

Disproportionate Housing Needs

Key Findings

The 2015 Housing Affordability and Economic Equity Analysis demonstrates the existence of two distinct housing markets in the county. One in the Ann Arbor area featuring high rents and high incomes, and a second in Ypsilanti and Ypsilanti Township with lower rents and even lower incomes. The Ann Arbor area needs to add its fair share of affordable housing (140 units a year for 20 years) and eastside neighborhoods need to stabilize and add amenities, services, and improve institutions (like schools districts) to support existing and future residents.

Beyond neighborhood stabilization and investment, higher incomes are needed (through education, training, recruitment, hiring strategies) for Ypsilanti and Ypsilanti Township residents to prevent displacement, and to improve quality of life.

Outside of the urbanized area, several rural areas are also experiencing housing problems and housing cost burden.

And disproportionately, Native American populations, although small, are seeing the biggest challenges around housing. Outreach and engagement with this community is needed along with African American neighborhoods and ongoing work with the Latino community.

Housing Cost Burden Across Populations

In 2015, Washtenaw County released the Housing Affordability and Economic Equity Analysis (www.ewashtenaw.org/affordablehousing). The report noted that the urbanized area of Washtenaw County experiences, in effect, two housing markets.

One is a higher-priced market in and around the City of Ann Arbor, that is considered most desirable due to access to employment centers and a higher-performing school district. Not only are rents and housing prices more expensive, but incomes are also generally higher in this area. Many low and moderate income households are priced out of the area.

The second market is in Ypsilanti and Ypsilanti Township, where rents are considered more reasonable, but where incomes are lower still, creating housing cost burdens for lower and moderate income households.

The analysis based its findings and recommendations on the concept that each community should provide their “fair share” of housing for households at various income and education levels. The resulting recommendation is that communities such as City of Ann Arbor, Ann Arbor Township, Pittsfield Township and other nearby communities should add committed affordable housing units. The annual target for the next 20 years for the City of Ann Arbor is adding 140 and adding 17 units a year in Pittsfield Township.

In Ypsilanti City and Ypsilanti Township, the goal is to attract or grow 69 college-educated households a year in the City of Ypsilanti and 140 households a year in Ypsilanti Township. One approach to raise the household is through training and education. Another approach is through placemaking and adding other housing products to meet the needs of underserved (low opportunity) areas.

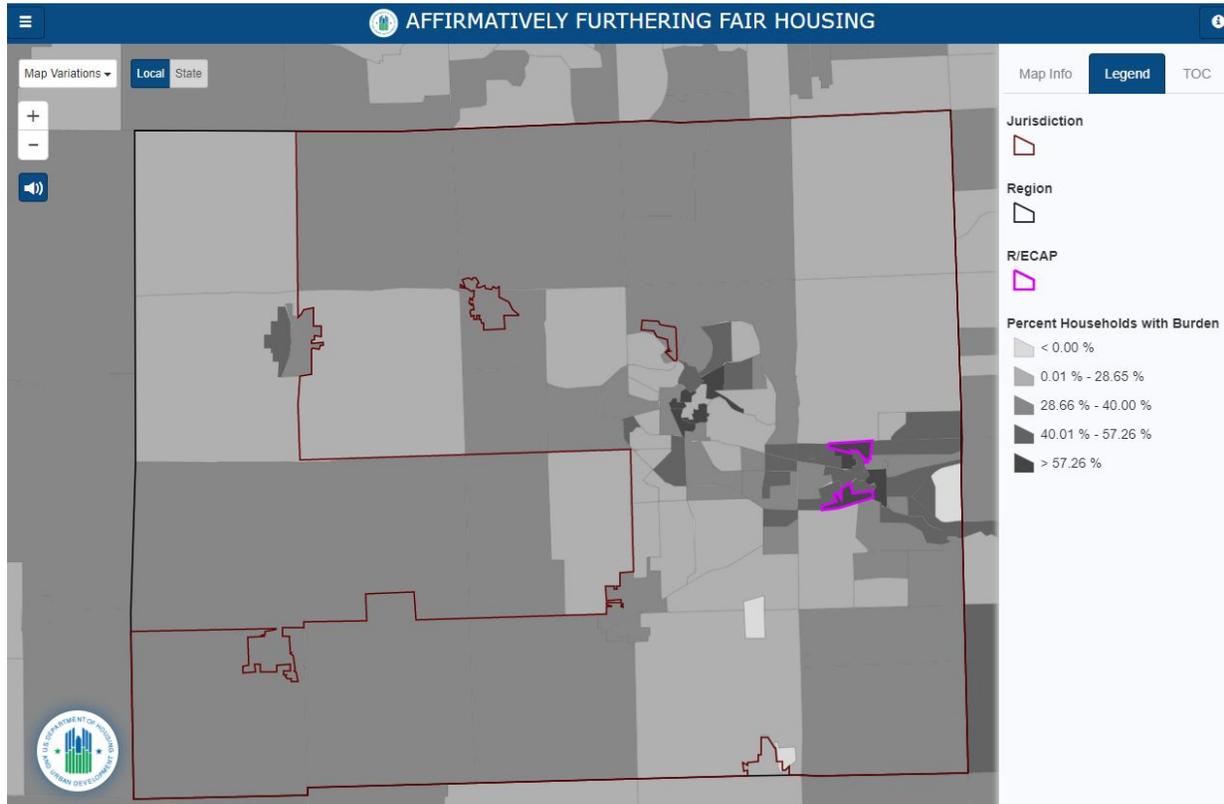
Map 43 below shows housing burden, with higher areas in downtown Ann Arbor (the high rent issue) and in the City of Ypsilanti and Ypsilanti Township (the lower income issue).

Housing Cost Burden Across Jurisdictions

There are higher percentages of households with burden around downtown Ann Arbor and the University of Michigan (Map 43). Often those areas have issues related to housing cost burden and/or housing with more than 1 person per room. Some issues with housing cost burden are related to the student population where students often report low incomes, but are still part of the parent’s household, making some income analysis difficult in and around the University campuses.

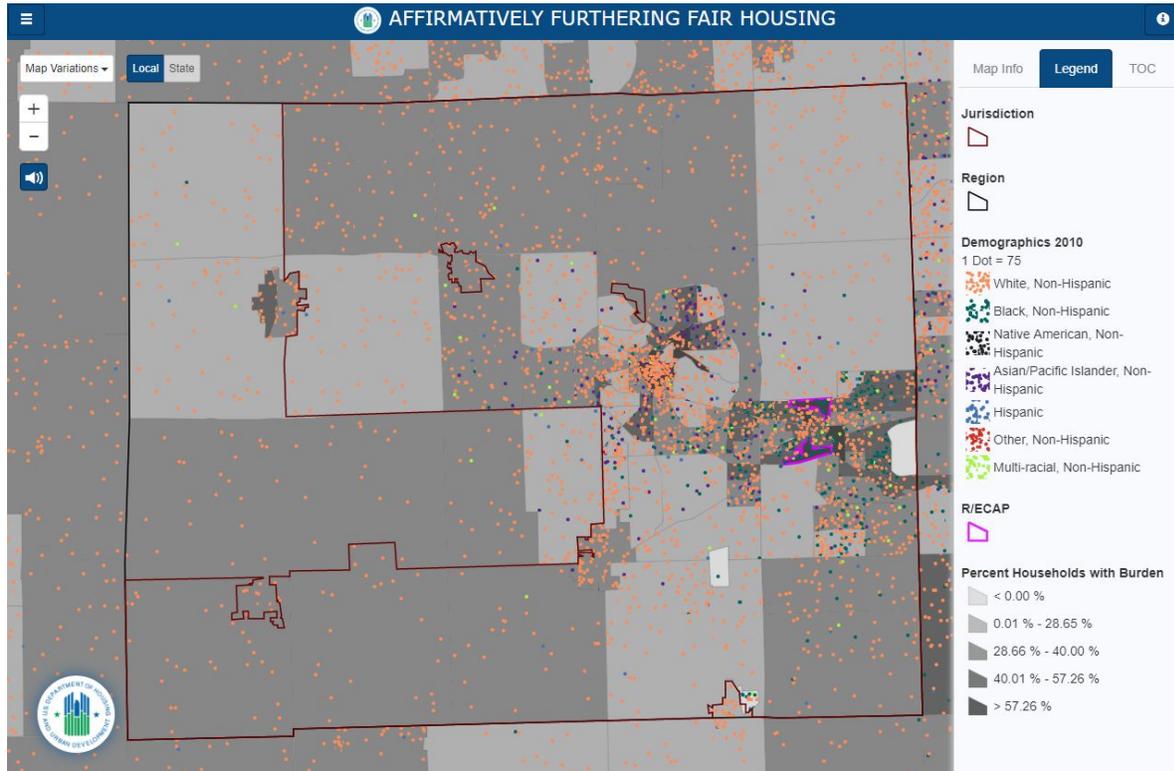
Otherwise, the other census tracts with higher percentages of households with burdens are located primarily on the east side of the county, with the exception of the western half of Chelsea, which is the location several nursing and assisted living facilities. The higher east side census tracts are in Pittsfield, Ypsilanti Township and the City of Ypsilanti, and are also areas with higher concentration of African American and Hispanic residents.

MAP 43_HOUSEHOLDS WITH HOUSING BURDEN



In Ypsilanti, both R/ECAPs have high percentages of households with burden. The Leforge R/ECAP shows 69% of the population experience one or more housing problems. In the southside R/ECAP, 58% of the households experience housing problems. Other areas on the east side with higher African American and Hispanic populations also have higher percentages of households with housing problems.

MAP 44 HOUSEHOLDS WITH HOUSING BURDEN BY RACE & ETHNICITY



Outside of the adjacent University of Michigan campus neighborhoods, it does appear some households of Chinese national origin are disproportionately burdened with housing problems, in particular along the Washtenaw corridor in Ypsilanti and Pittsfield Townships including areas along Carpenter and Golfside Roads (Map 45).

MAP 45_ HOUSEHOLDS WITH HOUSING BURDEN BY NATIONAL ORIGIN

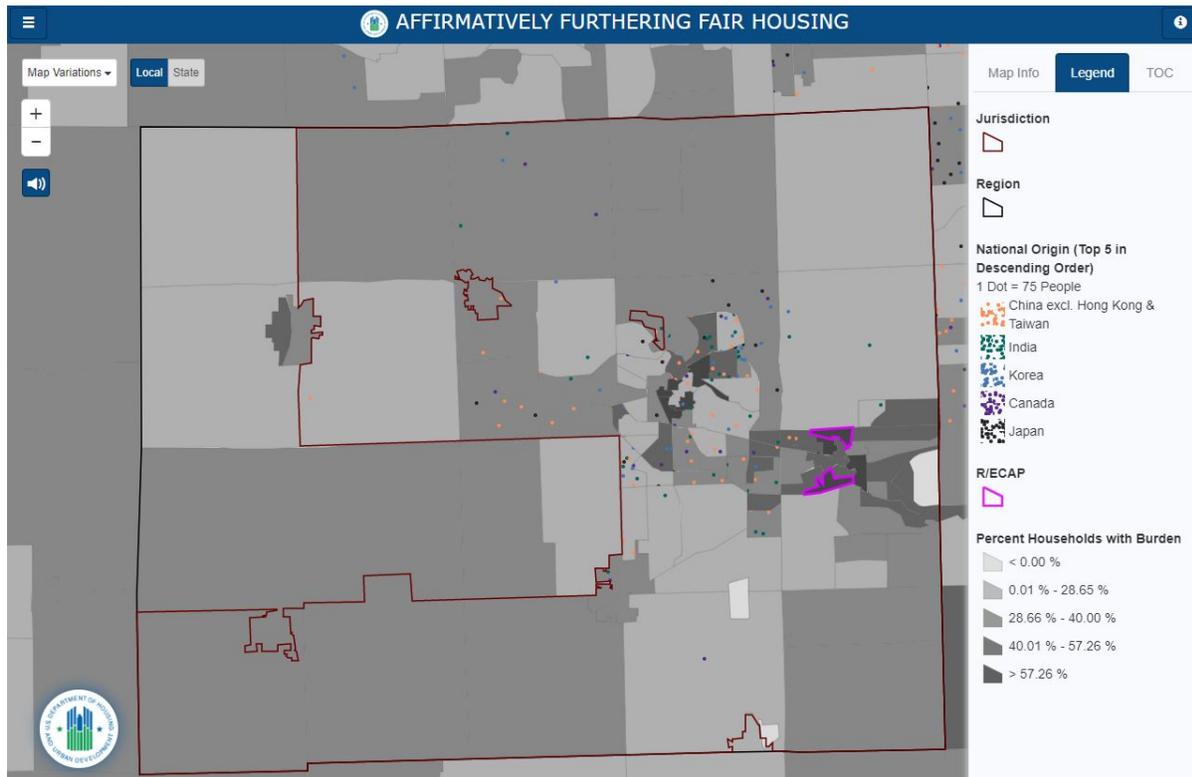


TABLE 31_ DEMOGRAPHICS OF HOUSEHOLDS WITH DISPROPORTIONATE HOUSING NEEDS

(Washtenaw County, MI CDBG, HOME, ESG) Jurisdiction			
Race/Ethnicity	# with problems	# households	% with problems
White, Non-Hispanic	30,400	90,602	33.55%
Black, Non-Hispanic	8,118	15,608	52.01%
Hispanic	1,696	4,031	42.07%
Asian or Pacific Islander, Non-Hispanic	3,800	9,870	38.50%
Native American, Non-Hispanic	105	188	55.85%
Other, Non-Hispanic	1,677	3,490	48.05%
Total	45,809	123,830	36.99%
Household Type and Size			
Family households, <5 people	16,413	62,329	26.33%
Family households, 5+ people	3,133	7,755	40.40%
Non-family households	26,290	53,750	48.91%
Race/Ethnicity	# with severe problems	# households	% with severe problems

White, Non-Hispanic	14,706	90,602	16.23%
Black, Non-Hispanic	4,353	15,608	27.89%
Hispanic	847	4,031	21.01%
Asian or Pacific Islander, Non-Hispanic	2,040	9,870	20.67%
Native American, Non-Hispanic	73	188	38.83%
Other, Non-Hispanic	948	3,490	27.16%
Total	22,959	123,830	18.54%

*The four housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 30%. The four severe housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 50%.

All % represent a share of the total population within the jurisdiction or region, except household type and size, which is out of total households.

Source: HUD-Provided Table 9, Demographics of Households with Disproportionate Housing Needs

Housing Needs of Families with Children

Both the Ann Arbor Housing Commission (AAHC) and the Ypsilanti Housing Commission (YCS) are converting their units through the RAD program to project-based voucher/LIHTC units. In both of these cases, the Housing Commissions are trying to provide a range of units, including barrier-free one bedrooms and some larger-sized 3 and 4 bedroom units for families. The LIHTC units done by non-local providers often focus more on 1 and 2 bedroom units, and overall the committed affordable units, tracked over all types, show more 1 and 2 bedroom units as part of the committed affordable unit stock.

Also, some Housing Choice Voucher (HCV) households prefer renting in single family neighborhoods to be able to rent an entire house, which usually has 2 or 3 bedrooms as well as a yard (e.g. West Willow and Clark Road neighborhoods).

TABLE 32_DEMOGRAPHICS OF HOUSEHOLDS WITH SEVERE HOUSING COST BURDEN

	(Washtenaw County, MI CDBG, HOME, ESG) Jurisdiction		
Race/Ethnicity	# with severe cost burden	# households	% with severe cost burden
White, Non-Hispanic	13,890	90,602	15.33%
Black, Non-Hispanic	3,894	15,608	24.95%
Hispanic	728	4,031	18.06%
Asian or Pacific Islander, Non-Hispanic	1,794	9,870	18.18%
Native American, Non-Hispanic	74	188	39.36%
Other, Non-Hispanic	917	3,490	26.28%
<i>Total</i>	<i>21,297</i>	<i>123,830</i>	<i>17.20%</i>
Household Type and Size			
Family households, <5 people	6,982	62,329	11.20%
Family households, 5+ people	930	7,755	11.99%
Non-family households	13,383	53,750	24.90%

Note 1: Severe housing cost burden is defined as greater than 50% of income.

Note 2: All % represent a share of the total population within the jurisdiction or region, except household type and size, which is out of total households.

Note 3: The # households is the denominator for the % with problems, and may differ from the # households for

the table on severe housing problems.

Source: HUD-Provided Table 10, Demographics of Households with Severe Housing Cost Burden

Native Americans and other non-Hispanic groups are a smaller portion of the population, but are experiencing a disproportionate percentage of housing problems and housing cost burden. African American and other non-Hispanic groups are also experiencing a high percentage of housing problems and severe housing cost burden, with a geographic focus on the east side of the county, which has been documented previously.

Based on sheer numbers, the white population has the most people with housing problems and cost burden - which might explain why rural areas are showing a considerable amount of housing problems and cost burden as shown on the above maps.

Contributing Factors of Disproportionate Housing Needs

Each chapter discusses contributing factors that continue, worsen, or otherwise prevent resolution to the fair housing issue discussed in the chapter. These contributing factors help direct the development of goals and strategies to counter the issue.

The availability of affordable units in a range of sizes

As noted previously, committed affordable units in the county are primarily 1 and 2 bedroom units, but there is a mix within project-based voucher units, as well as units available for rentals through housing choice vouchers. Recent RAD conversion projects have allowed for both housing commissions to add larger unit sizes into their inventories.

Displacement of residents due to economic pressures

A few factors are at play with concerns about displacement. As frequently discussed in the [2015 Housing Affordability and Economic Equity Analysis](#), high housing prices in the Ann Arbor area are pushing many households out of Ann Arbor, often to the east side of the county, specifically in Ypsilanti and Ypsilanti Township. The high cost of housing, due in large part to the presence and dominance of the U of M and its hospital system, impacts renters and homeowners alike.

In some cases, loss of committed affordable units has also caused displacement. Of current concern is the Cross Street Village in the City of Ypsilanti. Cross Street Village is an affordable senior living facility where the property owners have completed the 15-year mandatory affordability period, but are opting out of the 99-year extended affordability period by using the IRS Qualified Contract exemption that allows them to “list” the property for sale. Based on the calculation involved, the property is listed for sale at \$12,050,000, significantly higher than its appraisal of \$4 million. While the affordability period will extend 3 years, current tenants are seeing rent increases and are concerned about how long they will be able to stay. Many are already looking to relocate and are finding few affordable options.

The Ypsilanti Housing Commission's Rental Assistance Demonstration (RAD) conversion is having a positive impact on neighborhoods due to the renovation of all units, including demolition and redevelopment in some cases. These properties moved out of public ownership to a public/private partnership to allow the use of Low-Income Housing Tax Credits to fund renovation and redevelopment. The total affordability period for these properties is 45 years once construction is complete.

The Ann Arbor Housing Authority is also in the middle of a full RAD conversion, but the AAHA/City of Ann Arbor are maintaining ownership of the land to control long-term affordability for those properties. The City of Ann Arbor provided a 99 year ground lease to the entity developing the property. In both cases, long-term planning will be needed to maintain affordability at either the 45 or 99 year point.

Lack of private investments in specific neighborhoods

The City of Ypsilanti has not seen any new residential housing construction (outside of rehabilitation and RAD conversion) in more than 10 years. That said, there has been great improvements through RAD conversion of Ypsilanti Housing Commission properties, and residential investments in rehabilitation of post-foreclosure properties. There are several new prospects in the planning stages, but still limited investment, particularly in the south and southeast neighborhoods.

Private investments in Ypsilanti Township increased post-recession as several subdivisions that had previously stalled, restarted development often with new ownership. Additionally, there is interest in investment along several corridors (i.e. Whittaker Road); however, the Gault Village shopping area- previously a neighborhood center with a grocery and related convenience shopping- is still in transition and is experiencing high degree of vacancy.

Lack of public investments in specific neighborhoods, including services or amenities

Within the City of Ypsilanti, there are a number of amenities including parks, a fairly complete sidewalk network, streetlights, community centers, and similar. Due to its age and funding constraints, the City of Ypsilanti has deferred maintenance on several of its amenities, such as the sidewalk network, downtown pedestrian improvements, parks, and other infrastructure.

The City of Ypsilanti eliminated recreation programming around 2004, and has reduced many maintenance services due to budget constraints over the past 15 years. However, an active community has taken over several roles including the operation and physical replacement of the Rutherford City Pool, the operation of the Senior Center, and a partnership with Washtenaw Community College that provides programming and education at Parkridge Community Center. Ongoing facility maintenance is limited to the availability of grant funding and charitable support rather than general fund. Investments in Parkridge Park and Peninsula Park (both R/ECAPs) has been minimal and focused on maintenance and replacement of existing equipment.

Ypsilanti Township has maintained its recreational programming and expanded its park and park facilities. In the case of the West Willow neighborhood, a partnership between the Township and Habitat for Humanity of Huron Valley has resulted in improvements to the neighborhood center, the addition of a pavilion as well as some park maintenance.

Superior Township has identified the need for additional facilities in and around the MacArthur Drive neighborhood. A small branch of the Ypsilanti District Library is located in the area as well as the Superior Township Community Park, but there are limited facilities to provide recreational and/or educational services to youth.

Land use and zoning laws

Land use and zoning laws generally allow for multi-family housing. However, in the City of Ann Arbor, connection fees and development review processes increase the costs of all development, including affordable housing development. Despite this, the City of Ann Arbor also has a payment in lieu of taxes (PILOT) ordinance requiring that all units maintained at 60% AMI pay \$1 per unit a year in taxes. The State of Michigan Rent Control Act limits the tools that local units can utilize to incentivize affordable housing developments.

Single-family zoning districts make up the bulk of zoning districts in communities throughout the county. This limits the housing choices, price points and availability of housing for populations most in need. There have been efforts to limit the number of affordable units or use of housing choice vouchers through the use of Planned Unit Development (PUD) zoning. In other communities, PUDs have been utilized to encourage affordable housing. In Washtenaw County, similar to the nation, lower-income populations often includes communities of color.

Lending Discrimination

The recent history of mortgage lending in Washtenaw County as reported through Home Mortgage Disclosure Act (HMDA). African Americans are denied mortgages for single family, duplex, triplex and quad buildings at a rate often 2-3 times that of whites or Asians. Hispanics are also denied at a much higher rate, than whites or Asians. The smaller number of loan originations does show more fluctuation in the information for Hispanics/Latinos.

Anecdotally, there have been numerous stories of EMU professors looking for housing that are immediately directed to the Ann Arbor Housing market by realtors and others, rather than neighborhoods with quality and affordable housing stock within walking or shorter commuting distances in the City of Ypsilanti and Ypsilanti Township. Anecdotal reports from realtors indicate that steering occurs related to school districts, with school district boundaries serving as the modern era “redline” districts.