



Webinar

2022 Terwilliger Center Home Attainability Index Release

Date: July 29, 2022

00:00:04 --> 00:00:07: Welcome and thank you for joining us for today's launch
00:00:07 --> 00:00:11: of YOLIS to will your centers 2022 Home Attainability index.
00:00:11 --> 00:00:15: The Home Attainability index is twilligear centers flagship analysis that
00:00:15 --> 00:00:18: we conduct each year and we hope the perspectives that
00:00:18 --> 00:00:22: provides on cities housing challenges are helpful. Context for our
00:00:22 --> 00:00:25: Members and other housing stakeholders to leverage as they seek
00:00:26 --> 00:00:29: to overcome barriers to production and deliver the housing that
00:00:29 --> 00:00:31: people and cities need to thrive.
00:00:31 --> 00:00:35: And the Census Bureau did throw us some curveballs this
00:00:35 --> 00:00:38: year. And so we were releasing the analysis a little
00:00:38 --> 00:00:42: later than we typically would. But our senior visiting research
00:00:42 --> 00:00:47: fellow, Mike spots, has persevered. Mike designed our Home maintainability
00:00:47 --> 00:00:50: index back in 20 and has enhanced the analysis each
00:00:50 --> 00:00:53: year, and I'm so pleased that he'll have the chance
00:00:53 --> 00:00:57: today to share his latest enhancement and some new tools
00:00:57 --> 00:01:01: that we're releasing alongside this year's analysis as well.
00:01:01 --> 00:01:04: I want to say a special thanks to the national
00:01:04 --> 00:01:07: Income Housing Coalition for the use of its annual housing
00:01:07 --> 00:01:11: gap analysis to the National Housing Conference for the use
00:01:11 --> 00:01:14: of its paycheck to paycheck analysis and database and helps
00:01:14 --> 00:01:18: us put a face on home attainability challenges. And finally,
00:01:18 --> 00:01:21: thank you to RCCL Co who is helping us think
00:01:21 --> 00:01:25: through our perspectives and analysis of production. We'll hear more
00:01:25 --> 00:01:28: about that later. There are on the screen. You see
00:01:28 --> 00:01:30: the core of what we do at the Twilegar center.
00:01:30 --> 00:01:31: And again.
00:01:31 --> 00:01:35: Our annual home Attainability index is a very important piece

00:01:35 --> 00:01:38: of that work, so now without further ado, I'm very
00:01:38 --> 00:01:42: pleased to give the stage to our senior visiting research
00:01:42 --> 00:01:45: fellow at the Tyler Center. Michael spots Mike.
00:01:47 --> 00:01:50: Thank you for the introduction, Christopher, and thank you
for
00:01:50 --> 00:01:52: joining to everyone that's on the call today for joining
00:01:52 --> 00:01:55: us for the release of the 2022 Home Attainability Index.
00:01:55 --> 00:01:58: Our agenda will begin with a description of the index
00:01:58 --> 00:02:00: itself and how practitioners in the field can use the
00:02:00 --> 00:02:03: index in their day-to-day work. I'll then briefly highlight some
00:02:04 --> 00:02:06: of the findings from our national analysis of the 2022
00:02:06 --> 00:02:09: index data, which will be released at a later date,
00:02:09 --> 00:02:11: will then shift to a panel discussion where I'll be
00:02:11 --> 00:02:14: joined by three distinguished guests from different parts of
the
00:02:14 --> 00:02:17: country and different roles in the housing sector.
00:02:17 --> 00:02:20: To share their experiences and takeaways for practice given
the
00:02:20 --> 00:02:20: current market.
00:02:21 --> 00:02:24: Well then open up the discussion. Throughout the session.
You
00:02:24 --> 00:02:27: may submit questions using the zoom Q&A function. I'm
happy
00:02:27 --> 00:02:30: to introduce and be joined by Rosie Hepner of the
00:02:30 --> 00:02:33: Twilligear Center who will assist us with that portion of
00:02:33 --> 00:02:35: the agenda, and I want to note that all resources
00:02:36 --> 00:02:39: referenced today are available for download on utilized
knowledge. Knowledge
00:02:40 --> 00:02:42: Finder at the link on your screen which we can
00:02:42 --> 00:02:44: share in the chat. This that page also includes a
00:02:45 --> 00:02:48: summary of the key findings from our national analysis.
Finally,
00:02:48 --> 00:02:51: I want to thank the Terwilliger Center team for their
00:02:51 --> 00:02:51: work.
00:02:51 --> 00:02:55: And getting this to the finishing finish line specifically Jane
00:02:55 --> 00:02:59: Hutton, Fabiola Jerkson, Rosie and Christopher Tommy,
along with Hannah
00:02:59 --> 00:03:02: Latuda at neighborhood fundamentals.
00:03:03 --> 00:03:05: So what is the home attainability index?
00:03:06 --> 00:03:08: First, the 2022 index was made possible by a gift
00:03:08 --> 00:03:10: to you. All I by Carolyn and Preston, butcher. The
00:03:10 --> 00:03:13: views expressed in this publication are those of the Twilligear
00:03:13 --> 00:03:16: Center and do not necessarily reflect those of the butcher
00:03:16 --> 00:03:19: family or of anyone else that has provided support to

00:03:19 --> 00:03:19: this project.

00:03:21 --> 00:03:24: The purpose of the home Attainability index is to provide

00:03:24 --> 00:03:26: a high level snapshot of the extent to which the

00:03:26 --> 00:03:30: overall housing market provides a range of choices attainable to

00:03:30 --> 00:03:34: the regional workforce and broader population. We recognize that attainability

00:03:34 --> 00:03:37: involves more than just housing prices and incomes. The index

00:03:37 --> 00:03:41: is built to reflect that looking solely at affordability metrics

00:03:41 --> 00:03:44: can mask disparities within the population and across regions. As

00:03:44 --> 00:03:48: such, the index has an explicit focus on racial, socioeconomic,

00:03:48 --> 00:03:49: and intra regional equity.

00:03:51 --> 00:03:54: The index is comprised of 26 housing and equity related

00:03:54 --> 00:03:57: metrics. For more than 100 regions that fall into five

00:03:57 --> 00:04:02: categories overall, affordability, homeownership and rental attainability neighborhood opportunity and

00:04:02 --> 00:04:06: access and housing production. The index also includes an occupational

00:04:06 --> 00:04:10: analysis to contextualize the data comparing region and job specific

00:04:10 --> 00:04:13: median wage information to housing costs for both rental and

00:04:13 --> 00:04:17: home ownership. As Christopher mentioned, courtesy of the National Housing

00:04:17 --> 00:04:19: conferences paycheck to paycheck database.

00:04:21 --> 00:04:24: To produce the 2022 index, the center partnered with policy

00:04:24 --> 00:04:28: map in RCL code for data collection, aggregation and analysis.

00:04:28 --> 00:04:31: The index utilizes data from a range of well respected

00:04:31 --> 00:04:36: resources, including the Center for Neighborhood Technology and Brookings Institution.

00:04:36 --> 00:04:39: Most though not all metrics are from or derivative of

00:04:39 --> 00:04:42: US Census Bureau American Community Survey. Five year data. Most

00:04:42 --> 00:04:45: recent vintage of which is from 2016 to 2020. Again,

00:04:45 --> 00:04:49: I would also like to thank the National Housing Conference and the National Income Housing Coalition.

00:04:49 --> 00:04:51:

00:04:51 --> 00:04:54: For their partnership as part of the research, and finally,

00:04:54 --> 00:04:57: this process has been informed by the feedback from a

00:04:57 --> 00:05:02: multidisciplinary advisory team of UI District Council members, researchers and

00:05:02 --> 00:05:05: academics and other partner organizations. Too numerous to name here,

00:05:05 --> 00:05:08: but we'll be posting a full list and thanking them
00:05:08 --> 00:05:11: all on the knowledge Finder website when our report goes
00:05:11 --> 00:05:12: live later this summer.
00:05:14 --> 00:05:17: This slide gives an overview of the metrics utilized in
00:05:17 --> 00:05:20: the index. You'll notice that we intentionally look at multiple
00:05:20 --> 00:05:23: income levels to provide a more nuanced understanding of the
00:05:23 --> 00:05:27: overall housing market and to provide information on the
00:05:27 --> 00:05:29: specific
00:05:29 --> 00:05:32: gaps that may need to be filled. For the most
00:05:32 --> 00:05:35: part, we focus on middle income categories. We balance
00:05:35 --> 00:05:38: metrics
00:05:38 --> 00:05:42: that compare the housing conditions at a constant income
00:05:42 --> 00:05:45: level
00:05:45 --> 00:05:49: with metrics that just for the economy of the region
00:05:49 --> 00:05:52: in question. The constant income metrics are important
00:05:52 --> 00:05:55: because despite
00:05:55 --> 00:05:58: dramatic differences in regional economies and housing
00:05:58 --> 00:06:01: prices.
00:06:01 --> 00:06:04: Our occupational analysis demonstrates that there's much
00:06:04 --> 00:06:08: less variation in
00:06:08 --> 00:06:09: the wages of the occupations we look at. If the
00:06:09 --> 00:06:13: median income for one region is 50,000 and the median
00:06:13 --> 00:06:16: income for another is 100,000, it's not because the median
00:06:16 --> 00:06:19: service worker or accountant earns twice as much in the
00:06:19 --> 00:06:22: second region. It's generally because the second region has
00:06:22 --> 00:06:25: a
00:06:25 --> 00:06:29: larger proportion of high wage occupations within their local
00:06:29 --> 00:06:32: their
00:06:32 --> 00:06:34: regional economy.
00:06:34 --> 00:06:38: So the metrics on the percentage of severely cost burdened
00:06:38 --> 00:06:42: households between 35 and \$75,000 help demonstrate how far a
00:06:42 --> 00:06:45: wage will stretch in a given region, which we can
00:06:45 --> 00:06:49: extrapolate to different occupations that tend to fall within
00:06:49 --> 00:06:52: those
00:06:52 --> 00:06:55: brackets. However, it's important to note that the context of
00:06:55 --> 00:06:58: the regional economy does matter. Thus we also include
00:06:58 --> 00:07:01: metrics
00:07:01 --> 00:07:04: on home ownership and rental attainability that are based on
00:07:04 --> 00:07:07: a given percentage of area median income.
00:07:07 --> 00:07:10: We complement the tenure specific data with data in our
00:07:10 --> 00:07:13: neighborhood, opportunity and access category that
00:07:13 --> 00:07:16: addresses racial and income
00:07:16 --> 00:07:19: segregation at a point in time, as well as the

00:06:45 --> 00:06:49: region's level of progress towards greater racial and geographic inclusion.

00:06:49 --> 00:06:52: From a regional perspective, we wanted to highlight the level

00:06:52 --> 00:06:55: of accessibility by selecting metrics that provide insights on transit

00:06:55 --> 00:06:58: and commutes. And finally, we consider the amount of housing

00:06:58 --> 00:07:01: inventory growth relative to household growth.

00:07:03 --> 00:07:05: One data interpretation. Note that I want to point out

00:07:05 --> 00:07:08: is that the index is focused on systemic structural issues,

00:07:08 --> 00:07:12: both in terms of challenges and the opportunities for improvement.

00:07:12 --> 00:07:15: The metrics we utilize, which are typically publicly available, capture

00:07:15 --> 00:07:18: the longer term durable conditions of the housing market. Our

00:07:18 --> 00:07:21: metrics tend not to capture brief fluctuations or the most

00:07:21 --> 00:07:24: immediate trends. Data on the ladder is important, and I

00:07:24 --> 00:07:27: don't want to trivialize it, but should be viewed in

00:07:27 --> 00:07:30: the context of the comprehensive baseline conditions that the index

00:07:30 --> 00:07:30: covers.

00:07:31 --> 00:07:33: That being said, we know that there is a lot

00:07:33 --> 00:07:37: of interest and analysis of recent trends given the uncertainty

00:07:37 --> 00:07:39: in the housing market. To address this in part we

00:07:39 --> 00:07:43: did, we considered the potential implications of various market shift

00:07:43 --> 00:07:46: scenarios based on the more long standing housing market conditions

00:07:46 --> 00:07:50: described by the index. To facilitate this analysis, the center

00:07:50 --> 00:07:53: grouped regions into cohorts based on size and according to

00:07:53 --> 00:07:54: market characteristics.

00:07:55 --> 00:07:58: For the market characteristic comparisons cohorts were based on the

00:07:58 --> 00:08:01: UI and PwC 2022. Emerging trends in real estate report.

00:08:01 --> 00:08:05: These cohorts are based on market data and practitioner participant

00:08:05 --> 00:08:09: perspectives on a region's current economic conditions, growth prospects, and

00:08:09 --> 00:08:13: home building prospects. Though developed separate from the index research

00:08:14 --> 00:08:18: process, these cohorts largely correspond with groupings that are commonly

00:08:18 --> 00:08:21: found in other analysis of current conditions in the housing market.

00:08:21 --> 00:08:24: A set of core high cost housing markets that

00:08:24 --> 00:08:25: are generally.

00:08:25 --> 00:08:28: Sitter to be the country's economic engine and our context

00:08:28 --> 00:08:31: emerging trends refers to them as the establishment a series

00:08:31 --> 00:08:34: of rapidly growing off in southern and sunbelt markets that

00:08:34 --> 00:08:37: are converging with the first group. In terms of the

00:08:37 --> 00:08:40: economic potential and in some cases housing costs which can

00:08:40 --> 00:08:43: be characterized here as magnets or a subset of emerging

00:08:43 --> 00:08:46: trends calls the niche category and our other markets

00:08:46 --> 00:08:50: experiencing

00:08:46 --> 00:08:50: less breakneck growth for a variety of reasons, which includes

00:08:50 --> 00:08:52: some other niche markets as well as what they term

00:08:52 --> 00:08:54: as the backbone category.

00:08:56 --> 00:08:58: Moving on to practice in a moment, I will demonstrate

00:08:58 --> 00:09:01: the available index tools, but I want to first take

00:09:01 --> 00:09:03: a moment to address some of the practical uses of

00:09:03 --> 00:09:06: the index data for those that are involved in the

00:09:06 --> 00:09:06: housing market.

00:09:07 --> 00:09:10: Our resources are intended to provide users with a one

00:09:10 --> 00:09:13: stop shop that can be used to inform housing policy

00:09:13 --> 00:09:16: planning, development and advocacy for practitioners in a

00:09:16 --> 00:09:17: variety of

00:09:16 --> 00:09:17: roles.

00:09:17 --> 00:09:20: For example, housing advocates can use index data and

00:09:17 --> 00:09:20: tools

00:09:21 --> 00:09:24: to create informative visualizations for outreach and

00:09:21 --> 00:09:24: presentation to local

00:09:24 --> 00:09:29: elected officials, civic groups, and funders. Similarly,

00:09:24 --> 00:09:29: developers undertaking community

00:09:29 --> 00:09:33: engagement efforts can use the index as an independent

00:09:29 --> 00:09:33: third-party

00:09:33 --> 00:09:35: data source in their outreach to the public.

00:09:36 --> 00:09:40: Both developers working to secure approvals and policy

00:09:36 --> 00:09:40: makers looking

00:09:40 --> 00:09:43: to craft housing solutions can use the occupational analysis

00:09:40 --> 00:09:43: to

00:09:43 --> 00:09:47: contextualize regional housing conditions with regional

00:09:43 --> 00:09:47: wages for various occupations.

00:09:47 --> 00:09:51: Those operating at the metro level, such as regional planners

00:09:51 --> 00:09:54: and economic development officials, can use the data to

00:09:51 --> 00:09:54: make

00:09:54 --> 00:09:58: cross regional comparisons for identifying potential threats,

00:09:54 --> 00:09:58: challenges and market

00:09:58 --> 00:10:01: opportunities. People can work to answer questions like to

what

00:10:02 --> 00:10:04: extent, can, region, or can workers afford to live in

00:10:04 --> 00:10:06: our region versus our peer markets and.

00:10:06 --> 00:10:11: Competitors considering the various industries that are of particular importance

00:10:11 --> 00:10:12: to your to your region.

00:10:13 --> 00:10:16: What do regions that are losing or gaining population have

00:10:16 --> 00:10:19: in common? If your region is gaining population from another,

00:10:19 --> 00:10:21: how does your local market compare to theirs and what

00:10:21 --> 00:10:23: does it mean for you and the demand for housing

00:10:23 --> 00:10:26: locally, giving the purchasing power of those that are moving

00:10:26 --> 00:10:27: to the region?

00:10:27 --> 00:10:30: And who is facing similar challenges and what are they

00:10:30 --> 00:10:34: doing to address those challenges from a policy, programmatic or

00:10:34 --> 00:10:36: financing financing perspective?

00:10:39 --> 00:10:43: To assist practitioners, the 2022 index release will eventually include

00:10:43 --> 00:10:47: four core components, all accessible via utilized knowledge Finder platform.

00:10:47 --> 00:10:50: First, there is an enhanced interactive spreadsheet similar to what

00:10:50 --> 00:10:54: we released in 2021, but with improved functionality. Second, we've

00:10:54 --> 00:10:57: provided another spreadsheet that aggregates the data that it is

00:10:57 --> 00:11:00: available for more than 300 regions and for additional job

00:11:01 --> 00:11:04: categories that were not included in our core occupational analysis.

00:11:04 --> 00:11:07: So if your interests fall outside of those larger regions,

00:11:07 --> 00:11:07: or.

00:11:08 --> 00:11:11: Are 15 core household types based on occupation. There are

00:11:11 --> 00:11:14: still information available to you that you might find useful.

00:11:14 --> 00:11:17: Third, we partnered with policy map to create an online

00:11:17 --> 00:11:21: geospatial visualization platform for the core index data, which I'll

00:11:21 --> 00:11:25: demonstrate in a minute and then finally later this summer.

00:11:25 --> 00:11:28: We'll be releasing our full index summary report, which includes

00:11:28 --> 00:11:31: our analysis of the 2022 data. I'll present a high

00:11:31 --> 00:11:34: level summary of our findings today, which will also be

00:11:34 --> 00:11:37: available on the knowledge Finder site, so I'm going to

00:11:37 --> 00:11:39: switch and do a live demo.

00:11:39 --> 00:11:43: Administration hopefully of the policy map website first, as

well

00:11:43 --> 00:11:46: as our spreadsheet. So if you could just bear with

00:11:46 --> 00:11:47: me one second.

00:11:49 --> 00:11:52: Someone could flag if you're not able to see it

00:11:52 --> 00:11:55: on the screen, but this you should be able to

00:11:55 --> 00:11:58: see is our new policy map platform and you can

00:11:58 --> 00:12:01: use this platform to access all of the core index

00:12:01 --> 00:12:05: metrics that the index collects into one into one place.

00:12:05 --> 00:12:09: And here I've selected severe cost burden levels for

households

00:12:09 --> 00:12:13: earning 50 to \$75,000 and zooming in on the screen.

00:12:13 --> 00:12:17: You can see that severe cost burden levels are elevated

00:12:17 --> 00:12:18: predominantly on the coast.

00:12:19 --> 00:12:22: As well as Chicago's market as well as the Denver

00:12:22 --> 00:12:25: market. And if you want to select a different metric,

00:12:25 --> 00:12:27: you can use the drop down menu.

00:12:29 --> 00:12:32: And zoom in using the function on the left or

00:12:32 --> 00:12:34: selecting via the search bar at the top of the

00:12:34 --> 00:12:35: screen.

00:12:36 --> 00:12:39: I'm going to zoom in to the Mountain West region

00:12:39 --> 00:12:42: and to illustrate you see here that some Mountain West

00:12:42 --> 00:12:45: metro areas like Boise and Salt Lake City that are

00:12:45 --> 00:12:49: viewed as affordable alternatives to the higher cost specific

markets

00:12:49 --> 00:12:52: for remote workers are not adding inventory to keep up

00:12:52 --> 00:12:56: with household growth, which could be foreboding for future

attainability.

00:12:56 --> 00:12:59: So just a note that's of interpretation. Salt Lake City

00:12:59 --> 00:13:02: is adding half a unit for had had added over

00:13:02 --> 00:13:05: the last decade. Half a unit for every new household

00:13:05 --> 00:13:06: that moved to the Salt Lake City.

00:13:07 --> 00:13:08: Metropolitan region.

00:13:09 --> 00:13:12: Zooming back out, you can view index data by regional

00:13:12 --> 00:13:12: cohort.

00:13:14 --> 00:13:18: Selecting on the rental attainability side are deeply

affordable. Rental

00:13:18 --> 00:13:22: gap stat from the National Income Housing Coalition, this

which

00:13:22 --> 00:13:26: demonstrates the number of affordable and available rental

units for

00:13:26 --> 00:13:29: households at 30% of area median income and then filtering.

00:13:30 --> 00:13:34: For magnet markets, using the emerging trends cohorts.

00:13:40 --> 00:13:41: And zooming in.

00:13:42 --> 00:13:45: To the southeast, you can see that many of these
00:13:45 --> 00:13:48: markets in the sunbelt already have a severe shortage of
00:13:48 --> 00:13:51: homes for such households when compared to the nation as
00:13:51 --> 00:13:55: a whole. Where there's a shortage for those households
everywhere
00:13:55 --> 00:13:58: to be clear, but that that shortage is particularly extreme
00:13:58 --> 00:14:02: in some of these sunbelt markets, that shortage could
become
00:14:02 --> 00:14:05: even worse. With a continued influx of new arrivals at
00:14:05 --> 00:14:08: higher income levels, as the owners of the lowest cost
00:14:08 --> 00:14:12: inventory have an incentive to reposition their properties and
upgrade.
00:14:12 --> 00:14:16: To meet demand or redevelop their properties. Conversely,
this could
00:14:16 --> 00:14:19: represent an opportunity if new housing by an opportunity. I
00:14:19 --> 00:14:22: mean new people coming to the region. If new housing
00:14:22 --> 00:14:25: inventory can rise to meet demand and existing lower cost
00:14:25 --> 00:14:29: inventory can be preserved, the economic activity associated
with population
00:14:29 --> 00:14:33: growth and housing development could increase local
revenues available for
00:14:33 --> 00:14:37: the affordable housing subsidies and supports that are critical
to
00:14:37 --> 00:14:40: support the lowest income households. However, these
supports, along with
00:14:41 --> 00:14:43: tenant protections that are critical to supporting.
00:14:43 --> 00:14:47: Resident stability require intentional action of the part of
advocates,
00:14:48 --> 00:14:51: funders, developers and policymakers, and we hope that the
index
00:14:51 --> 00:14:55: tools, including this mapping platform and the spreadsheet
that I'm
00:14:55 --> 00:14:58: about to demonstrate, can play a role in helping guide
00:14:59 --> 00:15:01: those conversations locally and regionally.
00:15:02 --> 00:15:06: I'll now switch to a demonstration of our spreadsheet tool,
00:15:06 --> 00:15:08: which allows you to dive deeper into the data for
00:15:08 --> 00:15:12: your primary region of interest and make detailed intra
interregional
00:15:12 --> 00:15:16: comparisons across multiple metrics. This spreadsheet also
includes our occupational
00:15:16 --> 00:15:20: analysis data. When you open the spreadsheet, you should
be
00:15:20 --> 00:15:23: automatically directed to the instructions tab that describes
how to
00:15:23 --> 00:15:27: use various tabs and functionality within the spreadsheet and

how

00:15:27 --> 00:15:30: you can find specific information, including our methodology tab, which

00:15:30 --> 00:15:33: provides details on our the metric itself.

00:15:33 --> 00:15:36: How we calculated it. The data source and how to

00:15:36 --> 00:15:37: interpret that data?

00:15:38 --> 00:15:41: This year's new for 2022, we added a regional profile

00:15:41 --> 00:15:44: tab that pulls all data for a specific region into

00:15:44 --> 00:15:47: one place and compares it to the data set median

00:15:47 --> 00:15:50: for all 112 regions in our core index. I've highlighted

00:15:50 --> 00:15:53: Denver here, but you can use the drop down menu

00:15:53 --> 00:15:55: to select a different region of interest.

00:15:57 --> 00:16:00: You'll see that cost burdens are elevated in Denver with

00:16:00 --> 00:16:03: acute shortages, both in terms of home ownership.

00:16:04 --> 00:16:07: And rental compared to the dataset medium. You can also

00:16:07 --> 00:16:11: see that the region's major investment in transit that's occurred

00:16:11 --> 00:16:14: over the last two decades in Denver has been paying

00:16:14 --> 00:16:18: dividends in terms of expanding access to non automotive transportation

00:16:18 --> 00:16:23: that reaches jobs and services, especially considering its system is

00:16:23 --> 00:16:26: relatively new compared to places like the coastal markets that

00:16:26 --> 00:16:30: have legacy systems. However, it has not yet translated to

00:16:30 --> 00:16:34: comparatively few super commuters, that is, households that are commuting.

00:16:35 --> 00:16:37: More than one hour each way.

00:16:38 --> 00:16:40: And if you scroll, you can see that this tab

00:16:40 --> 00:16:44: also highlights regional housing costs and the income necessary to

00:16:45 --> 00:16:48: afford them, as well as an occupational analysis that shows

00:16:48 --> 00:16:51: that a 2 income household with a truck driver and

00:16:51 --> 00:16:55: a home health aide would need to earn approximately 76,000

00:16:55 --> 00:16:58: more per year to afford the monthly payments on the

00:16:58 --> 00:17:02: median priced home in the Denver region without being cost

00:17:02 --> 00:17:05: burdened, and that it would take as much as 29

00:17:05 --> 00:17:08: years for that household to save for a 10%.

00:17:08 --> 00:17:12: Down payment based on some hypothetical assumptions regarding savings rates

00:17:12 --> 00:17:13: and housing costs.

00:17:15 --> 00:17:18: Shifting to the Midwest, you can use the index data

00:17:18 --> 00:17:22: to make regional comparisons. Here I've selected Columbus, Chicago, and

00:17:22 --> 00:17:25: Indianapolis using the drop down menu on the screen, but
00:17:25 --> 00:17:28: you can select whichever ones are of most interest to
00:17:28 --> 00:17:30: you and as many as few as you want. You
00:17:30 --> 00:17:32: look at all 112 at the same time if you
00:17:32 --> 00:17:35: like, although it doesn't appear that would be a little
00:17:35 --> 00:17:37: bit busy from a visualization perspective.
00:17:39 --> 00:17:43: All three of these markets are affordable for homeowners
compared
00:17:43 --> 00:17:47: to the regional to the data set median. Although Chicago
00:17:47 --> 00:17:50: in particular lacks behind on rental affordability.
00:17:51 --> 00:17:55: This is also an opportunity to highlight segregation. A score
00:17:55 --> 00:17:57: of .4 or more according to the feel index of
00:17:58 --> 00:18:01: residential segregation means that a region is highly
segregated by
00:18:02 --> 00:18:06: race and ethnicity. Chicago exceeds that threshold, and
Columbus and
00:18:06 --> 00:18:10: Indianapolis are both moderately segregated based on that
standard.
00:18:11 --> 00:18:14: It's different. The income segregation is calculated in a
different
00:18:14 --> 00:18:17: way, but according to the feel index of racial segregation,
00:18:17 --> 00:18:20: the lower the number the better. For income segregation, the
00:18:20 --> 00:18:23: higher the number, the better, but all three rate regions
00:18:23 --> 00:18:26: have higher levels of income segregation than the data set
00:18:26 --> 00:18:27: median.
00:18:30 --> 00:18:33: And for my final data tool demonstration, we turn to
00:18:33 --> 00:18:36: the Southeast as with the prior tab, there is a
00:18:36 --> 00:18:39: tab in the index spreadsheet that allows you to compare
00:18:39 --> 00:18:43: multiple regions performance using occupational analysis
data. You'll see that
00:18:43 --> 00:18:46: in all three markets, none of the household types we
00:18:46 --> 00:18:50: evaluated could afford homeownership, a childcare worker,
and middle school
00:18:50 --> 00:18:53: teacher in Nashville would need to earn 32,000 more per
00:18:53 --> 00:18:55: year to afford the median priced home in the region
00:18:56 --> 00:18:59: rental as we Scroll down is only slightly more attainable.
00:18:59 --> 00:19:01: As we look at the gaps in surpluses for one
00:19:01 --> 00:19:05: bedrooms, 2 bedrooms and three bedroom apartments with
fair market
00:19:05 --> 00:19:08: fair market rents. But I'll illustrate a point. I'll return
00:19:08 --> 00:19:10: to later if we look at the data set medians
00:19:10 --> 00:19:12: you can look at and see that this is a
00:19:12 --> 00:19:16: nationwide phenomenon nationwide. Most occupations can't
afford housing.

00:19:18 --> 00:19:22: When we're looking at the the lower and middle income
00:19:22 --> 00:19:28: occupations that we highlight in our home, attainability index
occupational
00:19:28 --> 00:19:32: analysis, so I'm going to resume the PowerPoint presentation
now
00:19:33 --> 00:19:36: and discuss some of our core findings from the index
00:19:36 --> 00:19:39: analysis. This is a preview to our.
00:19:41 --> 00:19:43: This is a preview to the report that will be
00:19:43 --> 00:19:46: I mentioned will be released later this summer.
00:19:47 --> 00:19:53: And hopefully you should all be seeing a returning to
00:19:53 --> 00:19:55: the PowerPoint deck.
00:19:57 --> 00:20:00: So it should first be acknowledged that our analysis is
00:20:00 --> 00:20:03: occurring during a time of uncertainty, while the most acute
00:20:03 --> 00:20:06: phase of the COVID-19 pandemic is hopefully in the past
00:20:06 --> 00:20:10: variants of the virus continue to impact millions of
households,
00:20:10 --> 00:20:13: creating an ongoing health and economic toll. Inflation is
roiling,
00:20:13 --> 00:20:17: the economy and adding financial stress, especially for lower
income
00:20:17 --> 00:20:20: households. Interventions to curb inflation may take time to
produce
00:20:20 --> 00:20:23: results in the short term may raise the cost of
00:20:23 --> 00:20:26: financing for building and buying homes, so it's still too.
00:20:26 --> 00:20:29: Soon to tell the full impact of working from home
00:20:29 --> 00:20:32: on both employers and employees. Location decisions and
the extent
00:20:32 --> 00:20:35: to which changes in location and commuting patterns that
have
00:20:36 --> 00:20:39: happened are permanent, durable trends. And then there's
also concerns
00:20:39 --> 00:20:42: about the reliability of Census Bureau data due to lower
00:20:42 --> 00:20:46: response rates and other pandemic related challenges. This
all complicates
00:20:46 --> 00:20:49: all these factors, complicate the analysis of the current state
00:20:49 --> 00:20:53: of the housing market and home attainability amid these
challenges
00:20:53 --> 00:20:56: that twilligear center approach to the 2022 Home Attainability
index
00:20:56 --> 00:20:57: research.
00:20:57 --> 00:21:00: With two core objectives, separate the signal from the noise
00:21:00 --> 00:21:03: with analysis, focusing on issues less subject to short term
00:21:03 --> 00:21:06: fluctuations and where solid data is available, and consider
the
00:21:06 --> 00:21:10: potential impact of various market shift scenarios using

market sentiment

00:21:10 --> 00:21:11: insights.

00:21:13 --> 00:21:15: Based on that analysis, we found that there are few

00:21:15 --> 00:21:19: available housing units of any kind, even modest rentals that

00:21:19 --> 00:21:22: are affordable to many lower wage workers. In most regions,

00:21:22 --> 00:21:25: high cost burdens leave less residual income, and in this

00:21:25 --> 00:21:29: high inflation environment many households will face

00:21:30 --> 00:21:33: heightened economic insecurity,

00:21:33 --> 00:21:36: particularly when combined with high energy costs in the

00:21:36 --> 00:21:39: form

00:21:39 --> 00:21:43: of utilities and commuting expenses. Left unchecked, the risk

00:21:43 --> 00:21:47: of

00:21:47 --> 00:21:50: homelessness could rise for many households.

00:21:50 --> 00:21:54: Long term housing underproduction is a primary driver of our

00:21:54 --> 00:21:57: National Housing challenges and current market conditions.

00:21:57 --> 00:22:01: Like economic uncertainty,

00:21:58 --> 00:22:01: rising inflation, the high cost of materials, high labor costs,

00:22:01 --> 00:22:02: and limited labor availability are likely to further restrain that

00:22:02 --> 00:22:03: market. From catching up to meet demand, anecdotal

00:22:03 --> 00:22:07: evidence suggests

00:22:07 --> 00:22:10: that some builders are already pulling back in response to

00:22:10 --> 00:22:13: some of these pressures.

00:22:13 --> 00:22:16: While the national shortage matters, regional production

00:22:16 --> 00:22:19: shortfalls are even

00:22:19 --> 00:22:22: more important and the lack of attainable housing in

00:22:22 --> 00:22:25: established

00:22:25 --> 00:22:28: markets is a contributing factor to some employers and

00:22:28 --> 00:22:31: households

00:22:31 --> 00:22:33: relocating to lower cost markets. And while still more

00:22:33 --> 00:22:35: attainable,

00:22:35 --> 00:22:38: many of these growing regions have not demonstrated that

00:22:38 --> 00:22:41: they

00:22:41 --> 00:22:43: can produce enough housing of the right type in the

00:22:43 --> 00:22:47: right locations, which I'll refer to as the dimensions of

00:22:47 --> 00:22:50: supply. To keep these markets or submarkets they're in from

00:22:50 --> 00:22:53: following the trajectory of more established, high cost

00:22:53 --> 00:22:56: markets, staying

00:22:56 --> 00:22:59: ahead of the curve is crucial.

00:22:59 --> 00:23:02: And as regions fall behind, it can lead to other

00:23:02 --> 00:23:05: market distortions that raise the cost of developing new

00:23:05 --> 00:23:08: housing

00:23:08 --> 00:23:11: and further exacerbating the challenge, creating a vicious

00:23:11 --> 00:23:14: cycle.

00:23:14 --> 00:23:17: In many regions are considerably behind the curve. Recent

00:23:17 --> 00:23:20: research

00:22:47 --> 00:22:50: from up for growth indicates that there is a national
00:22:50 --> 00:22:55: production shortfall of 3.79 million units, with 169 regions
experiencing
00:22:55 --> 00:22:58: under production. As of 2019, both indicators have worsened
since
00:22:58 --> 00:23:02: 2012 and over the last decade. According to our analysis
00:23:02 --> 00:23:06: of the growth and inventory, household growth was strongest
in
00:23:06 --> 00:23:09: the magnet and niche cohorts and percentage terms
identified in
00:23:09 --> 00:23:13: emerging trends and in mid sized regions these regions.
00:23:13 --> 00:23:16: Also saw inventory growth. The most. Saw the most
inventory
00:23:16 --> 00:23:19: growth during this time with niche markets. Adding
considerably more
00:23:19 --> 00:23:21: units than all their cohorts.
00:23:22 --> 00:23:25: Given that the greater availability of attainable housing is
often
00:23:25 --> 00:23:28: theorized as a reason for the strength of these cohorts,
00:23:28 --> 00:23:31: it'll be important for these regions to take concerted action
00:23:31 --> 00:23:34: to ensure that markets can absorb the additional demand
and
00:23:34 --> 00:23:37: that acute affordability challenges do not migrate to these
regions
00:23:38 --> 00:23:40: along as more more people migrate to these regions certain
00:23:41 --> 00:23:44: migrate a certain markets may have already fallen behind
this
00:23:44 --> 00:23:47: curve. We've already highlighted some of the affordability
challenges in
00:23:47 --> 00:23:49: both Denver and Nashville.
00:23:50 --> 00:23:52: In addition to new supply regions, will also need to
00:23:53 --> 00:23:56: consider the various dimensions of supply that are being
built.
00:23:56 --> 00:23:59: What housing types are being produced where in the region?
00:23:59 --> 00:24:02: Are those units located? What is development replacing? Is it
00:24:03 --> 00:24:06: Greenfield versus Enfield? Is it urban versus suburban? Is it
00:24:06 --> 00:24:08: on an empty parking lot or is it requiring the
00:24:08 --> 00:24:11: the removal of a number of lower cost units from
00:24:11 --> 00:24:13: the housing stop as part of a redevelopment?
00:24:14 --> 00:24:17: The answer to these questions will influence how much new
00:24:17 --> 00:24:21: development improves attainability. Overall. These answers
will also impact the
00:24:21 --> 00:24:24: issues addressed in the neighborhood opportunity and
access category. For
00:24:24 --> 00:24:28: example, research suggests that diverse that neighborhoods

with more diverse
00:24:28 --> 00:24:31: housing inventory tend to be more socioeconomically diverse.
00:24:33 --> 00:24:37: Anecdotal evidence suggests that developers are also increasingly focused on
00:24:37 --> 00:24:41: new construction that can create or support neighborhood retail and
00:24:41 --> 00:24:45: non automotive automotive transportation even when it occurs in the
00:24:45 --> 00:24:48: suburbs which will have impacts on walkability and the viability
00:24:48 --> 00:24:50: of transit in those communities.
00:24:52 --> 00:24:54: And the last image that I'll present before we shift
00:24:55 --> 00:24:58: to the conversation addresses the consequences of past inaction to
00:24:58 --> 00:25:02: address housing challenges. For each occupation we examined, we calculated
00:25:02 --> 00:25:05: the number and percentage of regions in which the median
00:25:05 --> 00:25:08: annual wage is sufficient to afford a variety of housing
00:25:08 --> 00:25:12: types. Green font indicates the occupation could afford the specified
00:25:12 --> 00:25:14: housing type in at least half of the 112 regions
00:25:14 --> 00:25:17: in the analysis, red font indicates that the proportion was
00:25:17 --> 00:25:20: less than half for cells highlighted in red. It shows
00:25:20 --> 00:25:22: the occupations that could afford.
00:25:22 --> 00:25:24: Housing type basically nowhere in the country.
00:25:25 --> 00:25:28: This is the housing crisis we face. You see a
00:25:28 --> 00:25:30: lot of red on your screen right now. Whether or
00:25:30 --> 00:25:33: not there's a marginal shift in market demand for magnets
00:25:33 --> 00:25:38: versus established market establishment markets, or exurbs versus
00:25:38 --> 00:25:41: cities does matter. It's not trivial. Markets move on the
00:25:41 --> 00:25:44: margins, but the bigger issue is that critical members of
00:25:44 --> 00:25:48: the workforce struggle to find housing everywhere. We need solutions
00:25:48 --> 00:25:51: and markets of all types and sizes independent on current
00:25:51 --> 00:25:55: trends, independent of current trends rather so with policies.
00:25:55 --> 00:25:57: Ending on such a dire note, when we now move
00:25:57 --> 00:26:00: to our panel discussion with working with people that are
00:26:00 --> 00:26:03: actually trying to find solutions and finding solutions to these
00:26:03 --> 00:26:06: challenges, we're joined by three practitioners who are doing great
00:26:06 --> 00:26:09: work in different segments of the housing market, and I'll
00:26:09 --> 00:26:12: ask them to turn on their video. And I'm going

00:26:12 --> 00:26:13: to stop my sharing at the moment.

00:26:15 --> 00:26:18: Jill Ferrari is the co-founder and managing partner of Renault,

00:26:18 --> 00:26:22: Vare Development. Renault Varre is a social impact commercial real

00:26:22 --> 00:26:27: estate development company focused on transitional transformational, mixed-use, real real

00:26:27 --> 00:26:31: estate development projects in urban neighborhoods and rural main streets.

00:26:31 --> 00:26:34: We're joined by Dana Showy principal at RC Elko, where

00:26:34 --> 00:26:37: her primary focus is in the real estate economics groups with a specialization, creative, data-driven solutions for

00:26:38 --> 00:26:43: untraditional development challenges.

00:26:43 --> 00:26:45: And we're also joined by Lisa Baski.

00:26:45 --> 00:26:49: Director of multifamily housing community facilities at the Washington State

00:26:49 --> 00:26:52: Housing Housing Finance Commission over her career, she has implemented

00:26:52 --> 00:26:56: a variety of housing, community and economic development, finance solutions

00:26:56 --> 00:26:59: and programs, including the Washington State Affordable Housing Trust Fund,

00:26:59 --> 00:27:02: both at the Commission and the States Department and at

00:27:02 --> 00:27:05: the State Department of Commerce. So I'll ask each panelist by way of more detailed introduction to take a turn

00:27:05 --> 00:27:07: and describing critical housing challenges as you see them based

00:27:07 --> 00:27:11: on the on your role in the market. Dana, do

00:27:11 --> 00:27:13: you mind kicking us off?

00:27:13 --> 00:27:14: Yeah great thanks so much Mike. Yeah I think in

00:27:16 --> 00:27:18: the consulting industry working sort of for developers and Equity

00:27:18 --> 00:27:22: Partners and a number of different players in the industry.

00:27:22 --> 00:27:26: One of the challenges that we're seeing is really has to do with market demand and where that's kind of

00:27:26 --> 00:27:29: playing out. I think there are a couple of trends that might touched on a bit that are really driving

00:27:29 --> 00:27:32: demand and have really driven what we've seen is, you know historically unprecedented rent growth across Class A

00:27:32 --> 00:27:35: class.

00:27:35 --> 00:27:38: The apartments as well as single family rentals in the past year that are straining a lot of different income

00:27:38 --> 00:27:41: levels and and this is somewhat driven by a couple of trends I'll touch on, you know, interregional migration, the

00:27:41 --> 00:27:45:

00:27:45 --> 00:27:49:

00:27:49 --> 00:27:52:

00:27:52 --> 00:27:55:

00:27:55 --> 00:27:59:

00:27:59 --> 00:28:03: Sunbelt, the Southeast since 2018 has continued to see a
00:28:03 --> 00:28:07: net population increase while the northeast has lost some
households.

00:28:07 --> 00:28:10: I think one thing that people maybe aren't talking about
00:28:11 --> 00:28:14: enough is just the sort of pent up delayed household
00:28:14 --> 00:28:16: formation that happened during the pandemic.
00:28:17 --> 00:28:20: Coming out of that, we've really seen household formation
bounce
00:28:21 --> 00:28:25: back, particularly amongst young renters, and that's really,
really driving
00:28:25 --> 00:28:29: demand for product across all types, and especially
multifamily with
00:28:29 --> 00:28:33: young headship rates now back to where they were pre
00:28:33 --> 00:28:36: pandemic. Largely and then I think the third thing that
00:28:36 --> 00:28:39: I could have mentioned is just that based on a
00:28:39 --> 00:28:42: lot of the headship returning to normal and this bounce
00:28:42 --> 00:28:46: back, which is really driven by the strong continued labor
00:28:46 --> 00:28:47: market to date.
00:28:47 --> 00:28:51: And finally, we're seeing a little bit of deceleration here,
00:28:51 --> 00:28:55: but it's just that rent growth Class A apartments across
00:28:55 --> 00:28:58: the nation. You know, 15% on average as of Q1
00:28:58 --> 00:29:01: or Q2 2022, as well as Class B, right? Those
00:29:01 --> 00:29:06: attainable households. Rankers has been also
unprecedented levels of about
00:29:06 --> 00:29:10: 13%. And then, finally, the millennials have some weapon
shifting
00:29:10 --> 00:29:14: to more suburban areas. And we've seen single family rental
00:29:14 --> 00:29:17: indexes showing, you know, 17 or 18% rent growth.
00:29:17 --> 00:29:20: So really challenging and this UI information comes out of
00:29:20 --> 00:29:23: the critical time. Just what given what we're seeing in
00:29:23 --> 00:29:24: terms of market demand.
00:29:27 --> 00:29:30: Thanks Dana Jill. Can you offer a little bit of
00:29:30 --> 00:29:32: by way of introduction to some of your views on
00:29:32 --> 00:29:35: challenges on the home ownership side of the market? Right
00:29:35 --> 00:29:37: now? I know that's a lot of predominantly where you're
00:29:37 --> 00:29:39: working with some of your current projects.
00:29:40 --> 00:29:44: Yes, thanks Mike. Thanks for having me here today. First
00:29:44 --> 00:29:47: of all, I just want to make note the state
00:29:47 --> 00:29:51: of Michigan has published a statewide housing plan with a
00:29:51 --> 00:29:56: goal to support the production or rehabilitation of 50,000 units
00:29:56 --> 00:30:00: over the next five years. That funding strategy is split
00:30:00 --> 00:30:05: between rehabilitation down, payment assistance and other
other buckets, but

00:30:05 --> 00:30:09: there's definitely a focus in the state of Michigan to
00:30:09 --> 00:30:11: support home ownership.
00:30:11 --> 00:30:15: We're seeing that support come from the state of Michigan
00:30:15 --> 00:30:18: all the way down to local units of government who
00:30:18 --> 00:30:21: are using tools as creatively and innovatively as they can
00:30:21 --> 00:30:26: in order to support affordable and attainable homeownership.
My perspective
00:30:26 --> 00:30:30: really is focused on one particular development that we are
00:30:30 --> 00:30:32: preparing to close on right now. We are in the
00:30:32 --> 00:30:33: process of.
00:30:35 --> 00:30:39: Designing 46 for sale single family units in the city
00:30:39 --> 00:30:43: of Ypsilanti, which is adjacent to Ann Arbor, MI.
00:30:43 --> 00:30:47: And over the past two years we have spent a
00:30:47 --> 00:30:51: considerable amount of time working with the local unit of
00:30:51 --> 00:30:55: government and Washtenaw County trying to figure out ways
to
00:30:56 --> 00:31:00: make these units attainable. And at this point in time,
00:31:00 --> 00:31:03: 50% of those units, so 23 units will be set
00:31:03 --> 00:31:07: aside for families below 80% of area median income. One
00:31:07 --> 00:31:11: of the challenges that we face in creating a site
00:31:11 --> 00:31:13: condominium like this, a planned.
00:31:13 --> 00:31:17: That development was the legal structure for the
development. A
00:31:18 --> 00:31:21: lot of folks in the state of Michigan are talking
00:31:21 --> 00:31:25: about community Land Trust as a mechanism for maintaining
long
00:31:25 --> 00:31:29: term affordability. We're utilizing the site condominium model
in order
00:31:29 --> 00:31:34: to maintain long term affordability, but there are challenges
no
00:31:34 --> 00:31:37: matter which way you structure a development. In order to
00:31:37 --> 00:31:42: maintain that long term affordability, we're definitely seeing
cost increases.
00:31:42 --> 00:31:45: We've had dramatic cost increases.
00:31:45 --> 00:31:48: And other construction side in the past year, mostly from
00:31:48 --> 00:31:52: a material standpoint, we have some significant delays in in
00:31:52 --> 00:31:54: materials right now.
00:31:55 --> 00:31:58: On the flip side of of, you know the cost
00:31:58 --> 00:32:01: increase and the construction and the labor and the supplies.
00:32:01 --> 00:32:05: The cost of creating attainability in the fight on the
00:32:05 --> 00:32:09: financing side has become increasingly challenging. State of
Michigan has
00:32:09 --> 00:32:13: a very large American rescue plan allocation that has been
00:32:13 --> 00:32:17: distributed throughout the state. It actually hasn't gone out

yet,
00:32:17 --> 00:32:21: but they're starting to create those buckets. And along with
00:32:21 --> 00:32:25: that money comes compliance restrictions such as Davis
Bacon and
00:32:25 --> 00:32:26: other costs.
00:32:26 --> 00:32:30: Of using that financing and then on the private side,
00:32:30 --> 00:32:35: we're seeing the increase in interest rates on financing, so
00:32:35 --> 00:32:40: they're just compiling challenges across the board. We have
also
00:32:40 --> 00:32:46: faced significant challenges in balancing long term
affordability in setting
00:32:46 --> 00:32:50: sales prices fairly evenly over a long period of time,
00:32:50 --> 00:32:54: so that next generations will be able to obtain those
00:32:54 --> 00:32:56: homes affordably with.
00:32:56 --> 00:33:01: A desire to create generational wealth for our minority
populations
00:33:01 --> 00:33:05: are less fortunate, and so those those initiatives butt up
00:33:05 --> 00:33:09: against each other. When you're looking at creating long
term
00:33:10 --> 00:33:13: affordability in the for sale space. But at this point
00:33:13 --> 00:33:17: we are looking to close on October 1st. Our sales
00:33:17 --> 00:33:21: prices range from about 100,000 for a family at 40%
00:33:21 --> 00:33:24: of area median income to market rates at about 190
00:33:24 --> 00:33:26: and part of our solution.
00:33:26 --> 00:33:30: Creating smaller units. Our units are for sale, but they
00:33:30 --> 00:33:34: are 1000 square feet. two-story detached units and 1200
square
00:33:34 --> 00:33:37: feet attached units, so I think we're going to see
00:33:37 --> 00:33:41: in the affordable home sale market smaller units, greater
density
00:33:41 --> 00:33:45: and that comes with changes to zoning practices. Lots of
00:33:45 --> 00:33:49: planned unit developments getting a lot. You know folks
getting
00:33:49 --> 00:33:53: really comfortable with modifying their PUD ordinances to
allow for
00:33:53 --> 00:33:56: that density and subsidy. That's flexible and.
00:33:56 --> 00:33:58: Hopefully cheap in the future.
00:33:59 --> 00:34:02: And I think that it's notable that some of those
00:34:02 --> 00:34:06: techniques for lowering cost and to develop capital a capital
00:34:06 --> 00:34:11: H affordable homeownership. There's also implications on
the market right
00:34:11 --> 00:34:15: side to make more attainable homeownership more
attainable, more broadly.
00:34:15 --> 00:34:18: So last last, but certainly not least, I want to

00:34:18 --> 00:34:22: thank Lisa for joining us today, and Lisa works predominantly
00:34:22 --> 00:34:25: on the rental side of the equation statewide in Washington
00:34:25 --> 00:34:28: state. So what is what is your view on what
00:34:28 --> 00:34:31: challenges in the rental market right now?
00:34:31 --> 00:34:33: And what are you seeing in your day-to-day?
00:34:33 --> 00:34:33: Work.
00:34:34 --> 00:34:36: Yeah, thanks Michael and it's great to be here with
00:34:36 --> 00:34:37: all of you.
00:34:39 --> 00:34:43: We have a pretty diverse state and that we have
00:34:43 --> 00:34:47: the Seattle King County area and then a more rural
00:34:47 --> 00:34:49: east of the mountains.
00:34:50 --> 00:34:54: Uh, part of the state, and, Umm, you know, we've
00:34:54 --> 00:34:59: continued to see a huge homelessness problem, and much
00:34:59 --> 00:35:04: of
00:35:04 --> 00:35:08: the state's current resources have been targeted to that. You
00:35:08 --> 00:35:12: know, at our in our state at the Commission, you
00:35:12 --> 00:35:17: know we allocate the 9% tax credit and the bond,
00:35:17 --> 00:35:20: 4% tax credit and have been oversubscribed in our private
00:35:21 --> 00:35:24: activity bond CAP now for several years.
00:35:24 --> 00:35:29: And so have had to do a lot of policy
00:35:29 --> 00:35:35: prioritization. Work around how you know what are the
00:35:35 --> 00:35:36: outcomes
00:35:37 --> 00:35:41: we're looking for and how are we prioritizing those resources
00:35:41 --> 00:35:43: and we have.
00:35:44 --> 00:35:46: You know development pipeline. That's kind of over the top
00:35:46 --> 00:35:50: really here in terms of like we could build the
00:35:50 --> 00:35:53: units if we have the resources and we don't have
00:35:53 --> 00:35:57: the resources and so how we've had to manage prioritizing
00:35:57 --> 00:36:00: in this environment. And right now it's all about the
00:36:00 --> 00:36:03: construction cost and the gaps. So whatever resources we
00:36:03 --> 00:36:06: had
00:36:06 --> 00:36:09: trying to build this pipeline and trying to provide a
00:36:09 --> 00:36:13: predictable funding source is all being eaten up in these
00:36:13 --> 00:36:17: cost overruns and get. I'm trying to fill the gaps
00:36:17 --> 00:36:21: so that we can try to get projects done now.
00:36:21 --> 00:36:25: As opposed to trying to have this predictable pipeline so
00:36:25 --> 00:36:28: it's kind of wreaking havoc really with the pipeline. I
00:36:28 --> 00:36:31: just jumped from another meeting where we were saying we
00:36:32 --> 00:36:35: don't have the resources to do a round in 2024,
00:36:35 --> 00:36:39: or you know how are we going to manage the
resources for 2023 into 2024 and and we can't even
close deals now right? So it's it's hard when we've
got this pipeline of developers and we've got so much

00:36:39 --> 00:36:40: need.

00:36:40 --> 00:36:44: We're seeing a lot of folks moving out of Seattle,

00:36:44 --> 00:36:47: but I it hasn't affected rents seemingly and.

00:36:48 --> 00:36:52: And you know, we've got some really interesting economics where

00:36:52 --> 00:36:55: the cost of of producing new units doesn't pencil with

00:36:55 --> 00:36:58: the rent levels. So we have some really high rent

00:36:58 --> 00:37:02: levels and some really low rent levels. And to try

00:37:02 --> 00:37:05: to get folks to actually build in those areas that

00:37:05 --> 00:37:08: have the lower rent levels, it's just, you know. The

00:37:08 --> 00:37:12: costs are the same, so it's it's just really difficult

00:37:12 --> 00:37:16: economics. So yeah, we're really struggling with how to

00:37:16 --> 00:37:18: prioritize

00:37:18 --> 00:37:21: the scarce resources and.

00:37:21 --> 00:37:22: How to try to keep up? Because we're not nearly

00:37:22 --> 00:37:23: keeping up with.

00:37:23 --> 00:37:28: The immigration of folks you know. We have some significant

00:37:28 --> 00:37:33: support from our corporate players, Microsoft, Amazon has

00:37:33 --> 00:37:37: been, you

00:37:37 --> 00:37:42: know, really active in the housing space and it it

00:37:42 --> 00:37:46: has been an interesting journey. Having those partners at the

00:37:46 --> 00:37:51: table. But it really is because there's been a lack

00:37:51 --> 00:37:54: of investment at the federal level, and so it's it's

00:37:54 --> 00:37:57: really difficult still to try to.

00:37:57 --> 00:38:00: Figure out how to leverage all those resources in the

00:38:00 --> 00:38:03: most effective way, so that that's what we're trying to

00:38:03 --> 00:38:04: do. Since we at least have that opportunity to have

00:38:04 --> 00:38:05: those players at the table.

00:38:05 --> 00:38:07: Thanks and thanks to each of you for for introducing

00:38:07 --> 00:38:09: yourselves by talking about your work. I really appreciate this

00:38:09 --> 00:38:13: has been very informative so far and I want to

00:38:13 --> 00:38:15: follow up on something you mentioned. Is that it? It

00:38:15 --> 00:38:17: taught that ties into something that Dana said earlier that

00:38:17 --> 00:38:18: you're you know people are leaving Seattle, but people are

00:38:18 --> 00:38:20: also moving in and I guess I think Dana's point

00:38:20 --> 00:38:21: about household formation, that it's possible for certain

00:38:21 --> 00:38:23: markets to

00:38:23 --> 00:38:26: be growing faster than others because they're comparatively

00:38:26 --> 00:38:29: more expensive,

00:38:29 --> 00:38:33: but it doesn't mean that that's the depth of the

00:38:33 --> 00:38:35: establishment.

00:38:35 --> 00:38:36: Markets or that rents are going to be dropping in

00:38:36 --> 00:38:39: those regions anytime soon. So I do want to talk

00:38:39 --> 00:38:42:

00:38:42 --> 00:38:45: about that. Demand shift to lower cost markets and from
00:38:45 --> 00:38:48: the you know, both on the owner and renter side
00:38:48 --> 00:38:52: of the equation. And this applies to affordable production. But
00:38:52 --> 00:38:53: also the market rate.
00:38:55 --> 00:38:57: Chilling Lisa if you both weigh in on this, it's
00:38:57 --> 00:39:00: the extent that it's that this is happening. Keeping those
00:39:00 --> 00:39:05: places comparatively affordable requires development to
meet that new demand.
00:39:05 --> 00:39:08: And given the market today is actually less expensive to
00:39:08 --> 00:39:11: produce, housing in these lower cost markets are these
markets.
00:39:11 --> 00:39:15: Are these some markets are some some regions or
neighborhoods
00:39:15 --> 00:39:17: within markets going to be facing some of the same
00:39:17 --> 00:39:21: production related challenges that you both just described.
00:39:23 --> 00:39:26: I'd love to hear what Lisa would say, but for
00:39:26 --> 00:39:28: us there is no difference in cost.
00:39:29 --> 00:39:33: And in fact, there's greater challenges. So on the homeowner
00:39:33 --> 00:39:37: side, one of our biggest challenges is making sure that
00:39:37 --> 00:39:41: those back end mortgages are affordable and and setting
those
00:39:41 --> 00:39:45: prices and some of the more established urban core
neighborhoods
00:39:45 --> 00:39:49: have higher homeowner mileage rates, and in the state of
00:39:49 --> 00:39:53: Michigan we do have abatement programs for homeowner
mileage rates,
00:39:53 --> 00:39:56: but on a lot of sites, that program doesn't apply.
00:39:56 --> 00:39:59: So, for example, Detroit and Ypsilanti.
00:39:59 --> 00:40:02: As homeowner mileage rates between you know 60 and 80
00:40:02 --> 00:40:05: mills. So for a homeowner to come in and be
00:40:05 --> 00:40:08: able to pay their taxes and afford a mortgage, that
00:40:08 --> 00:40:11: sales price has to be set really low. And when
00:40:11 --> 00:40:14: you have the same construction cost that you do in
00:40:14 --> 00:40:18: stronger markets, it creates an even bigger challenge.
00:40:20 --> 00:40:23: Yeah, and I would have to agree, it's just as
00:40:23 --> 00:40:28: challenging. I mean, the challenges might be slightly
different. There's
00:40:28 --> 00:40:32: not as many subcontractors, so again, you know if the
00:40:32 --> 00:40:36: bids get pushed up because there's not as many folks
00:40:36 --> 00:40:40: focused in those markets, but even getting materials
sometimes in
00:40:41 --> 00:40:45: into those more difficult to develop areas creates some
issues.
00:40:45 --> 00:40:49: You know we actually had a concrete strike in Seattle.

00:40:49 --> 00:40:53: And so you know, we were. Some folks were coming
00:40:53 --> 00:40:57: from outside to even kind of handle that issue. But
00:40:57 --> 00:40:58: yeah, no, we've.
00:40:59 --> 00:41:02: It it it doesn't make it any easier. That's that's
00:41:02 --> 00:41:05: the the piece here like. That's a hard part of
00:41:05 --> 00:41:09: the puzzle. Like, yeah, we're not seeing development outside
of
00:41:09 --> 00:41:13: that core because it's just as difficult with, you know,
00:41:13 --> 00:41:17: slightly different challenges, but the costs are just as as
00:41:17 --> 00:41:18: as bad.
00:41:18 --> 00:41:22: And in addition, in a lot of those non urban
00:41:22 --> 00:41:23: core areas.
00:41:23 --> 00:41:23: The.
00:41:23 --> 00:41:27: Toolbox is much thinner, much lighter. You don't have direct
00:41:27 --> 00:41:30: access to HUD funding, and a lot of those.
00:41:31 --> 00:41:34: Several places you don't have some of the state agency
00:41:34 --> 00:41:38: tools that are targeted at more populated areas, so the.
00:41:38 --> 00:41:40: Cost of the infrastructure or the infrastructure.
00:41:40 --> 00:41:42: Potentially right?
00:41:43 --> 00:41:47: Have potentially increased costs from a labor and supply
standpoint
00:41:47 --> 00:41:50: and less tools to access in order to get the
00:41:50 --> 00:41:51: projects done.
00:41:52 --> 00:41:55: There you know on the on the rental side the
00:41:56 --> 00:41:59: rent levels don't can't justify the economics to to do
00:41:59 --> 00:42:02: those high cost developments so.
00:42:04 --> 00:42:07: And that gets to the point that came up in
00:42:07 --> 00:42:11: the recently released up for growth report that I referenced.
00:42:11 --> 00:42:15: 169 regions have been experiencing under production, so
this is
00:42:15 --> 00:42:18: not just a a Seattle San Francisco, Silicon Valley, New
00:42:18 --> 00:42:22: York City NE corridor issue. Well, more to come on
00:42:22 --> 00:42:26: the specific development challenges, but I do want to shift
00:42:26 --> 00:42:28: gears a little bit and go back to Dana. And
00:42:28 --> 00:42:32: when we talk about demand shifting between or within
regions,
00:42:32 --> 00:42:34: it's usually using.
00:42:34 --> 00:42:36: Broad categories like city or suburb, but we know that
00:42:36 --> 00:42:39: there's a lot of variety within these categories. There's a
00:42:39 --> 00:42:42: big difference between the old streetcar suburbs and
sprawling single
00:42:42 --> 00:42:46: use developments, and some of the denser mixed-use
masterplan communities

00:42:46 --> 00:42:48: that we're seeing in some markets. Do you have any
00:42:48 --> 00:42:51: thoughts on the types of neighborhoods that are seeing
greater
00:42:51 --> 00:42:52: demand today?
00:42:53 --> 00:42:56: Yeah, that's a great question. You know, I think in
00:42:56 --> 00:42:59: terms of speaking we were talking a little bit about.
00:42:59 --> 00:43:03: You know the return of households and headship rates being
00:43:03 --> 00:43:06: stronger, and I think there's a couple of reasons we're
00:43:06 --> 00:43:10: seeing demand for a lot of different types of neighborhoods.
00:43:10 --> 00:43:13: I think, you know, during COVID there was this question
00:43:13 --> 00:43:16: of is the city going to die? Is our central
00:43:16 --> 00:43:19: cities no longer going to be as popular as they
00:43:19 --> 00:43:22: were? And I think in some ways, yes, that's true.
00:43:22 --> 00:43:25: There have been households that have moved and
relocated.
00:43:25 --> 00:43:28: To the suburbs. But because there was a suppression of
00:43:29 --> 00:43:32: young people out of college staying at home with their
00:43:32 --> 00:43:35: parents or relatives that have really gotten jobs in the
00:43:35 --> 00:43:38: past year, the labor markets are so strong in these
00:43:38 --> 00:43:42: core cities that we're still seeing a lot of demand
00:43:42 --> 00:43:46: in urban neighborhoods, and that's primarily driven by these
younger
00:43:46 --> 00:43:48: renters who were at home or not in the labor
00:43:49 --> 00:43:52: market during the pandemic. So I think those neighborhoods
do
00:43:52 --> 00:43:56: continue to be be strong drivers, especially in some of
00:43:56 --> 00:43:57: these smaller.
00:43:57 --> 00:44:00: Metropolitan areas where the cost of living has been a
00:44:00 --> 00:44:03: little bit lower historically. I think the second piece of
00:44:03 --> 00:44:06: that right that we are really seeing in everyone has
00:44:06 --> 00:44:09: noticed going through the pandemic is that especially when
you
00:44:09 --> 00:44:12: look at product types, there's so much demand for single
00:44:13 --> 00:44:16: family rental product in the suburbs, and that's coming from
00:44:16 --> 00:44:19: millennials who are maybe not. They were stable
households, so
00:44:19 --> 00:44:22: that cohort of you know 30 to 60 years old.
00:44:22 --> 00:44:25: Those households haven't really seen a huge dip and a
00:44:25 --> 00:44:27: return and headship rates. They've been more stable.
00:44:28 --> 00:44:30: But those households are the ones where we have seen
00:44:31 --> 00:44:33: some shift to more suburban areas, but.
00:44:33 --> 00:44:38: Your point about types of neighborhoods is interesting, right?
Because
00:44:38 --> 00:44:41: we aren't seeing people necessarily moving to, you know, the

00:44:41 --> 00:44:45: exurbs where they have a couple acres of land. That's
00:44:45 --> 00:44:48: not really the driver. I think today we see much
00:44:48 --> 00:44:51: more demand working with a lot of current clients across
00:44:51 --> 00:44:55: the nation, for for suburban development that almost mimics
an
00:44:55 --> 00:44:59: urban environment where you do have those amenities. A lot
00:44:59 --> 00:45:02: of small scale mixed-use projects that have, you know, a
00:45:02 --> 00:45:04: small retail component.
00:45:04 --> 00:45:06: On site maybe 20 to 50,000 square feet of retail
00:45:07 --> 00:45:10: or something of that nature because people want access to
00:45:10 --> 00:45:13: a grocer and especially with the flexibility of working from
00:45:13 --> 00:45:16: home. Yes, we can afford to live a little a
00:45:16 --> 00:45:19: little further out maybe, but kind of recreating that urban
00:45:19 --> 00:45:22: environment where you don't have to get in your car
00:45:22 --> 00:45:26: for everything. Those projects have definitely been popping
up kind
00:45:26 --> 00:45:30: of, especially in hot. You know metros like Charlotte like
00:45:30 --> 00:45:34: Denver where affordability is really a challenge. There's
some interesting
00:45:34 --> 00:45:35: projects.
00:45:35 --> 00:45:38: But, you know, Highlands Ranch South of Denver, which is
00:45:38 --> 00:45:42: a traditional master plan community. But they really built out
00:45:42 --> 00:45:45: a commercial core and I think we're beginning to see
00:45:45 --> 00:45:49: a real shift towards development where there is a Town
00:45:49 --> 00:45:52: Center or urban feel recreated even with local brands and
00:45:52 --> 00:45:55: tenants that are are seen in in urban areas. So
00:45:55 --> 00:45:56: that makes sense.
00:45:58 --> 00:46:01: Thanks, that's really that's really insightful, and I think that
00:46:01 --> 00:46:04: has a lot of implications, you know, and you know,
00:46:04 --> 00:46:07: we look at energy and gas prices, and as people
00:46:07 --> 00:46:09: may not be able to afford the urban core and
00:46:09 --> 00:46:12: may not have other options in terms of commuting, then
00:46:12 --> 00:46:15: using their car, maybe perhaps based on the job that
00:46:15 --> 00:46:18: they work. But if they can reduce their automobile usage
00:46:18 --> 00:46:21: so that they can run to the store quickly or
00:46:21 --> 00:46:24: reduce some of that VMT on the margins, that could
00:46:24 --> 00:46:26: have a big impact on their quality of life, as
00:46:26 --> 00:46:28: as gas prices are high and also it's.
00:46:28 --> 00:46:31: I can have climate impact as well. You know? Maybe
00:46:31 --> 00:46:34: maybe we won't be able to reduce commutes as much,
00:46:34 --> 00:46:37: but if people we can reduce those side trips that
00:46:37 --> 00:46:40: VMT reduction in VMT each mile is a mile is
00:46:40 --> 00:46:42: a mile is a mile. So if we can make

00:46:42 --> 00:46:45: differences on the margins, I think that matters. We have

00:46:45 --> 00:46:48: about 12 minutes left, and some questions are coming in

00:46:48 --> 00:46:51: via the Q&A function. I will encourage anyone we we

00:46:51 --> 00:46:54: have had a few in, and we'll get to those

00:46:54 --> 00:46:56: next. I have a ton of questions I could ask

00:46:56 --> 00:46:59: Dana, Joel, and Lisa, but I want to make sure

00:46:59 --> 00:46:59: that.

00:46:59 --> 00:47:02: The audience questions get asked, but we have a couple

00:47:02 --> 00:47:05: more minutes to accept more of those questions if you.

00:47:05 --> 00:47:08: If you're listening and have some questions and I'm going

00:47:08 --> 00:47:10: to, I'm going to combine a couple of the questions

00:47:10 --> 00:47:13: that came in into into one one big question, and

00:47:13 --> 00:47:15: each of you can take it in any direction that

00:47:15 --> 00:47:18: you'd like, and one of the questions that came in.

00:47:18 --> 00:47:21: Was to what extent can private market market rate housing

00:47:22 --> 00:47:24: really move the needle on on some of this investment

00:47:25 --> 00:47:27: you see the chart that I showed earlier shows that

00:47:27 --> 00:47:31: many of these occupations are the backbone of the economy

00:47:31 --> 00:47:33: and those are the words that the comments are and

00:47:33 --> 00:47:36: that and it's true if we look at the aging

00:47:36 --> 00:47:39: of the population home have athletes are we will be

00:47:39 --> 00:47:42: critical and they can barely afford rent in pretty much

00:47:42 --> 00:47:45: and they can afford rent and almost no markets in

00:47:45 --> 00:47:47: the country. So you know, as we look at the

00:47:47 --> 00:47:49: scale of the challenge, what is the role?

00:47:49 --> 00:47:51: Of market rate housing.

00:47:52 --> 00:47:54: What can the government do to step up?

00:47:55 --> 00:47:59: And what is the role of corporate philanthropy? Lisa, you

00:47:59 --> 00:48:03: mentioned Microsoft and Amazon putting some dollars in

00:48:03 --> 00:48:06: sitting here in Arlington right next to right by HQ

00:48:06 --> 00:48:09: 2 for Amazon, and they recently have been making some

00:48:09 --> 00:48:14: pretty big investments that have facilitated some preservation

00:48:14 --> 00:48:18: efforts of

00:48:18 --> 00:48:20: existing affordable rental housing. So I would love to get

00:48:20 --> 00:48:22: all three of your thoughts on on on any or

00:48:26 --> 00:48:28: all of those 3 components.

00:48:28 --> 00:48:32: I'm happy to start first. I think one of the

00:48:32 --> 00:48:35: things that we're really watching here in Michigan is the

00:48:35 --> 00:48:40: role of the corporate population in housing. We have an

00:48:35 --> 00:48:40: employer housing tax credit that is moving through

00:48:35 --> 00:48:40: legislation. Right

00:48:40 --> 00:48:43: now. You know, here in Michigan, we've heard from economic
00:48:43 --> 00:48:47: development directors that several employers are in a position to
00:48:47 --> 00:48:51: expand and have the economic conditions that are ripe for
00:48:51 --> 00:48:55: expansion. But they're choosing not to. Specifically because of the
00:48:55 --> 00:48:56: lack of housing.
00:48:56 --> 00:49:00: So we see corporate participation in housing as a large
00:49:00 --> 00:49:02: piece of that gap puzzle that Lisa and I were
00:49:03 --> 00:49:06: talking about earlier, especially for 4% gap and even on
00:49:06 --> 00:49:09: the market rate side I I don't even understand how
00:49:09 --> 00:49:13: you can look at market rate housing right now with
00:49:13 --> 00:49:16: standard market rate sources, with all the costs that we
00:49:16 --> 00:49:19: talked about it, I I can understand why a lot
00:49:19 --> 00:49:23: of folks are backing out. Everything we do is subsidized,
00:49:23 --> 00:49:26: whether it's capital, A affordable housing workforce.
00:49:26 --> 00:49:30: Housing, attainable housing. Everything has some form of
subsidy in
00:49:30 --> 00:49:31: it in order to meet.
00:49:32 --> 00:49:32: Those.
00:49:33 --> 00:49:36: 80 to 120 AMI target populations or even lower, so
00:49:36 --> 00:49:41: we definitely see corporations playing a role in establishing
local
00:49:41 --> 00:49:45: workforce housing funds like Austin Twin Cities. We talked
about
00:49:45 --> 00:49:48: this in our Boise Tap a few few months ago,
00:49:48 --> 00:49:51: and so we're really watching that.
00:49:54 --> 00:49:58: Yeah, and I would say you know we've got our
00:49:58 --> 00:50:03: Evergreen impact housing fund. That was is been
administered through
00:50:03 --> 00:50:07: the Seattle Foundation and has got some credit union dollars
00:50:07 --> 00:50:11: as well as well as Microsoft money. That again is
00:50:11 --> 00:50:15: looking at doing gap mostly in the bond 4% space.
00:50:15 --> 00:50:19: We've had a lot more conversations about that kind of
00:50:19 --> 00:50:22: 80 to 120. And how do we fill that gap?
00:50:22 --> 00:50:25: And looking to potentially the state.
00:50:25 --> 00:50:29: I know that there's been several states that have Colorado.
00:50:29 --> 00:50:32: I know just put in 25 million into like a
00:50:32 --> 00:50:36: workforce housing program. So I think that there's more.
00:50:39 --> 00:50:44: Seemingly need to incentivize that higher income, and again,
it's
00:50:44 --> 00:50:49: like balancing all of these priorities. Microsoft has specifically
helped

00:50:49 --> 00:50:54: with creating what we call an expanded land acquisition program.

00:50:54 --> 00:50:59: We had a basic land acquisition program, but this again

00:50:59 --> 00:51:03: expanded it to a certain geographic region that was clearly

00:51:03 --> 00:51:08: part of Microsoft footprint, and so China just get land

00:51:08 --> 00:51:08: secured.

00:51:08 --> 00:51:12: And so that there is at least those opportunities to

00:51:12 --> 00:51:16: put affordable housing on them in the future. And then

00:51:16 --> 00:51:20: they've really helped us as well with an internal mechanism,

00:51:20 --> 00:51:24: an internal financing tool to recycle our bonds. So we

00:51:24 --> 00:51:27: we have a recycled bond program in our state, and

00:51:27 --> 00:51:31: Microsoft has been key at being creating a financing mechanism

00:51:31 --> 00:51:35: to help us recycle bond CAP, and we've been able

00:51:35 --> 00:51:38: to do some recycled only deals, not only just gap

00:51:38 --> 00:51:39: the tax exempt.

00:51:39 --> 00:51:43: T7 existing bond deal but also just use that recycled

00:51:43 --> 00:51:47: cap to create additional projects. We've also seen Amazon

00:51:47 --> 00:51:51: step in in a big way with our Sound Transit partners

00:51:51 --> 00:51:55: and we've also are allocating a certain amount of bond

00:51:55 --> 00:51:59: cap to Sound Transit properties. So again, really looking at

00:51:59 --> 00:52:04: a more focused and intentional and strategic plan towards building

00:52:04 --> 00:52:05: out those. Umm.

00:52:06 --> 00:52:11: Uh, stations there for public transit. So yeah, a handful

00:52:11 --> 00:52:16: of decent strategies, but kind of just like moving the

00:52:16 --> 00:52:18: needle like this much.

00:52:20 --> 00:52:22: Yeah, I guess I would just add to that a

00:52:22 --> 00:52:24: little bit. It sounds like.

00:52:24 --> 00:52:28: Employer sponsored housing has been kind of a critical

00:52:28 --> 00:52:32: piece,

00:52:32 --> 00:52:35: especially larger employers who who are able to allocate

00:52:35 --> 00:52:38: those resources, and that's great. I think just on the public

00:52:38 --> 00:52:42: sector side, maybe one thing that I've added has come

00:52:42 --> 00:52:44: up recently is just having more flexible zoning and zoning

00:52:44 --> 00:52:47: amendments. I think this is like an old tool in

00:52:47 --> 00:52:50: the toolbox that kind of dates back to a couple

00:52:50 --> 00:52:54: decades ago, but I think there's a renewed interest in

00:52:54 --> 00:52:54: that, especially in some smaller markets, which hasn't been

00:52:54 --> 00:52:55: the case.

00:52:55 --> 00:52:59: You know, in Spokane, for example, I believe they're allowing

00:52:59 --> 00:53:02: up to 10 units in single family zoned areas. Now
00:53:02 --> 00:53:05: is kind of an emergency housing relief. I think you
00:53:05 --> 00:53:08: know, at least in Seattle. I know they have kind
00:53:08 --> 00:53:12: of loosened their regulations in Minneapolis and several
other cities
00:53:12 --> 00:53:16: are are kind of reevaluating their low density zoning in
00:53:16 --> 00:53:17: certain neighborhoods.
00:53:19 --> 00:53:21: And then I think you know, in terms of what
00:53:22 --> 00:53:25: the private market can do, which maybe we haven't touched
00:53:25 --> 00:53:28: on. I mean, it's really tough as a private developer.
00:53:28 --> 00:53:31: I think working with a lot of developers right now.
00:53:31 --> 00:53:35: We're definitely still seeing people trying to get deals done.
00:53:35 --> 00:53:37: I do think a lot of the hiccup.
00:53:38 --> 00:53:41: Is starting to be really on the on the equity
00:53:41 --> 00:53:44: side and I think one thing that honestly there may
00:53:44 --> 00:53:47: have to be and probably already is is going to
00:53:47 --> 00:53:51: be is just a resetting of return expectations on the
00:53:51 --> 00:53:54: equity side. I think it's it's just we've had a
00:53:54 --> 00:53:57: really good era of of a lot of prosperity and
00:53:57 --> 00:54:00: there have been high returns on a lot of a
00:54:00 --> 00:54:03: lot of deals that have gone and that's great. But
00:54:03 --> 00:54:07: I think that those expectations are probably going to have
00:54:07 --> 00:54:08: to shift.
00:54:08 --> 00:54:11: Down a bit going forward in order to keep producing
00:54:12 --> 00:54:15: housing and just get those deals done, even if it
00:54:15 --> 00:54:18: means at A at a sort of less attractive return
00:54:18 --> 00:54:19: to some investors.
00:54:23 --> 00:54:26: Thank you, thank you that that that that gives us
00:54:26 --> 00:54:28: a lot of options and it's a good thing we
00:54:28 --> 00:54:31: need to have a lot of options and there's a
00:54:31 --> 00:54:34: lot that needs to be done because the challenge wasn't
00:54:34 --> 00:54:37: created just by one thing. So there's no silver bullet.
00:54:38 --> 00:54:41: We need solutions from across the board. We are running
00:54:41 --> 00:54:44: out of time probably won't have a chance to get
00:54:44 --> 00:54:47: to everyone's questions. I apologize for that. People can feel
00:54:47 --> 00:54:50: free to reach out to me if we follow questions.
00:54:50 --> 00:54:53: **** will also be posting this webinar.
00:54:54 --> 00:54:57: Two knowledge Finder I do want to answer one question
00:54:57 --> 00:55:01: about the tools that set the tools themselves quickly before
00:55:01 --> 00:55:05: we do a closing question for our panelists, there was
00:55:05 --> 00:55:08: a question about sub geographies. All of our data is
00:55:08 --> 00:55:11: at the regional level, but are there? Is there the

00:55:11 --> 00:55:15: ability to drill down into some of the core constituent
00:55:15 --> 00:55:19: counties or jurisdictions and the index tool itself does not
00:55:19 --> 00:55:22: facilitate that, but a lot of the data sources that
00:55:22 --> 00:55:23: we pull from do so.
00:55:24 --> 00:55:28: The Center for Neighborhood Technologies. All transit score.
It can
00:55:28 --> 00:55:31: go down to the census tract level, so you there's
00:55:31 --> 00:55:35: links to those resources in the tools themselves. Policy maps
00:55:35 --> 00:55:38: platform provides data for many of the metrics now, though
00:55:38 --> 00:55:41: not all down to the census tract level as well
00:55:41 --> 00:55:45: or in including counties and county levels. So there are
00:55:45 --> 00:55:48: opportunities to use the index itself as a platform for
00:55:48 --> 00:55:52: additional analysis. We we can't answer all the questions via
00:55:52 --> 00:55:55: the index, but we want to give everyone a very
00:55:55 --> 00:55:56: informed.
00:55:56 --> 00:55:59: Starting point, so I want to close give everyone an
00:55:59 --> 00:56:02: opportunity. Just we only have maybe 30 seconds each, so
00:56:02 --> 00:56:04: this would be a a. This will be a quick
00:56:04 --> 00:56:07: one, but if there could be one thing I just
00:56:07 --> 00:56:10: said there's no silver bullet. But if there was one
00:56:10 --> 00:56:13: thing that you would prioritize, there was a question in
00:56:13 --> 00:56:17: the chat about innovation and what innovative practices,
whether it's
00:56:17 --> 00:56:21: housing types like shared housing or co-ops or practices like
00:56:21 --> 00:56:25: manufactured housing or off-site construction. Are there any
innovations or
00:56:25 --> 00:56:27: opportunities that you would highlight?
00:56:28 --> 00:56:29: You what would you start with? What would be the
00:56:29 --> 00:56:31: one thing you would start with to try and move
00:56:31 --> 00:56:32: that needle more quickly?
00:56:35 --> 00:56:38: Ohh, I'd have to just say the federal resource piece
00:56:38 --> 00:56:43: like just give us more resources. Just yeah, the reinvestment
00:56:43 --> 00:56:47: of federal resources would be really great. Thank you very
00:56:47 --> 00:56:47: much.
00:56:48 --> 00:56:51: And I would follow that with, you know, as the
00:56:51 --> 00:56:57: state allocates resources under those federal programs
instead of funneling
00:56:57 --> 00:57:02: money through existing programs, really look at modifying
those programs
00:57:02 --> 00:57:05: to lift gaps on caps on gap financing for four.
00:57:06 --> 00:57:10: 4% and really rethink how that gap financing is structured.
00:57:10 --> 00:57:12: Coming from the Fed resources.
00:57:15 --> 00:57:18: Yeah, maybe I would. I have a little bit of

00:57:18 --> 00:57:20: a cop out answer which is. I'm not sure there
00:57:20 --> 00:57:23: is one silver bullet. I think there's a lot of
00:57:23 --> 00:57:27: strategies and and having those work together like
conversions and
00:57:27 --> 00:57:31: interesting strategy but super cost intensive. You know the
rezoning
00:57:31 --> 00:57:35: using federal programs to their fullest. I think there's kind
00:57:35 --> 00:57:38: of a range of strategies that can hopefully be just
00:57:38 --> 00:57:40: woven together to create some solutions.
00:57:42 --> 00:57:43: So yeah, that's kind of manageable though.
00:57:44 --> 00:57:47: Great, well thanks to all of our panelists today. This
00:57:48 --> 00:57:50: is was a great conversation. We could have gone on
00:57:50 --> 00:57:53: a lot longer with lots of questions in the chat
00:57:53 --> 00:57:56: thanks to the Twilligear center team and the broader UI
00:57:56 --> 00:58:00: team for helping us both complete this resource development
process
00:58:00 --> 00:58:03: and putting on today's webinar. And thanks to all of
00:58:03 --> 00:58:06: you for joining us today. We're recording of this webinar
00:58:06 --> 00:58:09: will be made available and please stay tuned for the
00:58:09 --> 00:58:12: index summary report release later this summer. Thank you
and
00:58:13 --> 00:58:13: have a great day.

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