas through a series of moves. To show this, I identify residents of new multifamily buildings in large cities, their previous address, the current residents of those addresses, and so on. This sequence quickly adds income areas from the bottom half and even the bottom fifth, consistent with strong migratory connections. New construction opens the housing market
ALSO IN THIS ISSUE Medical Innovation and the Employment of Cancer Patients R. Vincent Pohl page 4	leave vacant. The process iterates when a second round of households moves into the units the first round left vacant. This ripple effect spreads out further and further, eventually reducing prices in middle- or low-income areas. However, if different parts of the housing market (like new construction and low-income neighborhoods) are strongly separated, with little cross-ingration, the chain may never actually reach areas most in need.	in low-income areas by reducing demand. A simulation model suggests that building 100 new market-rate units sparks a chain of moves that eventually leads 70 people to move out of neighborhoods from the bottom haif of the income distribution, and 39 people to move out of neighborhoods from the bottom fifth. This effect should occur within five years of the new units' completion.



Propose of the Profiles

- Regional perspective
- Clarity on barriers
- Tools to move to the next step





Regional Observations

- Housing ecosystem and a continuum of housing options
- Cost of materials and labor
- Lack of skilled labor
- Lack of developable sites
- Markets impacted by neighboring Counties
- Financing (public and private)
- State financing barriers (AMI)
- Impacts of short-term rental



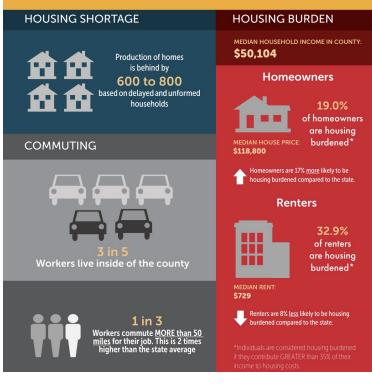
Summary of Profiles

Housing Profile

Oceana County, Michigan

This work will show current conditions and community statements. It is NOT intended to replace a full strategic housing plan.

CURRENT CONDITIONS

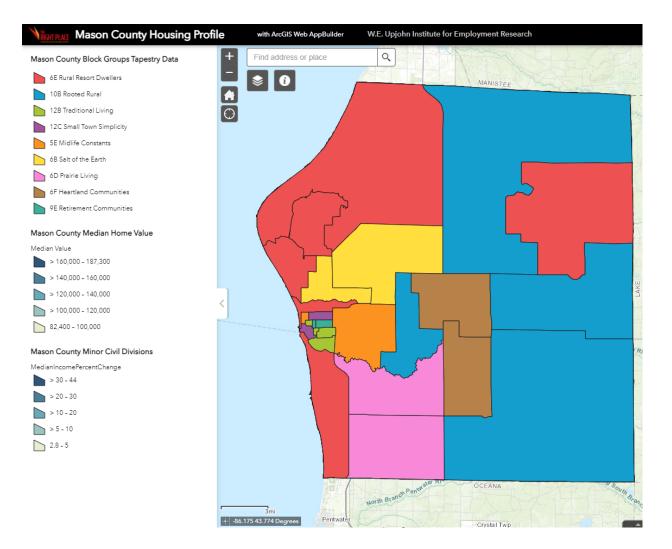






Online Mapping Review

https://upjohn.maps.arcgis.com /apps/webappviewer/index.ht ml?id=8994211cc96849e793cd d087388abddf







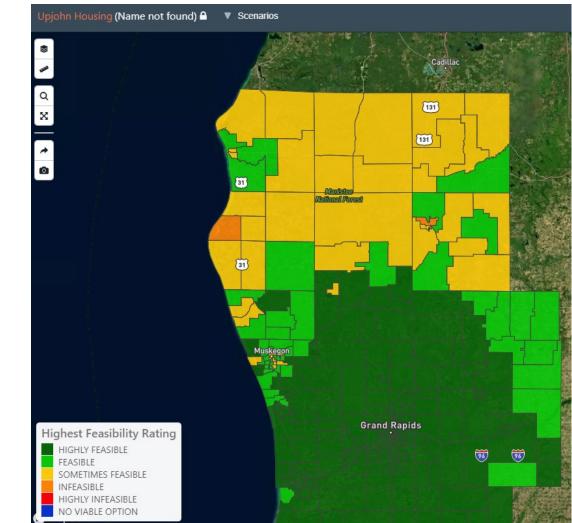


The plan moving forward

https://www.plan4housing.org/

Housing Toolkit – Plan4housing.org

- Housing related data
- Menu of housing best practices
- Housing development feasibility
- Resources for developing local plans
 - Housing plan blueprint
 - Contract work performed by Upjohn Institute Staff





Housing Plan Blueprint

• Foundation: Alignment

- Establish/strengthen working relationships
- Understand the existing roles and responsibilities of all partners
- Create an inventory of secured funding
- Ground floor: Design
 - Implement an inclusive strategic planning process
 - Gap analysis
 - Clear and well-defined roles for all partners
 - Gather relevant data
 - Create a market demand profile
 - Create an inventory of potential funding





Housing Plan Blueprint

• Second Floor: Empower

- Implement strategies by:
 - Collectively gathering and distributing resources
 - Coordinating non-monetary support community-wide
- Cultivate a culture of shared success

• Roof: Measure and celebrate success

- Measure success and hold partners accountable for their commitments
- Make adjustments to plan
 - Make adjustments for parts of the plan that are not successful
 - Set new goals when the current ones are outdated or accomplished







Plans

- The Upjohn Institute is working with a few communities to create local plans
- Example data





Change in Ownership Demand by City and Price

City	<\$60,000	\$60,000- 100,000	\$100,000- 150,000	\$150,000- 225,000	> \$225,000
Kalamazoo city	-127	-72	10	159	712
Kalamazoo charter township	-100	-116	-31	84	484
Portage city	-120	-105	-116	-24	1,040
Oshtemo charter township	-44	-49	-53	36	495
Texas charter township	-41	-33	-69	-35	490
Comstock charter township	-60	-55	-48	29	378
Remainder of Kalamazoo County	-235	-189	-114	-205	1,676



Change in Rental Demand by City and Price Level

City	<\$500	\$500-875	\$875-1,250	\$1,250-1,875	> \$1,875
Kalamazoo city	-473	-49	114	197	250
Kalamazoo charter township	-117	-74	-22	40	119
Portage city	-154	-99	-60	41	188
Oshtemo charter township	-146	-73	20	52	123
Texas charter township	-10	-15	-3	-5	5
Comstock charter township	-62	-49	-35	8	66
Remainder of Kalamazoo County	-151	-78	-31	-13	79



Questions or Comments?



