Housing Next was hired in late 2019 to support Strategic Plan Objectives for Economic Prosperity & Affordability

- EQUIitable DEVELOPMENT STRATEGIES
- ZONING REVIEW
- PUBLIC PROPERTY INVENTORY
- DEVELOPMENT INCENTIVE REVIEW
- DEFINE KEY OBJECTIVES FOR THE AFFORDABLE HOUSING FUND
- HOUSING NEEDS ASSESSMENT
Identifying Housing Needs & Opportunities

**Great Housing Strategies**
- Informed by the 2015 Zimmerman Volk Analysis and countless hours of community input and staff time, the work of Great Housing Strategies significantly informs the recommendations in this phase of work.

**Housing Now!**
- A series of targeted interventions have provided both market feedback and community feedback to further inform the process ahead.
Collaborative Engagement

- City of Grand Rapids
- Grand Rapids Area Chamber of Commerce
- Frey Foundation
- K-Connect
- Housing Next
What are the problems we are working to dissolve?

01 Inadequate housing supply for a growing population

02 Disparities in access to housing and homeownership

03 Dramatic price increases at the neighborhood level
Barriers to housing stability are rooted in deeper systems.

- Wages
- Education
- Mental and Physical Health Care
- Systemic Racism
- Mobility Choice
- Safe & Clean Environment
The City of GR will need at least **5,340 more rental units** by 2025 to satisfy demand. 60% of total county-wide rental needs.

### GRAND RAPIDS RENTAL HOUSING NEEDS (2020 – 2025)

<table>
<thead>
<tr>
<th>Income Category</th>
<th>0-30% AMI</th>
<th>30-50% AMI</th>
<th>50-80% AMI</th>
<th>80-120% AMI</th>
<th>120% AMI+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Units</td>
<td>1,031</td>
<td>895</td>
<td>966</td>
<td>1,469</td>
<td>979</td>
</tr>
</tbody>
</table>

Bowen National Research, 2020
The City of GR will need 3,548 more owner-occupied units by 2025 to satisfy demand. 26% of total county-wide for-sale needs.

<table>
<thead>
<tr>
<th>Income Category</th>
<th>0-30% AMI</th>
<th>30-50% AMI</th>
<th>50-80% AMI</th>
<th>80-120% AMI</th>
<th>120% AMI+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Units Needed</td>
<td>254</td>
<td>346</td>
<td>949</td>
<td>1,569</td>
<td>430</td>
</tr>
</tbody>
</table>

Bowen National Research, 2020
## Projected Demographic Shifts
(City of GR through 2025)

<table>
<thead>
<tr>
<th></th>
<th>0-30% AMI</th>
<th>30-50% AMI</th>
<th>50-80% AMI</th>
<th>80-120% AMI</th>
<th>120% AMI+</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2020</strong></td>
<td>12,778</td>
<td>7,995</td>
<td>7,136</td>
<td>4,756</td>
<td>3,719</td>
</tr>
<tr>
<td><strong>2025</strong></td>
<td>11,387</td>
<td>7,649</td>
<td>7,509</td>
<td>5,507</td>
<td>5,729</td>
</tr>
<tr>
<td><strong>Projected Household Growth</strong></td>
<td>-1,391</td>
<td>-346</td>
<td>373</td>
<td>751</td>
<td>2,010</td>
</tr>
<tr>
<td><strong>% Change by 2025</strong></td>
<td><strong>-11%</strong></td>
<td><strong>-4%</strong></td>
<td><strong>5%</strong></td>
<td><strong>16%</strong></td>
<td><strong>54%</strong></td>
</tr>
</tbody>
</table>

*Bowen National Research, 2020*
The remainder of Kent Co will need at least **3,581** more rental units by 2025 to satisfy demand.

<table>
<thead>
<tr>
<th>Income Category</th>
<th>0-30% AMI</th>
<th>31%-50% AMI</th>
<th>51%-80% AMI</th>
<th>81%-120% AMI</th>
<th>121%+ AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Units Needed</td>
<td><strong>266</strong></td>
<td><strong>938</strong></td>
<td><strong>924</strong></td>
<td><strong>1,001</strong></td>
<td><strong>452</strong></td>
</tr>
</tbody>
</table>

Bowen National Research, 2020
The remainder of Kent Co will need **9,760** more **owner-occupied** units by 2025 to meet demand.

<table>
<thead>
<tr>
<th>Income Category</th>
<th>0-30% AMI</th>
<th>30-50% AMI</th>
<th>50-80% AMI</th>
<th>80-120% AMI</th>
<th>120% AMI+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Units Needed</td>
<td>0</td>
<td>1,793</td>
<td>1,608</td>
<td>3,870</td>
<td>2,489</td>
</tr>
</tbody>
</table>
## Projected Demographic Shifts
(Kent Co through 2025)

<table>
<thead>
<tr>
<th></th>
<th>0-30% AMI</th>
<th>30-50% AMI</th>
<th>50-80% AMI</th>
<th>80-120% AMI</th>
<th>120% AMI+</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2020</strong></td>
<td>10,438</td>
<td>10,446</td>
<td>10,016</td>
<td>7,260</td>
<td>4,718</td>
</tr>
<tr>
<td><strong>2025</strong></td>
<td>8,887</td>
<td>9,700</td>
<td>10,469</td>
<td>8,399</td>
<td>6,056</td>
</tr>
<tr>
<td><strong>Projected Household Growth</strong></td>
<td>-1,551</td>
<td>-746</td>
<td>453</td>
<td>1,139</td>
<td>1,338</td>
</tr>
<tr>
<td><strong>% Change by 2025</strong></td>
<td>-15%</td>
<td>-7%</td>
<td>5%</td>
<td>16%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Bowen National Research, 2020
Black Latino People of Color

White All

Source: Equity Profile of Grand Rapids, 2018

Cost burdened = Spending >30% income on housing
Cost-Burdened Families

>30% of Income Spent on Housing

**Grand Rapids**
- 17,052 Renters (52%).
- 7,914 Homeowners (19%)

**Kent County**
- 16,758 Renters (41%)
- 21,575 Homeowners (18%)

Bowen National Research, 2020
Households Spending 50%+ Total Income on Housing

![Bar chart showing severely cost burdened renters and owners in different wards and total GR.]

- Downtown: 29.3% (Renter), 5.4% (Owner)
- Ward 1: 34.7% (Renter), 6.2% (Owner)
- Ward 2: 26.9% (Renter), 7.2% (Owner)
- Ward 3: 30.2% (Renter), 7.0% (Owner)
- Total GR: 30.2% (Renter), 7.0% (Owner)
- Balance of Kent Co: 18.3% (Renter), 6.0% (Owner)

Bowen National Research, 2020
Overcrowding is a hidden indicator of a lack of affordable housing.
Housing Choice
The City is expected to need more than 5,300 additional rental units and 3,500 for-sale units by 2025.
Nearly \( \frac{3}{4} \) of all Rental Options are within buildings with less than 10 units.

<table>
<thead>
<tr>
<th></th>
<th>1; Detached</th>
<th>1; Attached</th>
<th>2 to 4</th>
<th>5 to 9</th>
<th>10 to 19</th>
<th>20 to 49</th>
<th>50+</th>
<th>Mobile Homes</th>
<th>Boat, RV, Vans</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GR</strong></td>
<td>Number</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9,296</td>
<td>2,103</td>
<td>9,685</td>
<td>2,936</td>
<td>2,739</td>
<td>1,958</td>
<td>4,317</td>
<td>63</td>
<td>11</td>
<td>33,108</td>
</tr>
<tr>
<td><strong>Percent</strong></td>
<td>28.1%</td>
<td>6.4%</td>
<td>29.3%</td>
<td>8.9%</td>
<td>8.3%</td>
<td>5.9%</td>
<td>13.0%</td>
<td>0.2%</td>
<td>0.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Bowen National Research, 2020
67% of Renter Households are comprised of just 1 or 2 people.
Current Rental Unit Mix

Share of Rental Units by Bedroom

- Studio: 0.0%
- One: 10.0%
- Two: 20.0%
- Three: 30.0%
- Four: 40.0%

GR and Kent

Bowen National Research, 2020
87% of **owner-occupied** housing is within single-family, detached buildings.

<table>
<thead>
<tr>
<th></th>
<th>1; Detached</th>
<th>1; Attached</th>
<th>2 to 4</th>
<th>5 to 9</th>
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<th>Mobile Homes</th>
<th>Boat, RV, Vans</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GR</strong></td>
<td>Number</td>
<td>35,134</td>
<td>2,230</td>
<td>1,309</td>
<td>392</td>
<td>185</td>
<td>215</td>
<td>683</td>
<td>75</td>
<td>40,233</td>
</tr>
<tr>
<td></td>
<td>Percent</td>
<td><strong>87.3%</strong></td>
<td>5.5%</td>
<td>3.3%</td>
<td>1.0%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>1.7%</td>
<td>0.2%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
62% of all Owner Households are comprised of just 1 or 2 people.
Share of Available For-Sale Housing by Bedrooms

- **City of GR**
  - One-Bedroom: 0.6%
  - Two-Bedrooms: 13.4%
  - Three-Bedrooms: 59.6%
  - Four-Bedrooms: 22.3%
  - Five+ Bedrooms: 4.2%
- **Kent Co**
  - One-Bedroom: 0.4%
  - Two-Bedrooms: 6.9%
  - Three-Bedrooms: 34.4%
  - Four-Bedrooms: 40.0%
  - Five+ Bedrooms: 18.3%

Bowen National Research, 2020
The City needs more options for homeownership to support 3,500+ new households by 2025.
## Step-down Effect on For-sale Homes

### For-Sale Housing Gap Estimates by AMI

<table>
<thead>
<tr>
<th></th>
<th>0-30%</th>
<th>30-50%</th>
<th>50-80%</th>
<th>80-120%</th>
<th>120%+</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Potential Growth</strong></td>
<td>236</td>
<td>45</td>
<td>432</td>
<td>1121</td>
<td>1718</td>
</tr>
<tr>
<td><strong>Step-Down Gain</strong></td>
<td>22</td>
<td>324</td>
<td>841</td>
<td>1289</td>
<td>0</td>
</tr>
<tr>
<td><strong>Step-Down Loss</strong></td>
<td>0</td>
<td>-22</td>
<td>-324</td>
<td>-841</td>
<td>-1289</td>
</tr>
<tr>
<td><strong>Units in Pipeline</strong></td>
<td>-4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Overall Units Needed</strong></td>
<td>254</td>
<td>347</td>
<td>949</td>
<td>1,569</td>
<td>429</td>
</tr>
</tbody>
</table>

Bowen National Research, 2020
### Rental Housing Gap Estimates by AMI

<table>
<thead>
<tr>
<th></th>
<th>0-30%</th>
<th>30-50%</th>
<th>50-80%</th>
<th>80-120%</th>
<th>120%+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Potential Growth</td>
<td>704</td>
<td>813</td>
<td>1215</td>
<td>1074</td>
<td>2226</td>
</tr>
<tr>
<td>Step-Down Gain</td>
<td>406</td>
<td>607</td>
<td>537</td>
<td>1113</td>
<td>0</td>
</tr>
<tr>
<td>Step-Down Loss</td>
<td>0</td>
<td>-406</td>
<td>-607</td>
<td>-537</td>
<td>-1113</td>
</tr>
<tr>
<td>Units in Pipeline</td>
<td>-79</td>
<td>-119</td>
<td>-178</td>
<td>-181</td>
<td>-134</td>
</tr>
<tr>
<td>Overall Units Needed</td>
<td>1031</td>
<td>895</td>
<td>967</td>
<td>1469</td>
<td>979</td>
</tr>
</tbody>
</table>

Bowen National Research, 2020
In healthy markets, approximately 2-3% of the for-sale housing stock should be available for purchase to allow for inner-market mobility.

<table>
<thead>
<tr>
<th>Available For-Sale Housing by Price (As of Mar. 17, 2020)</th>
<th>PSA (Grand Rapids)</th>
</tr>
</thead>
<tbody>
<tr>
<td>List Price</td>
<td>Number Available</td>
</tr>
<tr>
<td>Up to $99,999</td>
<td>30</td>
</tr>
<tr>
<td>$100,000 to $149,999</td>
<td>115</td>
</tr>
<tr>
<td>$150,000 to $199,999</td>
<td>105</td>
</tr>
<tr>
<td>$200,000 to $249,999</td>
<td>74</td>
</tr>
<tr>
<td>$250,000 to $299,999</td>
<td>13</td>
</tr>
<tr>
<td>$300,000+</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>359</td>
</tr>
</tbody>
</table>
Healthy and well-balanced markets have rental occupancy rates between 94% and 96%.

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Projects Surveyed</th>
<th>Total Units</th>
<th>Vacant Units</th>
<th>Occupancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market-rate</td>
<td>150</td>
<td>28,119</td>
<td>976</td>
<td>96.5%</td>
</tr>
<tr>
<td>Market-rate/Tax Credit</td>
<td>5</td>
<td>820</td>
<td>0</td>
<td>100.0%</td>
</tr>
<tr>
<td>Market-rate/Government-Subsidized</td>
<td>5</td>
<td>847</td>
<td>12</td>
<td>98.6%</td>
</tr>
<tr>
<td>Tax Credit</td>
<td>22</td>
<td>1,149</td>
<td>2</td>
<td>99.8%</td>
</tr>
<tr>
<td>Tax Credit/Government-Subsidized</td>
<td>22</td>
<td>1,483</td>
<td>9</td>
<td>99.4%</td>
</tr>
<tr>
<td>Market-rate/Tax Credit/Government-Subsidized</td>
<td>2</td>
<td>88</td>
<td>27</td>
<td>69.3%</td>
</tr>
<tr>
<td>Government-Subsidized</td>
<td>34</td>
<td>2,313</td>
<td>0</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>240</strong></td>
<td><strong>34,819</strong></td>
<td><strong>1,026</strong></td>
<td><strong>97.1%</strong></td>
</tr>
</tbody>
</table>

Source: Bowen National Research
2025 Housing Goals

- Preserve at least 1,000 existing affordable units before 2025.
- Add at least 8,000 new total units by 2025, with at least 2,000 being affordable to 60% AMI households and below.
- Increase homeownership rate among Black, Indigenous and People of Color by 25% by 2025.
- Encourage 5% of all homeowners in the City to add a second dwelling unit.
- Create more opportunity for homeownership throughout the City in the form of condos, townhomes, tiny homes and cottage clusters.
- Monitor progress in each neighborhood using disaggregated data sets wherever possible.
Current demand for nearly 2,500 additional market-rate rental units, and 2,000 market-rate for sale units.

Amenities make density enjoyable and will drive demand.

Market-rate housing is not yet fully financially sustainable, but methodical adjustments to incentive policies are needed.
Grand River property frontage presents one of the largest opportunities to add market rate housing at-scale.
There's a Difference!

Overcrowding
Too many people in each home.

Density
Enough homes for all the people.

More Density = Less Overcrowding
If 5% of all single-family homes in GR were to add a secondary dwelling unit, it could create an additional 3,400 rental units.

There are mechanisms to ensure affordability for a majority of secondary units.
Year 1 - Implementation Strategies

- Preserve Existing Affordable Housing Wherever Possible
- Maximize Rental Assistance and Eviction Prevention Programs
- Create (and fund) Income Certification System/Staff
- Proactively Support more LIHTC & Market-rate Development
- Leverage Strategic City-owned Property where viable
- Re-Calibrate Economic Development Incentives
- Deep Community Engagement at neighborhood level
- Statewide Legislative & Policy Advocacy
Mid-Term Implementation Strategies

- Adopt an Inclusive Housing Plan: 5-Year and 10-Year Goals
- Establish & Staff Central Redevelopment Authority
- Allow for More Housing in Every Neighborhood
- Implement Gap-Financing Programs Where Market Forces are Failing
- Establish Dedicated Revenue & Grow Affordable Housing Fund
- Catalyze Market Rate Housing Downtown and Along Transit Corridors (alongside affordable housing)
- Ensure Access to Capital for Homeowners and Small-scale Developers
- Regional Collaboration
Affordable Housing Fund

Work toward funding targets based on intended impact.

Minimum goal of $20M fund with expectation to grow to $50-$75M over 10 years.
Year 1 - Grow the Housing Fund.

- Define and dedicate existing sources available for set aside.

- Seek enabling legislation and/or public support for additional dedicated source(s) of revenue.

- Communicate investment priorities and outcomes with community partners and pursue commitments.

- Provide an investment prospectus to employers, institutional partners and community investors.

- Establish partnership with CDFI and Community Land Trust(s) when needed.
Support growth to provide for existing population + estimated annual population increase.

01

Equitable Outcomes, Access to Opportunity & Greater Affordability

02

Economically, Socially & Environmentally Resilient and Connected Neighborhoods

03
Support growth to provide for existing population + estimated annual population increase. 8,900 units by end of 2025

- **01** Support growth to provide for existing population + estimated annual population increase. 8,900 units by end of 2025
- **02** Increase funding for homeowner assistance programs
- **03** Create gap-financing programs for new development
- **04** Allow for more housing in every neighborhood
Equitable Outcomes & Access to Opportunity

01
Prioritize larger investments along transit corridors, neighborhoods of focus & downtown

02
Secure affordable housing options in high opportunity neighborhoods

03
Focus on opportunities for wealth creation among Black, Indigenous & People of Color

04
Support small business and infrastructure investments in neighborhoods of focus
Areas of Focus

Support ownership and opportunities for wealth creation among households of color.

Establish broad-based support for increasing supply across all neighborhoods and product types with guidance and accountability from neighborhood groups.

Calibrate policies, incentives & investments to meet market needs while establishing long-term affordability requirements.
7 Levers of Governance to Achieve Affordability

1. GR Strategic Plan
2. Master Plan
3. Measurable Data

- Regulations
- Incentives
- Investments

Iterative & Dynamic Communication

Jonathan F.P. Rose
“The Well-Tempered City”
FY 2021 Scope of Work

- Initiate Affordable Housing Preservation Strategy
- Support Master Plan update process
- Facilitate re-engagement of the Affordable Housing Fund Board
- Catalyze new housing supply at all price points
- Leverage Public Property to achieve City-wide and neighborhood goals
- Additional support services as needed
Questions?