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
00:04:49 --> 00:04:51: and the National Income Housing Coalition.
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 specific

00:05:27 --> 00:05:29: gaps that may need to be filled. For the most

00:05:29 --> 00:05:32: part, we focus on middle income categories. We balance metrics

00:05:32 --> 00:05:35: that compare the housing conditions at a constant income level

00:05:35 --> 00:05:38: with metrics that just for the economy of the region

00:05:38 --> 00:05:42: in question. The constant income metrics are important because despite

00:05:42 --> 00:05:45: dramatic differences in regional economies and housing prices.

00:05:45 --> 00:05:49: Our occupational analysis demonstrates that there's much less variation in

00:05:49 --> 00:05:52: the wages of the occupations we look at. If the

00:05:52 --> 00:05:55: median income for one region is 50,000 and the median

00:05:55 --> 00:05:58: income for another is 100,000, it's not because the median

00:05:58 --> 00:06:01: service worker or accountant earns twice as much in the

00:06:01 --> 00:06:04: second region. It's generally because the second region has a

00:06:05 --> 00:06:08: larger proportion of high wage occupations within their local their

00:06:08 --> 00:06:09: regional economy.

00:06:10 --> 00:06:13: So the metrics on the percentage of severely cost burdened

00:06:13 --> 00:06:16: households between 35 and $75,000 help demonstrate how far a

00:06:16 --> 00:06:19: wage will stretch in a given region, which we can

00:06:19 --> 00:06:22: extrapolate to different occupations that tend to fall within those

00:06:22 --> 00:06:25: brackets. However, it's important to note that the context of

00:06:25 --> 00:06:29: the regional economy does matter. Thus we also include metrics

00:06:29 --> 00:06:32: on home ownership and rental attainability that are based on

00:06:32 --> 00:06:34: a given percentage of area median income.

00:06:36 --> 00:06:38: We complement the tenure specific data with data in our

00:06:38 --> 00:06:42: neighborhood, opportunity and access category that

addresses racial and income
00:06:42 --> 00:06:45: 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
00:08:21 --> 00:08:24:	market. 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 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 variety of
00:09:16 --> 00:09:17:	roles.
00:09:17 --> 00:09:20:	For example, housing advocates can use index data and tools
00:09:21 --> 00:09:24:	to create informative visualizations for outreach and presentation to local
00:09:24 --> 00:09:29:	elected officials, civic groups, and funders. Similarly, developers undertaking community
00:09:29 --> 00:09:33:	engagement efforts can use the index as an independent 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 makers looking
00:09:40 --> 00:09:43:	to craft housing solutions can use the occupational analysis to
00:09:43 --> 00:09:47:	contextualize regional housing conditions with regional 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 make
00:09:54 --> 00:09:58:	cross regional comparisons for identifying potential threats,

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 heightened economic insecurity,

00:21:30 --> 00:21:33: particularly when combined with high energy costs in the form

00:21:33 --> 00:21:36: of utilities and commuting expenses. Left unchecked, the risk of

00:21:36 --> 00:21:39: homelessness could rise for many households.

00:21:40 --> 00:21:43: Long term housing underproduction is a primary driver of our

00:21:43 --> 00:21:47: National Housing challenges and current market conditions. Like economic uncertainty,

00:21:47 --> 00:21:50: rising inflation, the high cost of materials, high labor costs,

00:21:50 --> 00:21:54: and limited labor availability are likely to further restrain that

00:21:54 --> 00:21:57: market. From catching up to meet demand, anecdotal evidence suggests

00:21:58 --> 00:22:01: that some builders are already pulling back in response to

00:22:01 --> 00:22:02: some of these pressures.

00:22:03 --> 00:22:07: While the national shortage matters, regional production shortfalls are even

00:22:07 --> 00:22:10: more important and the lack of attainable housing in established

00:22:10 --> 00:22:13: markets is a contributing factor to some employers and households

00:22:13 --> 00:22:16: relocating to lower cost markets. And while still more attainable,

00:22:16 --> 00:22:19: many of these growing regions have not demonstrated that they

00:22:19 --> 00:22:22: can produce enough housing of the right type in the

00:22:22 --> 00:22:25: right locations, which I'll refer to as the dimensions of

00:22:25 --> 00:22:28: supply. To keep these markets or submarkets they're in from

00:22:28 --> 00:22:31: following the trajectory of more established, high cost markets, staying

00:22:31 --> 00:22:33: ahead of the curve is crucial.

00:22:33 --> 00:22:35: And as regions fall behind, it can lead to other

00:22:35 --> 00:22:38: market distortions that raise the cost of developing new housing

00:22:38 --> 00:22:41: and further exacerbating the challenge, creating a vicious cycle.

00:22:43 --> 00:22:47: In many regions are considerably behind the curve. Recent

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 suburbs 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
00:26:38 --> 00:26:43:	with a specialization, creative, data-driven solutions for 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
00:27:05 --> 00:27:07:	by way of more detailed introduction to take a turn
00:27:07 --> 00:27:11:	and describing critical housing challenges as you see them based
00:27:11 --> 00:27:13:	on the on your role in the market. Dana, do
00:27:13 --> 00:27:14:	you mind kicking us off?
00:27:16 --> 00:27:18:	Yeah great thanks so much Mike. Yeah I think in
00:27:18 --> 00:27:22:	the consulting industry working sort of for developers and Equity
00:27:22 --> 00:27:26:	Partners and a number of different players in the industry.
00:27:26 --> 00:27:29:	One of the challenges that we're seeing is really has
00:27:29 --> 00:27:32:	to do with market demand and where that's kind of
00:27:32 --> 00:27:35:	playing out. I think there are a couple of trends
00:27:35 --> 00:27:38:	that might touched on a bit that are really driving
00:27:38 --> 00:27:41:	demand and have really driven what we've seen is, you
00:27:41 --> 00:27:45:	know historically unprecedented rent growth across Class A class.
00:27:45 --> 00:27:49:	The apartments as well as single family rentals in the
00:27:49 --> 00:27:52:	past year that are straining a lot of different income
00:27:52 --> 00:27:55:	levels and and this is somewhat driven by a couple

00:27:55 --> 00:27:59: of trends I'll touch on, you know, interregional migration, the
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 of
00:34:59 --> 00:35:04: the state's current resources have been targeted to that. You
00:35:04 --> 00:35:08: know, at our in our state at the Commission, you
00:35:08 --> 00:35:12: know we allocate the 9% tax credit and the bond,
00:35:12 --> 00:35:17: 4% tax credit and have been oversubscribed in our private
00:35:17 --> 00:35:20: activity bond CAP now for several years.
00:35:21 --> 00:35:24: And so have had to do a lot of policy
00:35:24 --> 00:35:29: prioritization. Work around how you know what are the outcomes
00:35:29 --> 00:35:35: we're looking for and how are we prioritizing those resources
00:35:35 --> 00:35:36: and we have.
00:35:37 --> 00:35:41: You know development pipeline. That's kind of over the top
00:35:41 --> 00:35:43: really here in terms of like we could build the
00:35:44 --> 00:35:46: units if we have the resources and we don't have
00:35:46 --> 00:35:50: the resources and so how we've had to manage prioritizing
00:35:50 --> 00:35:53: in this environment. And right now it's all about the
00:35:53 --> 00:35:57: construction cost and the gaps. So whatever resources we had
00:35:57 --> 00:36:00: trying to build this pipeline and trying to provide a
00:36:00 --> 00:36:03: predictable funding source is all being eaten up in these
00:36:03 --> 00:36:06: cost overruns and get. I'm trying to fill the gaps
00:36:06 --> 00:36:09: so that we can try to get projects done now.
00:36:09 --> 00:36:13: As opposed to trying to have this predictable pipeline so
00:36:13 --> 00:36:17: it's kind of wreaking havoc really with the pipeline. I
00:36:17 --> 00:36:21: just jumped from another meeting where we were saying we
00:36:21 --> 00:36:25: don't have the resources to do a round in 2024,
00:36:25 --> 00:36:28: or you know how are we going to manage the
00:36:28 --> 00:36:31: resources for 2023 into 2024 and and we can't even
00:36:32 --> 00:36:35: close deals now right? So it's it's hard when we've

00:36:35 --> 00:36:39: 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 prioritize
00:37:16 --> 00:37:18: the scarce resources and.
00:37:18 --> 00:37:21: How to try to keep up? Because we're not nearly
00:37:21 --> 00:37:22: 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 been, you
00:37:33 --> 00:37:37: know, really active in the housing space and it it
00:37:37 --> 00:37:42: has been an interesting journey. Having those partners at the
00:37:42 --> 00:37:46: table. But it really is because there's been a lack
00:37:47 --> 00:37:51: of investment at the federal level, and so it's it's
00:37:51 --> 00:37:54: really difficult still to try to.
00:37:54 --> 00:37:57: Figure out how to leverage all those resources in the
00:37:57 --> 00:38:00: most effective way, so that that's what we're trying to
00:38:00 --> 00:38:03: do. Since we at least have that opportunity to have
00:38:04 --> 00:38:05: those players at the table.
00:38:07 --> 00:38:09: Thanks and thanks to each of you for for introducing
00:38:09 --> 00:38:13: yourselves by talking about your work. I really appreciate this
00:38:13 --> 00:38:15: has been very informative so far and I want to
00:38:15 --> 00:38:17: follow up on something you mentioned. Is that it? It
00:38:18 --> 00:38:20: taught that ties into something that Dana said earlier that
00:38:21 --> 00:38:23: you're you know people are leaving Seattle, but people are
00:38:23 --> 00:38:26: also moving in and I guess I think Dana's point
00:38:26 --> 00:38:29: about household formation, that it's possible for certain markets to
00:38:29 --> 00:38:33: be growing faster than others because they're comparatively more expensive,
00:38:33 --> 00:38:35: but it doesn't mean that that's the depth of the
00:38:35 --> 00:38:36: establishment.
00:38:36 --> 00:38:39: Markets or that rents are going to be dropping in

00:38:39 --> 00:38:42: those regions anytime soon. So I do want to talk
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 this. I'm
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 efforts of
00:48:14 --> 00:48:18: existing affordable rental housing. So I would love to get
00:48:18 --> 00:48:20: all three of your thoughts on on on any or
00:48:20 --> 00:48:22: all of those 3 components.
00:48:26 --> 00:48:28: I'm happy to start first. I think one of the
00:48:28 --> 00:48:32: things that we're really watching here in Michigan is the
00:48:32 --> 00:48:35: role of the corporate population in housing. We have an
00:48:35 --> 00:48:40: employer housing tax credit that is moving through

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 step
00:51:47 --> 00:51:51:	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 piece,
00:52:28 --> 00:52:32:	especially larger employers who who are able to allocate those
00:52:32 --> 00:52:35:	resources, and that's great. I think just on the public
00:52:35 --> 00:52:38:	sector side, maybe one thing that I've added has come
00:52:38 --> 00:52:42:	up recently is just having more flexible zoning and zoning
00:52:42 --> 00:52:44:	amendments. I think this is like an old tool in
00:52:44 --> 00:52:47:	the toolbox that kind of dates back to a couple
00:52:47 --> 00:52:50:	decades ago, but I think there's a renewed interest in
00:52:51 --> 00:52:54:	that, especially in some smaller markets, which hasn't been the
00:52:54 --> 00:52:55:	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.
