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## Housing Market Study: City of Lansing

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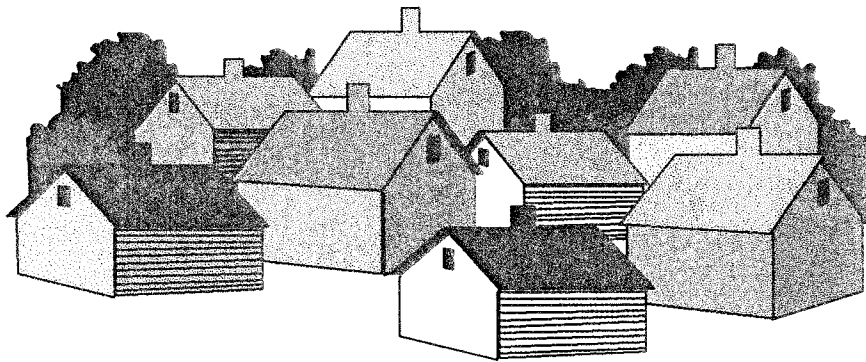
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# CITY OF LANSING

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## HOUSING MARKET STUDY



1999

# **HOUSING MARKET STUDY**

**Prepared for:**

**CITY OF LANSING**  
**Lansing, Michigan**

**December 1999**  
**Project No. E9420.16**

**Prepared by:**

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## EXECUTIVE SUMMARY

This Study presents an objective analysis of the City of Lansing as a place to live, work and shop. While it focuses on the City's housing stock, it recognizes that employment and shopping opportunities are important factors in the City's overall identity. Lansing has wisely recognized that the future viability of the City is dependent upon its attractiveness as a place to live. **It is the City's goal to become the residence of choice for its current and future residents.** This goal is precipitated by the conditions that occur all too often in older urban cities which were once the predominant, self-contained centers for living, working and shopping, surrounded by rural hinterlands limited primarily to agriculture. With the onslaught of suburbia, the "American dream" has switched from the single family bungalow on a small lot within close proximity to work to the large lot, large house subdivision within reasonable driving distance to work. Shopping centers and even places of employment have also migrated to surrounding suburban locations. It has become all too typical for city residents, once they have achieved a threshold level of income, to move from their homes in the city core to suburbia. The result is often a decline over time in the income earning capacity of the residents who remain and those who move into those units vacated by households that migrated to the "burbs." Consequently, there are fewer resources available to pay for maintaining or constructing new public facilities and infrastructure, putting more constraints upon city government's ability to serve its residents.

To achieve its goal of becoming a residence of choice, the City commissioned this Study. The Study's mission is to provide the City with data, projections and information relative to social, economic and housing conditions. It is also the intent of this effort to provide research-based policy recommendations for attracting and retaining a viable mix of residents and housing types.

This effort required a process that includes six separate efforts at collecting and analyzing information and utilizing those efforts to arrive at a set of recommended policies for the City, non-profit organizations and developers to follow. The six primary efforts consisted of: a) an on-site inventory of over 24,000 single family and duplex residences, b) a telephone survey of over 500 City households, c) a study of the demographic characteristics of the City and Market Area population, including forecasts and lifestyle composition, d) two opportunities for input from the general public - a "focus group" evening town meeting and a "walk through" open-house during the day, e) surveys and interviews with housing providers both non-profit and for-profit, and f) discussion with the Lansing City Council and Planning Commission.

The on-site housing inventory was conducted using a 39 item checklist and an easy-to-read computer data base. The results showed that over 90 percent of the inventoried homes were found to be in “good” or fair condition. The survey also showed there is a positive correlation between the condition of a housing unit and whether or not it is owner-occupied, with owner-occupied housing generally in better condition than rental housing. In addition, housing units with substantial physical problems are concentrated in the central and northeastern sections of Lansing.

The household survey, which was conducted by the Kercher Center for Social Research at Western Michigan University over a period of 19 days in May and June 1999, provided the following results:

- 56.7 percent of surveyed residents expect to be living in the City during the next five years, and most of those are over the age of 40; younger residents plan on moving out of the City,
- more than half of the residents surveyed want to buy a home, but only 47.6 percent of those are looking or will look in the City,
- higher income residents looking to buy a home are more likely to look outside the City,
- “bigger is better” for most individuals as they think about their ideal home,
- the most desired amenities for a new or different house are more closets, a larger garage, a larger house overall, and an additional bathroom,
- the assets that keep residents in their current home and neighborhood are affordability, access to work and shopping, current resale value and neighborhood appearance,
- aside from the school system, security, property taxes, architectural character and traffic safety are perceived to be modestly negative qualities associated with neighborhoods in the City.

Over the next 15 years, the City’s population is expected to undergo a modest decline of less than two percent if current trends continue and if proactive efforts, such as those recommended in this Study, are not made to proactively promote the City as a residence of

choice. City employment, however, is projected to increase by about five percent over that period of time, particularly as a result of investment into the City by General Motors.

The analysis of data and information, the housing inventory and the household survey all provide a snapshot of the present and likely future of the City as a place to live and work. The findings are mixed, with both positive and negative conditions, including the following:

*Positive*

- the City's economy is stable and will continue to be in the future,
- the City's housing stock is of good value and good repair,
- a City address provides easy access to work and shopping opportunities,
- a potential exists for developing a larger inventory of loft housing
- active City housing policies coupled with a cooperative and energetic non-profit sector provides tools for enhancing the quality of the housing stock,
- historic neighborhoods provide the potential for active preservation programs,
- current residents do not perceive crime as a deterrent to living in Lansing.

*Negative*

- compared to other comparable mid-size cities, Lansing's economy is growing relatively slowly,
- the existing housing stock includes many small, single-family houses,
- neighborhoods can have a negative impact upon the sales value of a house,
- there is a strong draw from outlying communities creating a "pull" factor for residents to move out of the City,
- the City is burdened by more than its "fair share" of public assisted housing,
- whether deserved or not, there is a poor perception of the quality of the public school system,
- the City has historically been unable to build upon its urban "uniqueness."

To create opportunities that will minimize negative conditions and optimize what is currently positive, this Study establishes an alternative scenario that consists of retaining young families that might otherwise move outside the City, converting viable existing industrial and commercial structures to residential lofts and condominiums, preserving historic neighborhoods, easing the transfer of dwelling units between generations (from “empty nesters” to young families), assisting households who are economically disadvantaged, and constructing upper-scale housing. This alternative scenario encompasses all social and economic spectrums of the population in an effort to provide for a well-rounded urban environment.

Within that alternative scenario, specific recommendations are made to provide a framework for City policies to achieve that environment. Those recommendations consist of:

- constructing 10 new condominium units per year to the year 2015 and beyond,
- converting upper story space in the downtown, Old Town, and other central city commercial areas into five residential lofts per year,
- restoring five large historic houses each year for single family occupancy
- retaining 1,000 families per year, and
- constructing 92 new owner-occupied homes per year.

If these recommendations are realized, the City’s population trends should reverse from the projected minimal downward trend to a positive increase, resulting in a net difference of approximately 9,000 additional residents by the year 2015.

Short and long term strategies are proposed to accomplish these recommended “targets.”

**Short term strategies** include:

- continuing to support neighborhood action plans and enhancing the overall capacity of neighborhood organizations,
- creating a City income tax credit for home improvements (which would require state enabling legislation),
- creating an Individual Housing Purchase Savings Account program for existing and potential residents,

- building on the success of current City/School District efforts at collaboration,
- setting up and promoting a residential-based college scholarship program,
- establishing a separate building code enforcement mechanism for historic buildings,
- encouraging company sponsored home ownership programs,
- increasing the availability of attractive senior housing, which will help to open up to families larger homes currently occupied by single elderly,
- establish a workable mechanism for evaluating the impacts of new residential development,
- developing the central business area as an “urban residential environment” by saving existing historic dwellings around the central business district,
- encouraging mixed (residential/commercial) land uses in the downtown area and converting viable spaces to lofts and condominiums.
- the City should strive to increase the opportunities for home-ownership among low-to-moderate income households through increased support for home-ownership programs, continued financial support for rehabilitation loans, coordinating building code enforcement with crime prevention, and continuing to allow for home based businesses.

**Long term strategies** that should ultimately promote more expansive positive changes include:

- supporting the enactment of a statewide property tax abatement program to reduce or eliminate property tax assessed on the value of additions or improvements,
- converting abandoned commercial structures, including vacant upper floors to loft apartments,
- working with Lansing Public Schools to enhance public education,
- promoting upscale planned residential developments,
- consolidating tax-foreclosed properties into economically viable units for redevelopment,
- partnering with Capital Area Transportation Authority to design and develop transit village redevelopment areas, and finally,
- never missing an opportunity to promote the image of Lansing as a residence of choice.



**Section I - Introduction**





**Purpose**

Lansing, like other older urban areas, is engaged in transition. Unlike its younger suburban neighbors, that transition, particularly in regard to sustaining a viable and competitive housing market, is not always positive. As surrounding suburban communities grow and provide more amenities with an ever increasing tax base, Lansing, like similar urban core communities, is unable to keep up. This is due primarily to the inability of such core communities to retain households once those households achieve an income level that enables them to move to more expensive residences. The result is a resident population with relatively limited incomes and a lower tax base generating smaller revenues for public capital improvements and operations.

For the City of Lansing to remain viable, it must be a residence of choice for its current residents and become an attractive residential option for households residing or moving into the Tri-County Area<sup>1</sup>. The purpose of this study is to:

Provide the City of Lansing with the salient data, projections, and information necessary to make informed decisions on the allocation of its limited funds and resources for housing development and redevelopment.

Offer researched-based policy recommendations for the City, that when implemented, will push the City toward its goal of being the residence of choice for its current and future residents.

While the City of Lansing cannot be the location of choice for everyone, by building upon its uniqueness, partnering with key resource providers and community organizations, and introducing creative housing policies and incentives, the City of Lansing can become a premier residential address.

**Contents**

It is the goal of this Housing Market Study to:

- 1) provide the City of Lansing with the necessary data, projections and information to make informed decisions on the allocation of its limited funds and resources for housing development. A key objective in this task will be to identify the relative strengths of the various demand and supply factors that drive the city's housing market.

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<sup>1</sup>Ingham, Eaton and Clinton Counties

- 2) provide researched-based policy recommendations for the City, that when implemented, will push the City toward its goal of being the residence of choice for its current and future residents. Partnership building will be a key component of these recommendations since the health of the city's housing market depends upon the quality of life that a city address can provide.

With the intent of achieving those ends, this Study contains the following:

Section II contains an economic overview of the regional and city economy. The health of the City of Lansing's housing market is highly dependent upon the vitality of the local economy. Low unemployment and strong employment growth stimulate housing demand, as existing households move up to more substantial dwelling units and, equally important, new residents are attracted into the area by its growing economic opportunities. This Study analyzes the existing and projected economic health of Lansing and the greater Tri-County region in order to better understand the potential impacts of that economy upon the City's housing stock and its residential sales and rental markets.

Section III contains an analysis of the Housing Market. This is defined in terms of both supply and demand. We perceive the greater Lansing area as the market from which potential new residents can be attracted to reside within the City. This defines the "external market." Within the City itself, (the "internal market") the characteristics of the smaller sub areas (census tracts, block groups) are identified to determine future housing demand and supply pressures within the City. Relevant data at the Lansing-East Lansing Metropolitan Statistical Area (MSA) level, which is the Tri-County Region, identifies the characteristics of the market area population from which the City will attempt to attract new residents. It identifies the status of Lansing relative to its neighboring communities in housing residents with limited incomes (fair share). It describes the inventory of a good portion of the existing housing stock that was undertaken as a part of this Study to help define those properties and sections of the City that are falling into disrepair. The analysis of the supply side of the City's housing market also looks at the current mix of housing by type (according to number of bedrooms), renter and owner occupancy, vacancies, potentials for loft conversions and complete "build out" of the remaining vacant residential parcels.

Within the demand side of the market, this Study provides a forecast of the City's population based upon past trends, describes the results of a telephone survey conducted among 500 households within Lansing to obtain a better understanding of residents' perceptions of housing in the City, and reviews housing price data. Quality of life issues pertaining to the City's schools and crime are presented. A retail market analysis describes the economic conditions of the City's neighborhood retail centers and the impact those have on the housing stock. A housing provider survey was also conducted and the results are described in this Section. Finally, absorption and capture rates for the City's existing stock are identified.

Section IV addresses housing financing issues and the barriers (or lack of) that exist to potentially influence the market and the ability of residents to make the City a residence of choice.

Section V describes the "gaps" that exist in the City's housing stock relative to the social and economic characteristics of the population of the greater Tri-County Market as well as the affordability of the current housing stock by Lansing residents,

Section VI offers forecasts of population and housing based upon a preferred, yet realistic scenario for future housing development and redevelopment within the City. It identifies "target" housing types that best fit that scenario and provides recommended policies to achieve the objective of making Lansing a "residence of choice." This section also provides the conclusions and recommendations of this Study.



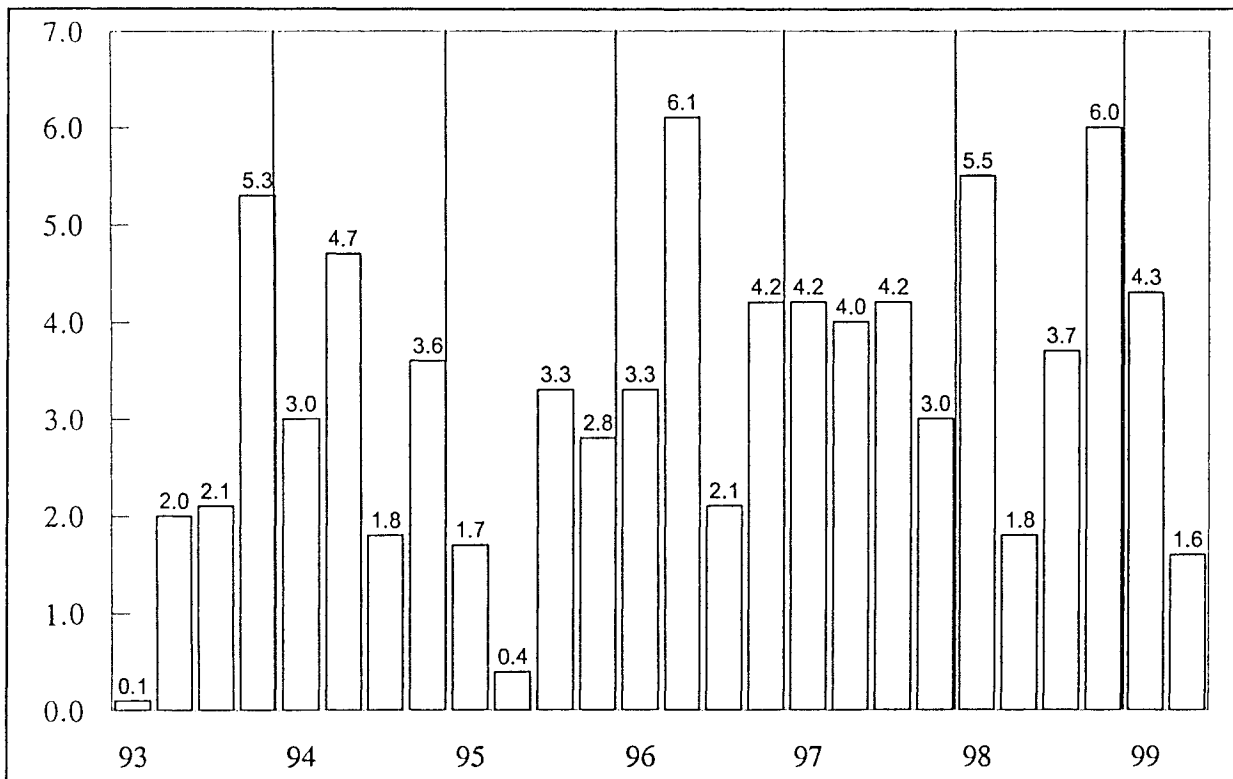
## **Section II - Economic Overview**



**NATIONAL SETTING**

The national economy is steaming into its seventh year of economic growth, and there are few barriers standing in its way. In 1998, the nation's Gross Domestic Product (GDP) grew at a 3.9 percent rate, matching the previous year's gallop. During the first quarter of 1999, GDP raced at an even faster 4.3 percent annual rate, but slowed to 1.8 percent in the second quarter. Forecasters are calling for GDP to grow between 3.5 to 3.8 percent for all of 1999. Forecasters expect slower yet still positive growth in 2000. The economy's stellar performance is only enhanced by the lack of inflation. Consumer and producer prices have risen only slightly in the past several years.

FIGURE II-1 - GROSS DOMESTIC PRODUCT QUARTERLY ANNUAL RATES



Consumer expenditures, especially for autos and light trucks, have been nothing less than robust. While many analysts worry that consumer spending must slow down sooner or later (consumption expenditures have out paced personal income growth for the past four years), current statistics suggest that it will be later. Vehicle sales have been outstanding; auto and light truck sales have exceeded 14.5 million units for the past five years and cruised at a 16.4 million unit clip in the first five months of 1999. Strong employment and earnings growth, coupled with vehicles being more affordable now than in previous years, are powering the industry's expansion. Today, a new

vehicle costs 23.7 percent of the U.S. median household income, down from 24.5 percent in 1998. Industry forecasts call for vehicle sales to remain robust until past 2000.

TABLE II-1 - CAR AND LIGHT TRUCK SALES (MILLION OF UNITS)

Year	Units
1994	15.0
1995	14.8
1996	15.0
1997	15.0
1998	15.6
First 6 mo, 1999	16.4 (Annual Rate)

SOURCE: U.S. Department of Commerce

At the same time, this robust economy has been brutal for many businesses, as it has demanded constant change and a relentless need to do more with less. Indeed, one of the most remarkable characteristics of the expansion has been its constant productivity growth. In 1998, productivity rose 2.8 percent, nationwide. Capital spending for computers and advanced machinery has been tremendous for the past several years.

The second, most unique characteristic of the current expansion is that the United States has been doing it alone. The rest of the global community has been stuck in an economic quagmire of little-to-no growth. This has only intensified the demanding economic environment facing the nation's businesses. First, there is a worldwide excess capacity in most all industries, from wood chips to memory chips, keeping the lid closed on price increases. One analyst estimates that in the auto industry, global excess capacity could produce over 20 million units, more than meeting the entire U.S. demand for autos and light trucks.<sup>1</sup> Second, the nation's exporters are facing flat markets while domestic producers are fighting aggressively-priced imports.

#### *Impact on the Tri-County Area*

In regards to the economic outlook for the Tri-County Area of Clinton, Eaton and Ingham Counties, the national performance is welcomed news. Clearly, a strong auto market bolsters the Lansing economy, even though small car sales remain moderate. Utility vehicles and light truck sales continue to be strong. In fact, auto producers make little to no profits on their small cars, but none of the major car producers will ignore nor leave the small car market.

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<sup>1</sup>John Waraniak, "What's Driving the Networked Automotive Enterprise" The Integrated Automotive Enterprise - A supplement to Ward's *AutoWorld*, June 1999.



Harbour and Associates ranks General Motors' Lansing small car assembly plants among the most productive in their class. Despite an obsolete plant layout that requires unfinished cars to be hauled two miles between buildings, adding up to \$20 million in annual production costs, the analysts rated the area's two small-car lines, Pontiac Grand Am and Oldsmobile Alero, to be the third and fourth most productive in the compact car class. The Pontiac Grand Am line produces a vehicle in 24.9 hours while the area's Oldsmobile Alero line turns out a vehicle every 25.4 hours. The average time for vehicle production in General Motors is 30.2 hours.

Moreover, Lansing will be the site for one of the auto industry's most radical advances in auto production. The proposed Cadillac assembly plant in Lansing, scheduled to open in 2001, could be the prototype for the future with its first-tier suppliers carrying more of the design and assembly responsibilities. Working in a just-in-time environment, General Motors is insisting that its major suppliers locate within 150 miles of the plant. It is very possible that Lansing residents will be offered employment opportunities that outnumber the estimated 1,500 jobs expected at the new plant.

**With Michigan State University and Lansing Community College, the Tri-County Area has the means to train and retrain its current and future workforce to meet the changing and more demanding needs of the workplace.** Moreover, the Venture Center of Mid-Michigan (a joint effort of MSU, the Lansing Economic Development Corporation and Capital Choice) stands ready to link the area's educational resources to the needs of entrepreneurs.

The Tri-County Area does not have a strong international presence, which given the fact that the global economy is in a slump, is not necessarily bad. In 1997, the area's exports reached only \$217.5 million and have been growing at a 4 percent annual rate during the past four years. In 1996, the area's exports accounted for approximately 9 percent of the area's manufacturing gross regional product, an estimated \$2.2 billion in 1996.<sup>2</sup> Canada, which has one of the stronger economies outside of our borders, accounts for nearly three quarters of the area's exports (Table II-2).

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<sup>2</sup>"Manufacturing at Work", *Industry Week*, April, 1999 pgs 67-80.

TABLE II-2 - EXPORT TRADE - PERCENT DISTRIBUTION OF EXPORTS TRI-COUNTY AREA

	1993	1994	1995	1996	1997
Canada	74.8%	74.4%	72.4%	68.3%	74.2%
Europe	9.4%	9.4%	9.4%	9.4%	9.4%
Asia	3.0%	4.5%	2.5%	4.4%	3.0%
South America	5.3%	6.6%	5.3%	4.3%	1.8%
Japan	3.5%	2.8%	4.2%	3.8%	2.4%
Other	3.9%	2.2%	6.2%	9.7%	9.2%
World	100.0%	100.0%	100.0%	100.0%	100.0%

SOURCE: Exporter Location Series, Census Bureau

Nevertheless, current national and international trends present several challenges to the Lansing area - challenges faced by most mid-sized metropolitan areas:

- **Lack of Local Control of Corporate Decision Making.** With the abandonment of the Oldsmobile headquarters, the City lost more than the 200 jobs that were transferred to Detroit. It also lost control of part of the corporation decision making process. Similarly, its banking community is composed primarily of branch offices of national or regional banks.
- **Lansing's manufacturing base remains highly auto dependent.** While the auto industry has had an excellent run during the past five years, it is still a very cyclical industry that is vulnerable to dramatic output shifts. In addition, the industry's high growth markets are in Asia and South America, suggesting that further expansion potential will be limited. Auto exports will remain small in the coming years due to relative cost and consumer tastes differences between North America and the faster-growing Asian and South American markets.
- **The Internet could have a negative impact on the area's retail sector.** As more and more households feel comfortable with shopping and conducting business on the net, the impact on local retailers and financial institutions could be negative. While we cannot get our hair cut or our car's oil changed on the net, we can buy our clothes, books, cars, and groceries on the net for prices that are highly competitive, due in part because of avoidance of sales taxes. Only personal services and eating and drinking places will not be affected. Indeed, due to the high pressure environment that many households are facing - two wage earners and at least one soccer league - the demand for eating and drinking places and personal services is expected to grow.

## REGIONAL ECONOMY

The foundation of the Tri-County Area economy is clear and well known. State education including Michigan State University, state government, and transportation equipment including General Motors account for nearly 1 out of every 4 jobs in the area (Table II-3).

**The area's economic foundation provides good-paying jobs, stable employment, and low rates of unemployment.** The average hourly earnings of the area's manufacturing production workers in May, 1999 was \$19.60, compared to \$18.19 statewide. From 1992 (the end of the last recession) to 1998, employment in the three-county area grew by 16,900 jobs or by 1.3 percent per year. Moreover, Clinton, Eaton and Ingham counties ranked 3rd, 4th and 7th in the state in terms of having the lowest unemployment rates in May of 1999.

Indeed, the region's economic foundation holds promise and stability. Michigan State University and state government guarantee long-term employment stability. If the current "devolution" trend continues, state governments may grow as they take on more and more responsibilities formerly held by the federal government. Finally, current reports on the productivity of the area's General Motors' production plants suggest that the auto giant has good reasons to invest in the area.

TABLE II-3 - EMPLOYMENT DISTRIBUTION IN THE TRI-COUNTY AREA, 1998

Annual Averages		
	1998	
Total	235,100	
<b>Manufacturing</b>	<b>28,400</b>	<b>12.1%</b>
Transportation Equipment	14,700	6.3%
Rest of Manufacturing	13,700	5.8%
<b>State Government exc. Education</b>	<b>19,400</b>	<b>8.3%</b>
<b>State Education</b>	<b>21,600</b>	<b>9.2%</b>
<b>Local Government</b>	<b>21,000</b>	<b>8.9%</b>
<b>Retail</b>	<b>43,900</b>	<b>18.7%</b>
<b>Private Services</b>	<b>57,500</b>	<b>24.5%</b>
<b>Other</b>	<b>43,300</b>	<b>18.4%</b>

SOURCES: Employment Service Agency

TABLE II-4 - TEN LOWEST MICHIGAN COUNTY UNEMPLOYMENT RATES MAY, 1999

Rank	Area	Unemployment Rate
1	Livingston County	1.8
2	Washtenaw County	1.8
3	Clinton County	2.0
4	Eaton County	2.1
5	Oakland County	2.3
6	Ottawa County	2.3
7	Ingham County	2.5
8	Leelanau County	2.6
9	Midland County	2.6
10	Isabella County	2.7
-	Michigan	3.5

SOURCE: Employment Service Agency

At the same time, the area's economic foundation lacks breadth and may create barriers to further growth. First, the strong presence of General Motors creates upward pressure on wage levels for other manufacturing firms. For the area's smaller manufacturers it can be difficult to retain their most qualified workers without paying close to the premium wages offered by General Motors. Furthermore, as mentioned previously, the area manufacturing base is highly auto dependent leaving it vulnerable to nasty changes in the business cycle.

#### *Comparison with Similar Metropolitan Areas*

While the Tri-County Area residents enjoy an extremely low unemployment rate, the area's employment growth lags behind that of other similar-sized metropolitan areas in the Great Lakes states, as shown in Table II-5. Compared to mid-sized metropolitan areas in Illinois, Indiana, Michigan, Ohio and Wisconsin, the Tri-County Area ranks poorly in terms of total and manufacturing employment growth. From 1992 to 1998, the three-county area's 7.8 percent increase in total employment ranked it near the bottom in terms of total employment growth, 21st out of 23 areas. The area's manufacturing sector, which lost 5.6 percent of its workers from 1992 to 1998, dragged its overall performance downward as the sector's employment losses dropped it to the third from the bottom.

In terms of employment growth in retail and wholesale trade, the Tri-County Area is nestled in the middle of the pack and climbs to fourth place in terms of employment growth in services. In particular, the area has experienced strong employment gains in health and social services, as shown below.

## SECTION II Economic Overview

Not surprisingly, given its relatively poor manufacturing employment growth, its wage growth, hourly earnings of production workers, which grew only 4.3 percent during the six-year period, the Tri-County region also lagged behind the majority of the other comparison metropolitan areas, and its civilian labor force growth was lackluster.

TABLE II-5 - EMPLOYMENT GROWTH COMPARISON ANALYSIS - RANKING

	Ranking of Growth Between 1992-1998					
	Total Empl. Growth	Mfg. Empl. Growth	Trade Empl. Growth	Service Empl. Growth	Civilian Labor Force Growth	Hourly Earnings of Production Workers Growth
Akron, OH	12	15	9	20	15	22
Ann Arbor, MI	13	19	5	8	8	10
Appleton-Oshkosh-Neenah, WI	7	13	8	7	4	8
Canton-Massillon, OH	14	11	18	17	19	11
Davenport-Moline-Rock Island, IL	15	5	22	15	18	19
Dayton-Springfield, OH	20	17	19	21	21	14
Elkhart-Goshen, IN	3	4	2	10	3	3
Evansville-Henderson, IN	9	16	17	6	6	17
Flint, MI	22	23	12	3	17	1
Fort Wayne, IN	10	6	14	12	7	13
Gary, IN	16	20	20	5	11	18
Grand Rapids-Muskegon-Holland, MI	1	3	1	1	1	9
Green Bay, WI	2	2	6	16	22	4
Kalamazoo-Battle Creek, MI	17	18	16	18	12	20
<b>TRI-COUNTY</b>	<b>21</b>	<b>21</b>	<b>13</b>	<b>4</b>	<b>13</b>	<b>16</b>
Madison, WI	4	1	3	2	2	6
Peoria-Pekin, IL	5	8	4	11	9	15
Rockford, IL	6	12	11	9	10	5
Saginaw-Bay City, Midland, MI	19	22	15	14	14	2
South Bend, IN	8	9	7	13	5	23
Springfield, IL	23	7	23	23	23	21
Toledo, OH	11	10	10	19	16	12
Youngstown-Warren, OH	18	14	21	22	20	7

SOURCES: U.S. Bureau of Labor Statistics, U. S. Department of Commerce, Calculation by the W.E. Upjohn Institute, Gove Associates Inc.

*Population Trends*

Given its below par employment growth, it is not surprising that the Tri-County Area also trails other Great Lakes metro areas in terms of population growth. From 1990 to 1998, population in the three-county area rose by only 3.9 percent placing it 14th among the 23 metro areas.

TABLE II-6 - POPULATION GROWTH

Metropolitan Area	Growth Ranking	Out-Migration	Population			Net Domestic Migration	
			1998	1990	Percent Change	Number	% of 1990 Population
Akron OH	10	10	688,952	657,575	4.8%	3,813	0.6%
Ann Arbor MI	2	1	547,646	490,058	11.8%	26,344	5.4%
Appleton WI	6	2	344,464	315,121	9.3%	12,693	4.0%
Canton OH	16	13	402,207	394,106	2.1%	-4,041	-1.0%
Davenport IL	17	16	357,813	350,855	2.0%	-6,455	-1.8%
Dayton OH	21	21	948,522	951,270	-0.3%	-39,998	-4.2%
Elkhart IN	5	7	172,310	156,198	10.3%	3,294	2.1%
Evansville IN	12	9	290,757	278,990	4.2%	3,373	1.2%
Flint MI	19	22	436,084	430,459	1.3%	-20,906	-4.9%
Fort Wayne IN	9	14	481,191	456,281	5.5%	-4,878	-1.1%
Gary IN	15	15	624,049	604,526	3.2%	-9,013	-1.5%
Grand Rapids MI	4	5	1,037,933	937,891	10.7%	26,975	2.9%
Green Bay WI	3	3	215,373	194,594	10.7%	7,209	3.7%
Kalamazoo MI	13	12	446,331	429,453	3.9%	-4,197	-1.0%
<b>TRI-COUNTY AREA</b>	<b>14</b>	<b>17</b>	<b>449,683</b>	<b>432,684</b>	<b>3.9%</b>	<b>-9,475</b>	<b>-2.2%</b>
Madison WI	1	8	424,586	367,085	15.7%	6,916	1.9%
Peoria IL	18	18	344,779	339,172	1.7%	-7,449	-2.2%
Rockford IL	7	6	356,887	329,676	8.3%	9,296	2.8%
Saginaw MI	20	20	401,991	399,320	0.7%	-16,502	-4.1%
South Bend IN	11	11	258,088	247,052	4.5%	-1,321	-0.5%
Springfield IL	8	4	203,847	189,550	7.5%	6,829	3.6%
Toledo OH	22	23	609,935	614,128	-0.7%	-32,301	-5.3%
Youngstown OH	23	19	591,752	600,895	-1.5%	-18,831	-3.1%

SOURCE: U.S. Census; Calculations by the W.E. Upjohn Institute, Gove Associates Inc.

From 1990 to 1998, the U.S. Census Bureau estimates that net out-migration reached nearly 10,000 individuals in the Tri-County Area. Net in-migration in Clinton and Eaton Counties helped offset a large 28,800 out-migration of Ingham County during the period. The area's large out-migration ranked it as 17th among the 23 metropolitan areas in terms of the net migration as a percentage of the 1990 population.

A closer examination of the inter-county migration within the Tri-County Area holds few surprises. In 1997, 969 households moved from Ingham County to Clinton County, while another 1,634 headed their moving vans to Eaton County. At the same time, 324 households moved to Ingham County from Clinton County, while 1,377 Eaton County residents relocated in Ingham County. While this one year of data provides evidence that many households seek a more rural living environment, it does not support the notion that higher income households are moving to more rural settings. The median household income of Ingham County households who did not move was \$28,043, which was far greater than that of those who moved to Clinton and Eaton Counties - \$23,901 and \$22,131, respectively.

TABLE II-7 - 1996 TO 1997 INTER-COUNTY MIGRATION PATTERNS

Households Moved to:/Moved from	Clinton	Eaton	Ingham	Rest of the World
Clinton	27,563*	324	853	1,314
Eaton	312	35,846*	1,377	2,073
Ingham	969	1,634	83,869*	6,367
Rest of the World	1,115	1,748	6,005	
Median Income of Movers and Stayers				
Moved to:/Moved from	Clinton	Eaton	Ingham	na
Clinton	\$38,285*	\$23,580	\$18,491	na
Eaton	\$28,151	\$31,852*	\$19,930	na
Ingham	\$23,901	\$22,131	\$28,043*	na
*Households who stayed at the same address or moved within the county.				

SOURCE: Internal Revenue Service

*Shift-Share Analysis*

A shift-share analysis offers a more in depth analysis of the area's economy. Shift-share separates an area's growth into three major components. The influence of national trends is captured by the *National Growth and Industrial Mix* components, while the area's local competitiveness is tracked by the *Competitive Shift* component.

The *National Growth and Industrial Mix* components estimates the impact of the national performance of its industries on the area's growth. The *National Growth* estimates the amount of employment growth in the area that can be contributed to general national trends. The old adage, "a rising tide raises all ships," captures the essence of the *National Growth* component. In addition, if a majority of an area's firms are in industries that are growing faster than average on the national level, then the area has a positive *Industrial Mix* and will achieve stronger-than-average local growth, as well. A common metaphor used to explain the *Industrial Mix* component is the game of poker: a player who is dealt nothing but good hands will continue to win regardless of how he/she plays the game. An area that is fortunate enough to have most of its major employers in industries that are experiencing strong national or international growth will likely grow as well. In summary, regions have a positive *National Growth* estimate as long as the nation achieves positive growth; however, an area has a positive *Industrial Mix* only if most of its employers are in industries achieving better-than-average growth.

The third component of the shift-share analysis, the *Competitive Shift*, is the most interesting because it measures the competitiveness of the area's firms relative to their national counterparts. Turning to the poker metaphor again, a good poker player can win even with bad cards. Even if an area is stuck with a set of industries that are performing poorly in the national and international market, if its firms are the most efficient and competitive in the industries, it can achieve growth. It is this component of growth the *Competitive Shift* is designed to measure.

There are several drawbacks to shift-share analysis; most address technical/statistical issues. The major drawback of the technique for public policy decision making is that it only identifies industries where the local firms outperform their national counterparts; it does not provide any explanatory factors.

In short, the shift-share analysis results shown in Table II-8, suggests that the Tri-County Area has been dealt a pretty good hand of better-than-average performing industries. From 1988 to 1998, Tri-County's private employers created 24,500 jobs. Overall, 96



percent of these jobs, 23,625, can be "explained" by the *National Growth* component. Indeed, a rising tide raises all ships. In addition, the area's *Industrial Mix* results suggest that employers generated another 1,454 jobs due to their being in industries that outperformed the national average. These industries include eating and drinking places, business services, health services and professional services.

However, the analysis also suggests that the area's firms in key sectors were not able to compete effectively against their national rivals. During the ten-year period, the Tri-County Area "lost" 578 jobs due to the noncompetitiveness of its firms as measured by its *Competitive Shift* component. These key industries where the area's firms were not competitive include fabricated metal, transportation equipment, and depository institutions. Nevertheless, the analysis does indicate that its firms in the services sectors (SIC 70-79) outperformed their national counterparts. As shown in Table II-8, firms in these sectors generated 4,436 jobs due to their competitiveness as measured by their *Competitive Shift*. This supports the findings of the comparative analysis shown in Table II-5 where the Tri-County Area ranked fourth among the 23 Great Lakes mid-size metropolitan areas in terms of service growth.

In summary the shift-share analysis reveals that the Tri-County area's decline in manufacturing employment from 1988 to 1998 was due to the following:

- ◆ All of its' major manufacturing sectors experiencing slower than average employment growth nationwide, which is not too surprising since manufacturing has been losing ground to service-producing sectors for several decades.
- ◆ Firms in its transportation equipment, industrial machinery and fabricated metals industries losing share to their competitors during the ten-year period, suggesting competitiveness problems in these key sectors. On the other hand, the area's printing and rubber/plastics firms outperformed their national counterparts.

Regarding the area's service-producing sectors the result are more mixed. Area firms in several of the area's service sectors including the broad range of services outside of business, health, social services and professional - SIC 70 to 79 - were more competitive than their national counterparts. However, food stores, depository institutions and engineering, accounting and management services lost ground to their national counterparts.

TABLE II-8 - TRI-COUNTY AREA SHIFT-SHARE ANALYSIS DUE TO EMPLOYMENT CHANGE 1988 TO 1998

	National Growth	Industrial Mix	Competitive Share	Total
Total Private Employment	23,625	1,454	-578	24,500
Mining	50	-114	65	0
Construction	975	-226	2,051	2,800
<b>Manufacturing</b>				
Fabricated Metal Products	446	-383	-463	-400
Industrial Mach. & Computers	430	-368	-162	-100
Transportation Equipment	3,568	-5,351	-5,118	-6,900
All Other Durable Goods	430	-578	248	100
Printing and Publishing	330	-329	198	200
Rubber and Plastics Products	182	-14	632	800
All Other Nondurable Goods	248	-392	745	600
<b>Service Producing</b>				
Transportation., Commun. and Utilities	909	42	-350	600
Wholesale Durable Goods	826	-276	-250	300
Wholesale Nondurable Goods	479	-168	-111	200
General Merchandise Stores	925	-372	747	1,300
Food Stores	1,074	-114	-1,160	-200
Auto Dealers & Gas Stations	611	-125	214	700
Eating and Drinking Places	2,148	685	-633	2,200
All Other Retail Trade	1,305	83	1,911	3,300
Depository Institutions	644	42	-1,486	-800
Insurance Carriers	810	-355	645	1,100
All Other Fin., Ins. & R. E.	578	-356	1,277	1,500
Business Services	1,470	3,515	-1,486	3,500
All Other Services SIC 70 - 79	1,156	-1,692	4,436	3,900
Health Services	1,982	2,460	-343	4,100
Social Services	430	1,273	97	1,800
Engineering, Acctg., Mgmt. Services	413	2,880	-1,693	1,600
All Other Svcs. SIC 80 - 89	1,206	1,686	-592	2,300

SOURCE: Employment Security Agency, U.S. Bureau of Labor Statistics, Calculation by the Upjohn Institute, Gove Associates Inc.

*Tri-County Home Sales*

Slow population growth hindered by a large out-migration flow suggests that the demand for housing would be weak with prices flat. Surprisingly, the median sales price of existing single-family homes rose by a better-than-average annual rate of 6.0 percent from 1991 to 1998 (Table II-9). However, there is a problem with this analysis in that it does not control for the type of houses on the market. An area median sales price can rise due to more expensive homes being placed on the market and not because prices of all houses have risen.

TABLE II-9 - EXISTING HOME SALES MEDIAN SALES PRICE OF SINGLE-FAMILY HOMES

	(in Thousands of Dollars)									1991-98 Average Annual Increase
	1999	1998	1997	1996	1995	1994	1993	1992	1991	
Kalamazoo, MI	108.7	102.3	97.2	90.0	82.2	74.8	71.1	69.6	64.9	6.7%
Davenport/Moline/Rock Island, IA IL	75.7	78.6	72.6	69.4	66.2	61.8	58.3	54.8	na	na
Saginaw-Bay City-Midland, MI	78.2	78.1	71.3	66.4	61.5	58.9	58.3	na	51.5	6.1%
Madison, WI	131.3	131.8	127.0	122.0	125.0	116.0	104.6	94.9	87.7	6.0%
Tri-County Area, MI	98.5	100.2	89.6	84.7	79.8	75.5	73.2	69.9	66.7	6.0%
Gary-Hammond, IN	104.3	105.6	97.3	95.0	91.6	87.2	82.8	76.1	70.3	6.0%
Peoria, WI	82.8	83.3	79.7	74.5	70.1	67.9	63.2	59.1	55.8	5.9%
Canton, OH	na	na	94.3	89.3	84.0	77.5	75.4	71.1	67.3	na
Akron, OH	98.4	106.1	106.0	98.8	92.1	84.9	83.2	79.3	71.8	5.7%
Grand Rapids, MI	105.4	100.2	93.6	87.2	80.6	76.9	76.5	73.1	70.7	5.1%
Appleton, WI	91.6	92.6	88.2	85.8	85.1	80.6	75.4	71.0	66.4	4.9%
Toledo, OH	89.8	94.5	87.3	84.2	77.6	73.8	72.3	71.5	68.8	4.6%
Champaign, IL	86.4	90.1	84.5	79.8	79.4	74.1	69.7	66.6	65.9	4.6%
Ft. Wayne, IN	88.9	88.0	85.8	80.1	77.1	na	na	na	na	na
Dayton-Springfield, OH	100.9	102.8	96.7	95.1	88.3	84.2	82.1	81.2	76.3	4.4%
Rockford, IL	91.6	93.0	88.8	88.7	87.5	84.9	81.3	75.7	71.2	3.9%
Springfield, IL	86.6	86.1	83.8	82.1	79.1	75.8	72.6	67.7	66.6	3.7%

SOURCE: National Association of Realtors

**LANSING ECONOMY**

The City of Lansing faces the same economic issues as do most other landlocked, older urban areas.

- It has limited industrial space for new development.
- It is burdened by environmentally damaged and abandoned industrial properties.
- It houses a workforce comprised of a too high percentage of poorly-educated workers.
- It faces continuous pressure for more and more of its services and retail activities to relocate outside the area.

As shown on Table II-10, in 1998 the City’s residents faced an unemployment rate, 4.1 percent, that was below that of the nation, 4.3 percent. Moreover, the City’s 1998 unemployment rate is nearly half of what it was in 1990. During the eight-year period the number of employed residents increased by more than five percent. The employment situation of residents in the surrounding area also improved during the period.

**TABLE II-10 - UNEMPLOYMENT RATES BY TYPE OF AREA IN THE TRI-COUNTY AREA**

	1998	1990	Percent Change
<b>Lansing</b>			
employment	60,775	57,800	5.1%
civilian labor force	63,400	62,800	1.0%
unemployment rate	4.1%	8.0%	
<b>Surrounding Suburban Area*</b>			
employment	95,475	88,750	7.6%
civilian labor force	98,000	93,550	4.8%
unemployment rate	2.6%	5.1%	
<b>Smaller Cities/Towns</b>			
employment	22,550	20,325	10.9%
civilian labor force	23,300	21,775	7.0%
unemployment rate	3.2%	6.7%	
<b>Rural Townships</b>			
employment	58,850	52,445	12.2%
civilian labor force	60,725	56,850	6.8%
unemployment rate	3.1%	7.7%	
*East Lansing and the townships of Bath, Delhi, Delta, DeWitt, Lansing, Meridian and Windsor			

SOURCE: Employment Service Agency

Lansing's residents sustained a slower employment growth rate than surrounding communities. Employment of City residents, regardless of place of work, rose only 5.1 percent, compared to 7.6 percent in the suburban areas and a large 12.2 percent among rural township dwellers.

### *Workforce Issues*

Throughout the Great Lakes region, employers are crying out for workers who have general "workplace know-how skills" such as the ability to show up on time, listen to and read directions, and do basic math calculations. With only one or two exceptions, all metropolitan cities in the Great Lake states have unemployment rates at or below that of the nation's. Labor shortages are a commonality among all metropolitan areas. For Lansing, the current low unemployment rate provides an atmosphere where more of its economically disadvantaged residents can move into better paying jobs. However, their path is limited by the area's sluggish employment performance, as discussed earlier.

As shown in Table II-11, when compared to the Tri-County Area workers residing outside of the City, the City's workers, in general, have less-formal education and more concentrated in less-skilled occupations. Nearly 22 percent of City residents older than 25 years did not have a high school diploma in 1990, compared to less than 14 percent of the same age group living outside the City. On the opposite end of the spectrum, just over 18 percent of the City's adults, 25 years and older, have a four-year college degree or higher compared to more than 27 percent among similar residents living outside the City.

Lansing Community College and the Ingham County Intermediate School District provide customized training and educational programs for the county's business community. The Intermediate School District's program is unique in that it provides customized training that is available for high school students and young adults who have already graduated from high school. Lansing Community College offers continuing professional education, a small business development center, and contracted training services. Both institutions are well equip to meet the training needs of most area employers in manufacturing. In addition, the positive competitive environment generated by the two organizations pressure both to provide quality service.

When compared to non-City workers, a higher percentage of the City's workforce is in retail trade and business services, while a lower percentage are in professional services and, somewhat surprisingly, manufacturing. The slightly lower representation of the City's workforce in manufacturing may reflect two separate factors: 1) many of the

TABLE II-11 - LABOR FORCE AND DISABILITY CHARACTERISTICS OF PERSONS: 1990

	City of Lansing	Percent	Outside of the City in Tri-County Area	Percent
<b>OCCUPATION AND SELECTED INDUSTRIES</b>				
<b>Employed persons 16 years and over</b>	60,089		156,737	
Executive, administrative, and managerial occupations	6,689	11.1%	19,443	12.4%
Professional specialty occupations	7,613	12.7%	25,911	16.5%
Technicians and related support occupations	2,428	4.0%	6,501	4.1%
Sales occupations	6,513	10.8%	17,670	11.3%
Administrative support occupations	11,718	19.5%	27,509	17.6%
Private household occupations	235	0.4%	649	0.4%
Protective service occupations	1,255	2.1%	2,997	1.9%
Service occupations, except protective and household	8,656	14.4%	18,333	11.7%
Farming, forestry, and fishing occupations	568	0.9%	3,148	2.0%
Precision production, craft, and repair occupations	5,531	9.2%	15,225	9.7%
Machine operators, assemblers, and inspectors	4,268	7.1%	9,059	5.8%
Transportation and material moving occupations	2,234	3.7%	4,973	3.2%
Handlers, equipment cleaners, helpers, and laborers	2,381	4.0%	5,319	3.4%
Construction	2,630	4.4%	6,730	4.3%
Manufacturing	8,677	14.4%	24,259	15.5%
Transportation, communications, and other utilities	3,302	5.5%	6,702	4.3%
Wholesale and retail trade	13,282	22.1%	32,521	20.7%
Finance, insurance, and real estate	3,782	6.3%	9,940	6.3%
Business and repair services	3,239	5.4%	5,769	3.7%
Professional and related services	14,984	24.9%	46,797	29.9%
<b>Social Characteristics of Persons: 1990</b>				
<b>EDUCATIONAL ATTAINMENT</b>				
<b>Persons 25 years and over</b>	77,268		175,648	
Less than 9th grade	5,235	6.8%	7,581	4.3%
9th to 12th grade, no diploma	11,521	14.9%	15,562	8.9%
High school graduate (includes equivalency)	19,998	25.9%	49,712	28.3%
Some college, no degree	20,289	26.3%	40,706	23.2%
Associate degree	6,066	7.9%	13,873	7.9%
Bachelor's degree	9,318	12.1%	27,266	15.5%
Graduate or professional degree	4,841	6.3%	20,948	11.9%
<b>JOURNEY TO WORK*</b>				
<b>Workers 16 years and over</b>	58,801		152,983	
Worked in	56,138	95.5%	139,593	91.2%
Lansing City	37,466	63.7%	50,935	33.3%
East Lansing City	5,442	9.3%	26,001	17.0%
Remainder of Ingham County	7,094	12.1%	27,477	18.0%
Eaton County	5,135	8.7%	24,967	16.3%
Clinton County	1,001	1.7%	10,213	6.7%
Worked Outside Tri-County Area	2,663	4.5%	13,390	8.8%
*The Journey to work does not include individuals who were temporarily absent from work due to illness, vacations, or other reasons, therefore it presents a undercount of employed persons.				

SOURCE: U.S. Census

area's manufacturing workers are older and have acquired seniority in high-paying, skilled occupations and have chosen to seek suburban residential opportunities and 2) recent manufacturing growth has occurred outside of the City. While job access among City residents is not as major an issue in mid-sized metropolitan areas as it can be in the larger areas, it still matters.

Finally, the 1990 Census shows that City workers are more concentrated in the less skilled and poorly paid occupations. A higher percentage of City workers are in administrative support (clerical) and service occupations and fewer are in professional services than in its neighboring areas.

### *Manufacturing Outlook*

General Motors's decision to build its state-of-the-art production plant at a brownfield site in Lansing is nothing short of a bold action. Breaking from well-established trends of constructing new plants in greenfield and non-union environments, **General Motors' decision will help ensure the presence of good-paying production jobs in the City for years to come.** The decision will not only bring 1,500 jobs to the City of Lansing when the plant is in full operation in 2004, but in addition has the potential to generate many more jobs in the metropolitan area. According to a University of Michigan study, the new plant may create more than 25,000 spinoff jobs within 150 miles as GM pressures its first-tier suppliers to locate near the plant to guarantee just-in-time delivery.

Currently, General Motors employs approximately 13,000 workers in the Lansing area at five factories and at a parts warehouse (Table II-12). The short-term employment forecast at the auto giant depends upon several factors regarding the starting and ending of current production lines. However, when the dust settles in 2004, the area may have roughly the same number of GM jobs as it does now.

It is possible that production of the Chevy Malibu could be added to the small-car assembly line currently making the Pontiac Grand Am and the Oldsmobile Alero this year, creating at least 1,500 jobs. At the same time, the Lansing Craft Centre is scheduled to capture the production of the Cadillac Eldorado, saving 350 jobs and adding 150 more. The Craft Centre would have probably closed without the Eldorado project. Currently, the Craft Centre is assembling the GM electric car and the convertible models of the Pontiac Sunfire and Chevy Cavalier. GM is also expected to consolidate some of its machine tool rooms at the Motor Wheel factory site on North Larch Street in north Lansing providing up to 300 jobs. The plant, built in the 1920s, has been vacant for three years. Coupled with the planned start of the new Cadillac

plant, the projects could temporarily add up to 4,000 workers to Lansing's GM payroll by 2002. However, the small-car assembly plant, currently producing the Alero and Grand Am could close in 2004, bringing the company's workforce back down to 13,000 workers.

TABLE II-12 - GENERAL MOTORS ACTIVITIES IN THE LANSING AREA

Plant	Activities	Employment
Craft Centre - West Saginaw: Delta Township	May build the Cadillac Eldorado replacing the Cavalier and Sunfire convertible models	Current: 350 Potential: 500 (yr: 2000)
Metal Fabricating Division - West Saginaw: Delta Township	Components for various models	Current: 2,800
Delta Engine Plant - Canal Road: Delta Township	Engines production	Current: 1,610
Service Parts Operation - Mt. Hope-Waverly: Delta Township	Warehouse and part distributors	Current: 650
Lansing Car Assembly - Williams - Lansing	Alero and Grand Am; could get Chevy Malibu but could be closed in 2004	Current: 3,100 Long-term could close in 2004
Lansing Car Assembly Body Plant - Lansing	Alero and Grand Am; could get Chevy Malibu but could be closed in 2004	Current: 4,200 Long-term could close in 2004
Motor Wheel Plant - North Larch-Lansing	Machine tools	Current: closed Potential: 300
New Cadillac Plant - Lansing	Cadillacs	Potential: 1,500

SOURCE: Various issues of the *Lansing State Journal*

The City's manufacturing sector apart from General Motors has been lackluster as shown in Table II-13. Based on an establishment-level data base of the City of Lansing manufacturers compiled from the annual volumes of the *Harris Industrial Directory* from 1989 to 1998, there has been little net change in employment levels among the City's manufacturers excluding General Motors. During the period, 2,342 new jobs were created by start-ups or firms moving into the City, and another 1,624 were generated through the expansion of existing firms. Still, a nearly equal number of jobs were lost through contractions and closures, leaving a net loss of 16 jobs. Firms employing less than 150 workers created a net 1,508 jobs, while the City's larger manufacturers, excluding General Motors, lost 1,524 jobs.

Most national studies agree that closure and contraction rates are fairly uniform across metropolitan areas; it is the rate of employment growth due to start-ups and expansions that separate high-growth areas from low-growth communities. A challenge facing the City of Lansing economic development community is to enhance its business environment for existing fledgling new manufacturers.



TABLE II - 13 - CITY OF LANSING EMPLOYMENT DYNAMICS IN MANUFACTURING 1989-1998

Employment Size	Start-ups	Expansions	Contractions	Closures	Net
All	2,342	1,624	-1,228	-2,754	-16
Less than 150	1,942	1,283	-717	-1,000	1,508
More than 150	400	341	-511	-1,754	-1,524
(excluding General Motors)					

SOURCE: Harris Industrial Directory, Calculations by the W.E. Upjohn Institute

### *Retail and Service Sector Trends*

As discussed previously, the Tri-County Area has outperformed similar-sized metropolitan areas in service employment growth. Its large health care industry and robust business and professional services sector account for much of the “above trend” employment growth in the service producing sectors. Enhancing the ability of the City of Lansing to capture and/or retain its share of these high-growth sectors should be a priority for its economic development effort. Unfortunately, there is very little data available that can shed light on the City’s current share of the three-county service sector. According to the *1992 Economic Census*, 49.8 percent of the Tri-County Area’s business services employment, 44.5 percent of professional employment, 40.9 percent of health services employment, and 36.5 percent of personal services employment were located within the City.

As more and more retail activities are conducted at “big box” retailers at suburban locations, the City’s share of the Tri-County Area’s retail sector has been declining as shown in Table II-14. The City’s share of total retail sales fell from 36.5 percent in 1992 to 31.5 percent in 1998 according to *Sales & Marketing Management*. The decline occurred across all major retail sectors during the period.

TABLE II-14 - CITY OF LANSING SHARE OF TRI-COUNTY AREA RETAIL SALES

	1992	1993	1994	1995	1996	1997	1998
<b>Total Retail</b>	<b>36.5</b>	<b>37.3</b>	<b>36.7</b>	<b>33.0</b>	<b>30.6</b>	<b>29.8</b>	<b>31.5</b>
Food	30.3	30.6	27.1	26.4	25.9	24.4	25.6
Eating and Drinking	36.8	37.2	37.6	30.8	29.2	29.0	30.3
General Merchandise	33.7	33.8	32.4	30.8	28.9	27.2	28.9
Furniture	60.3	60.7	59.6	50.3	47.9	47.3	50.1
Automotive	46.3	46.3	45.3	38.5	34.2	33.4	35.7

SOURCE: Sales & Marketing Management Survey of Buying Power

*Strengths and Weaknesses*

To properly examine an area's economic strengths and weaknesses, it is important to know what businesses are looking for in a new site location. As shown in Table II-15, highway accessibility and the availability of skilled workers are key ingredients, followed by occupancy/construction costs and labor costs.

TABLE II-15 - KEY SITE SELECTION FACTORS (Percentage of Survey Respondents Citing Factors to be Very Important or Important)\*

Site Selection Factors	1992	1993	1994	1995	1997	1998
Highway accessibility	94.1	87.1	96.8	93.9	90.7	91.5
Availability of skilled labor	88.6	88.8	91.9	87.9	84.4	88.0
Occupancy or construction costs	83.6	85.5	87.3	90.2	85.5	85.7
Labor costs	90.3	90.3	93.5	94.2	92.7	84.8
Avail. of telecommunication service	81.5	80.7	87.0	80.2	83.5	82.0
Low crime rate	88.4	86.6	87.2	86.6	79.4	81.3
Availability of land	81.9	72.5	82.9	83.7	82.0	81.1
State and local incentives	86.8	83.0	89.3	87.8	77.8	80.9
Energy availability and costs	83.7	83.2	93.4	89.6	80.5	78.9
Environmental regulations	77.9	77.4	88.2	86.5	77.6	78.6
Tax exemptions	88.4	83.0	87.9	86.4	76.0	77.9
Nearness to major markets	79.0	76.9	79.5	74.5	78.7	76.9
Low union profile	80.9	75.9	80.1	82.8	77.4	75.0
* 1996 Data not available due to change in survey						

SOURCE: Gambale, "1998 Annual Corporate Opinion Survey," *Area Development Site and Facility Planning*, December 1998 and back issues

Clearly, the Tri-County Area holds many advantages according to this checklist. First, its location at the interchange of Interstate I-96, I-69 and U.S. 127 provides it with immediate highway accessibility. The availability of skilled labor is a problem across all communities in the Great Lakes region; however, Lansing Community College and the Ingham County Intermediate School District work closely with area employers to offer numerous training opportunities for individuals seeking to improve their skills or retrain in new occupations. Occupancy or construction costs in the Lansing area are very reasonable according to the data offered by the Lansing Regional Chamber of Commerce. Cost per square foot of new or build-to-suit industrial space runs between \$4.75 to \$5.75. For lower classes of structures, square foot costs drop as low as \$1.50. Moreover, the area offers "nearness" to the automobile industry, tax exemptions for property and other taxes, and an aggressive local and state economic development incentive program.

On the downside, the area has above-average labor costs and a strong union environment due to the presence of General Motors. Still, the area's assets clearly outweigh its liabilities.

Capital Choice, the economic development arm of the Lansing Regional Chamber of Commerce, and the City of Lansing's Economic Development Corporation lists 2,256 acres of developable land on their data base as shown in Table II-16, including nearly 240 acres in the City of Lansing. The listed parks offer a wide range of settings from urban to very rural. Table II-16 also includes additional acreage within Lansing as identified by City staff.

TABLE II-16 - INDUSTRIAL PARKS

Name	Municipality	Acres	Zone
Combs Industrial Park	Charlotte City	155.0	Heavy Industrial
Available land	Charlotte City	0.7	Light Industrial
	<b>Total</b>	<b>155.7</b>	
Dansville Industrial Park	Dansville Village	6.0	Light Industrial
Holt Road Site	Delhi Charter Township	305.0	Light Industrial
Wieland-Davco Site	Delhi Charter Township	45.0	Light Industrial
Holt Industrial Park	Delhi Charter Township	1.0	Light Industrial
	<b>Total</b>	<b>351.0</b>	
Available land	Delta Township	157.2	Light Industrial
Seventy-two acres on Millett	Delta Township	72.0	Industrial
Land-SE Mt. Hope/Snow	Delta Township	23.0	Light Industrial
Canal Rd. N of A1 AutoParts	Delta Township	17.8	Industrial
Vacant land	Delta Township	9.2	Industrial
Rickle/Lanac Site	Delta Township	1.0	Industrial
	<b>Total</b>	<b>280.1</b>	
M-78 Drive in	East Lansing City	30.0	Research
Midway Industrial Park	Lansing City	41.0	Industrial
Midway Industrial Park	Lansing City	6.3	Industrial
Midway Industrial Park	Lansing City	6.0	Industrial
Cavanaugh Road	Lansing City	15.0	Light Industrial
Jolly Road/Lansing Garden	Lansing City	20.0	Light Industrial
Miller and Waverly Roads	Lansing City	55.0	Residential*
Capitol City Blvd.	Lansing City	20.0	Light Industrial
Airport Business Park	Lansing City	15.0	Industrial
N. MLK Blvd.	Lansing City	12.0	Industrial
Holmes Road	Lansing City	12.0	Industrial
S. MLK Blvd.	Lansing City	20.0	Industrial
Oakwood Industrial Park	Lansing City	15.0	Industrial
MLK Blvd. Site	Lansing City	2.3	Industrial
	<b>Total</b>	<b>239.6</b>	
*Targeted for manufacturing development in the City			

Continued on next page

Name	Municipality	Acres	Zone
496 Business Center	Lansing Township	12.0	Light Industrial
96-52 Super Site	Leroy Township	375.0	Agriculture
Leslie Industrial Park	Leslie City	42.0	Light Industrial
Jefferson Street Site	Mason City	15.0	Light Industrial
Jerico Industrial Park	Mason City	13.0	Light Industrial
Americhem Corp. Site	Mason City	10.0	Light Industrial
	<b>Total</b>	<b>38.0</b>	
Karber Industrial Park	Meridian Twp	13.0	Light Industrial
Forsberg land #I	Okemos CDP	11.0	Light Industrial
4444 Hagadorn Rd.	Okemos CDP	10.0	Research
	<b>Total</b>	<b>21.0</b>	
St. Johns Industrial Park	St. Johns City	110.0	Industrial
Stockbridge Industrial Park	Stockbridge Township	45.0	Light Industrial
Jewett Road Site	Vevay Township	166.0	Light Industrial
Vevay Industrial Airpark	Vevay Township	55.0	Light Industrial
Vevay Office Airpark	Vevay Township	28.0	Light Industrial
Hull Road Industrial Park	Vevay Township	24.0	Light Industrial
Hayhoe Kipp Rd. Site	Vevay Township	2.0	Light Industrial
	<b>Total</b>	<b>275.0</b>	
Webberville Industrial Park	Webberville Village	154.0	Industrial
Williamston I-96 Industrial Park	Williamston City	145.0	Light Industrial

SOURCE: Lansing Regional Chamber of Commerce

### *Employment Forecast*

The Michigan Employment Security Agency forecasts that employment in the Tri-County Area will grow by 15 percent, 33,220 workers, from 1994 to 2004. However, manufacturing employment is expected to increase only 0.8 percent during the ten-year period. Instead, employment gains are expected in the area's service sector with retail trade employment jumping by 20.4 percent, finance, insurance and real estate employment up by 11.8 percent and service employment up by a robust 25.6 percent during the 10-year period. On the downside, government employment was expected to be down by 7.8 percent during the period.

During approximately the same time period, 1996 to 2005, we forecast employment in the City of Lansing to increase by only 3.4 percent (Table II-17). Employment in the city manufacturing sector is expected to hold steady despite the expected employment losses at General Motors City of Lansing facilities. Currently, approximately 7,200 of the region's 13,000 GM employees work in the City. While the City's GM workforce will increase by 1,500 workers with the 2004 opening of the new Cadillac plant, it is likely that GM will close at least one line at its Lansing Assembly plants.

TABLE II-17 - CITY OF LANSING EMPLOYMENT FORECAST: FULL- AND PART-TIME

	Estimate	Forecast			
	1996	2000	2005	2010	2015
TOTAL	116,287	117,297	120,226	121,809	123,305
Mining	139	121	111	100	90
Construction	3,614	3,506	3,645	3,738	3,832
Manufacturing	11,885	10,936	11,256	11,233	11,233
Transportation and Public Utilities	5,068	5,170	5,319	5,367	5,374
Wholesale Trade	5,126	5,229	5,361	5,496	5,635
Retail Trade	15,336	15,564	15,585	15,525	15,551
Finance, Insurance and Real Estate	9,468	9,635	9,881	9,902	10,016
Services	35,742	36,951	38,324	39,239	40,196
Unclassified	212	217	234	241	247
Government	29,699	29,968	30,511	30,968	31,130

SOURCE: W.E. Upjohn Institute

Services-producing employment is forecasted to increase in the coming years but not at the pace predicted by the Employment Security Agency for the Tri-County Area. From 1996 to 2005, service employment is expected to be up 7.2 percent and retail employment up 1.6 percent. Government employment is expected to gain slightly during the course of the forecast which is in disagreement with the near 8 percent drop forecasted in the three-county area by the Employment Security Agency from 1994 to 2005.

### *Conclusion*

In its annual ranking of metropolitan areas according to the strength of their manufacturing base, *Industry Week* placed the Tri-County Area in the middle of the pack at 134th out of 315 areas nationally. While the magazine's methodology has a bias toward large metropolitan areas - nine out of the top ten including Detroit have employment levels of greater than 1 million workers - it does come to the same general conclusion as reached here; the Tri-County Area has not achieved its economic potential. As discussed earlier, the Tri-County Area has many characteristics in its favor including an excellent transportation system, a Great Lakes location, training and education facilities, and an aggressive state and local economic development effort.

The Tri-County Area has experienced modest employment growth that has been insufficient in stopping the out-migration of many of its residents. Although the area enjoys an extremely low unemployment rate, this is due in large part to its modest population gain. An area with lackluster employment growth can still witness a decline in its unemployment rate if its population growth is even slower or negative. From 1992 to 1998, employment increased by a below par 7.8 percent, but the area's population increased by only 3.9 percent during the slightly longer 1990 to 1998 period. Thus, it is not surprising that the area's unemployment rate declined.

For the City of Lansing, the Tri-County Area's below-average employment and population growth brings the following challenges and opportunities:

- Sluggish employment growth makes it harder for individuals with weak training and education background to succeed in obtaining higher paying jobs. Job openings are fewer in a sluggish economy, and there are fewer chances of moving up the ladder within a firm. This means that economic conditions in the City's more economically-distressed neighborhoods will not be pulled up by the economy on its own.
- The Tri-County Area's service sector is one of the few bright spots in the area's economy. Downtown locations offer face-to-face contacts and access to many support services that cannot be found elsewhere. Lansing's downtown is a good business address. In addition, the City's health care industry centered around Sparrow and Ingham General Hospitals are still strong employment growth centers.

The City of Lansing's economic outlook is bolstered by General Motors' decision to site its Cadillac plant next to its existing assembly plant near downtown. Moreover, the new plant will bring with it a revolutionary approach to car production which will encourage first-tier suppliers to locate in near proximity to the plant. Both developments could bring employment opportunities to City residents and indirectly raise housing demand.

The City's economic growth is somewhat constricted by the lack of developable land for manufacturing activities. It is interesting to note that in its annual report, Capital Choice highlighted 23 development projects of which only 5 were in the City of Lansing. Of the 2,256 acres of industrial sites listed in Table II-16 close to 240 acres, or 10.6 percent, are in the City.

In addition, the continued move toward "big box" retail in suburban settings limits City retail activities to speciality shops and eating and drinking places with the exception of Frandor Mall. Finally, the City houses too many individuals that do not have the training, education and/or experience to obtain and retain good-paying jobs.

Regardless of whether Lansing is viewed as a resource center, e.g. its labor force or as a demand center in terms of retail and personal services revenue, the availability of quality housing is a key factor to its success. A good housing stock and living environment will help retain the City's highly-skilled workers and, therefore, enhance the City's aggregate buying power.





## **Section III - Lansing Housing Market**



**ANALYSIS OF SUPPLY**

The City of Lansing's housing market is constantly being jostled by changing supply and demand factors. To obtain a firm understanding of the City's housing market, supply and demand conditions are examined separately.

***Description of Inventory Methodology***

In order to achieve a viable analysis of the current status of the City's housing stock, an on-site inventory of single family and duplex residential properties in key areas within the City was conducted from April 1 to June 30, 1999. City of Lansing staff provided source data, such as parcel maps and associated parcel data, and identified key areas to be surveyed, in the form of target Census block groups. When the sets of targeted block groups were completed, the City identified auxiliary sets of block groups to survey.

Three teams of two persons each conducted the survey. The teams inventoried homes by driving residential streets or walking major streets, and entering housing conditions into a computer database (Access 8.0, Microsoft Corp.). An overall score for each residence was given based on a set of criteria outlined in Table III-1. The on-site inventory identified the type of residential structure, the number of units within the structure (if not single family), the location and extent of vacant developable parcels, and the general condition of the housing unit. Consistency of scores between the survey groups was maintained by performing random checks of inventoried residences. The final inventory was then analyzed on both the parcel and block group level, using a standard desktop computer G.I.S. package (ArcView 3.1, ESRI, Inc.). A depiction of the software package can be found in Appendix A.

**Residential Parcel Inventory**

One of the major objectives of the Lansing Housing Market Study is to establish a comprehensive data base of all single family and duplex residential properties in the City within older, more established areas. To accomplish that, a "windshield" survey of each parcel in those areas was conducted to identify the conditions of specified components of the residence. The Percent Poor Housing Condition Map in the Appendix D reflects the relative status of the housing stock by Census Tract for the City for those residential parcels inventoried. The following conditions for each residence were "scored" in the inventory: Wall Structure and Surface Roof/Doors and Frame/Structure/ Chimney/Porch and Steps/Garage/Gutters-Downspouts/Landscaping/Driveway/Junk. Total scores were then broken out into ranges (e.g., 0-5, 6-12, etc.) and classified accordingly. The resultant classification (ratings) are: Standard (good), Needs Maintenance (fair), Deteriorating (poor), Substandard (very poor), Critical.

TABLE III-1 - EXTERIOR SURVEY OF RESIDENTIAL STRUCTURES, CITY OF LANSING

Inspection Criteria	Score
<b>Wall Structure/Surface</b>	
No defects	0
Minimum surface deterioration, lack of paint	1
Broken, rolled loose, damaged areas of warped siding or wall surface	2
Extensive chipping, flaking and deterioration, small cracks or holes (minimal)	4
Large cracks, holes, rotting, or missing materials	16
Bulging, crumbling or deflection of entire wall - needs total replacement	32
<b>Roof Structure/Surface</b>	
No defects	0
Spots of rotted, broken or missing materials	1
Large area of rotted, broken, aged or missing materials	2
Needs total replacement of shingles, small holes, worn, deteriorating, rotting	4
Large holes and/or missing roof supports in certain areas	16
Severe deflection, buckling and sagging - needs extensive repairs/replacement of supports	32
<b>Doors and Frames</b>	
No defects	0
Loose, broken or missing glass or door panels and/or storm or screen doors, repair and/or replacement needed of entire door unit	2
<b>Windows and Frames</b>	
No defects	0
Loose, broken or missing glass pane, storm window or screen, repair and/or replacement needed of entire window unit (up to 25% of total number)	1
Repair and/or replacement needed of entire window unit (from 25-50% of total number)	4
Extensive repairs or replacement needed of entire units (over 50% of total number)	8
<b>Chimney</b>	
No defects	0
Broken or missing materials, open joints	2
Tilting, leaning, out of plumb	4
<b>Porch and Steps</b>	
No defect	0
Broken, rotting, deteriorating steps and supports	2
Settling or uneven construction, sagging	4
<b>Gutters and Downspouts</b>	
No defects	0
Missing, chipped or peeling paint	1
Needs replacement due to rusting, sagging, joint separation, etc.	2
<b>Garage/Outbuilding</b>	
No defects or no garage/outbuilding	0
Peeling, chipped paint on walls, or spots of rotted or missing roof cover, or inoperable/missing garage door	2
Any two of the above defects	3
All three of the above listed defects	4
<b>Landscaping</b>	
Neat, with grass or other landscaping material and fence (if any) in good repair	0
Overgrown with grass *" or higher and/or fence in need of paint or leaning	2
Large areas of exposed dirt and/or fence with broken, rotted sections; severe leaning	4
<b>Driveway</b>	
Pavement/asphalt in good repair	0
Crumbling, pavement/asphalt with large cracks or sections missing	2
Gravel or dirt with ruts	4
<b>Junk</b>	
No exterior junk visible from street	0
Trash/Junk/inoperable vehicles visible from street	3
RATINGS: 1 - Standard (good): 0-5 points      2 - Needs Maintenance (Fair): 6-12 points 3 - Deteriorating (poor): 13-25 points    4 - Substandard (very poor): 26-49 points    5 - Critical: 50+ points	

SOURCE: Gove Associates/W. E. Upjohn Institute

*Description of Results*

A total of 24,203 residences were inventoried for this study. **The physical condition of the vast majority of houses in the City were rated either Good or Fair (91.5 percent).** Areas with greater than 15 percent of homes rated as Poor, Very Poor or Critical condition were primarily concentrated in the central and northeastern block groups of the City (Map III-1). These areas roughly correlate to the older portions of Lansing, with an older than average housing stock. The newer housing stock in the south and southwest is generally in Good or Fair condition.

Map III-1 also shows a generalization of the results of the housing inventory completed for the four Wards within the City of Lansing. This map shows the greatest proportion of housing units in poor condition are located in Ward 1, with between 15 and 30 percent of the housing units in Ward 1 in poor condition. Following Ward 1 housing units

in poor condition is Ward 4 with 5 to 15 percent of the total housing stock. The southern two Wards (Wards 2 and 3) have scattered areas of poor housing. These two Wards have between 0 and 5 percent of their total housing



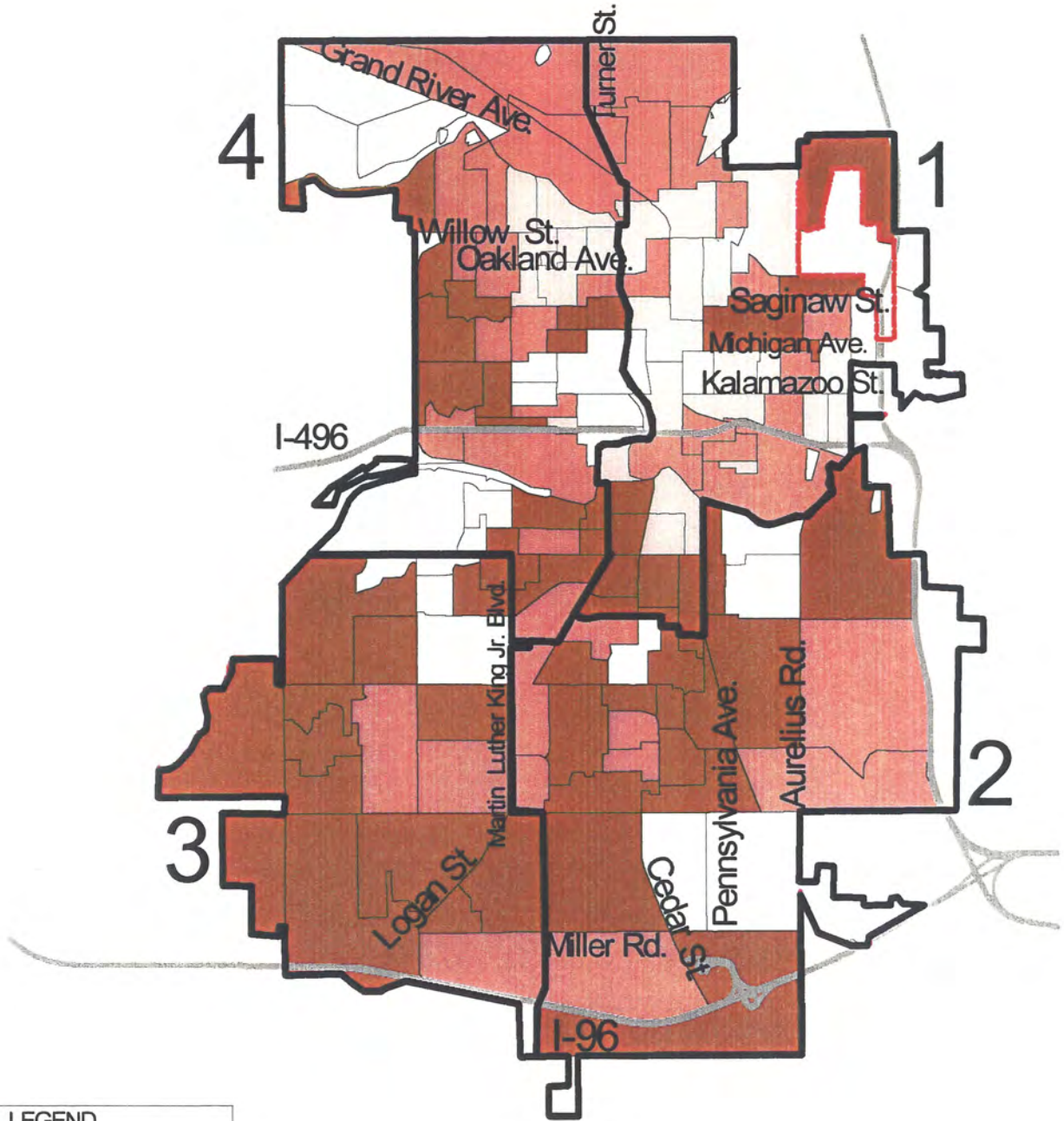
Colonial Village Homes

units in the poor

condition category. Understandably, each Ward has areas where housing is in good condition while others are not in good condition. Map III-1 shows that the northern half of the City has a greater concentration of housing units in poor condition, while the southern portion of the City has fewer housing units in poor condition.



MAP III-1. LANSING HOUSING INVENTORY:  
 Percentage of houses in poor, very poor or critical condition  
 by block group and ward.



**LEGEND**

- HIGHWAYS
- City Limits
- Wards

**Percentage Poor Condition**

- 0 - 5%
- 5 - 15%
- 15 - 30%
- No Parcels Surveyed

SOURCE: Block Groups: U.S. Census Tiger Files;  
 Housing Inventory: Gove Associates Inc.



Gove Associates Inc.  
 1601 PORTAGE STREET  
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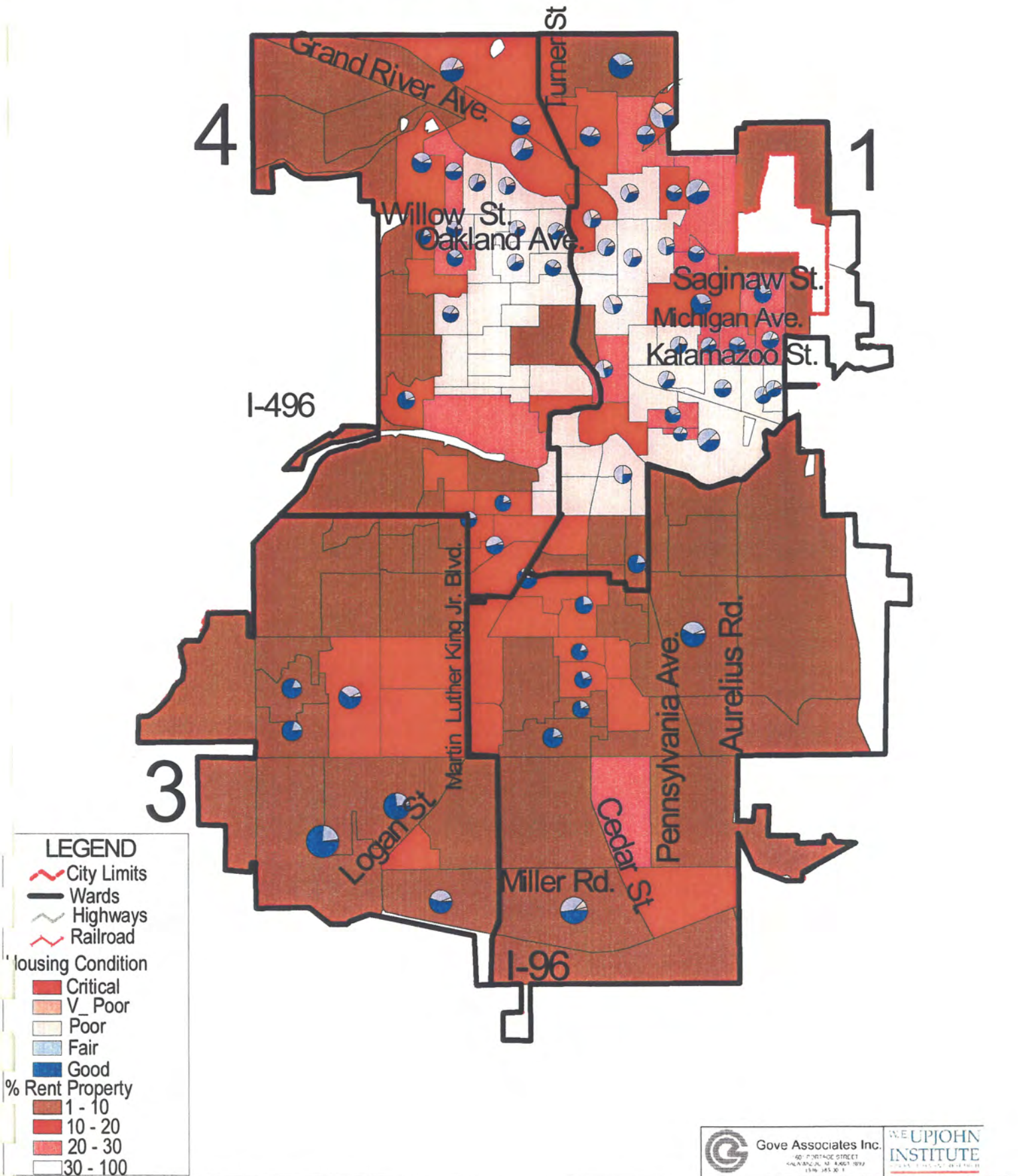
There is a correlation between the condition of the housing stock and tenure. In general, the higher the percentage of rental housing in a block group, the poorer the condition of housing. Map III-2 shows the overall condition of housing units by block group and ward, and the proportion of rental properties by block group. Residential rental property is highly clustered in the central region of the City and along major transportation corridors. Areas on the periphery of the City have higher percentages of home ownership. Housing condition (shown as the small “pie charts” on the map) appears to be dependent upon the percentage of rental housing within an area. Areas with a high percentage of rental housing tend to have poorer housing conditions. In general, housing conditions are better in areas where population is growing. This may reflect the construction of new homes or the rehabilitation of existing structures. Only single family and duplex units were inventoried, and it appears that the relatively large proportion of single family rental units has a deleterious effect upon the City’s housing stock. **The obvious solution is to promote the transition of these units from renter-occupied to owner-occupied.**



Eureka, Eighth and Pennsylvania



MAP III -2. Percent of Rental Property vs. Housing Condition by Block Group and Ward





*Type (Multiple/Duplex/Single)*

The City of Lansing offers a wide variety of housing types, as classified by the Assessor's parcel database. Over 85 percent of parcels in the City are for residential uses, with 78 percent used for single family and 7.2 percent for multiple family. The multiple family properties in Lansing are located throughout the City, but large multiple family complexes are particularly abundant in the downtown area and the southern third of the City.

*Income and Subsidized Housing in Lansing and the Tri-County Area (Fair Share)*

The Fair Share concept is predicated upon the need to provide affordable housing in a community in accordance with the proportion of limited income households within the region that community contains to ensure that each community supplies its relative "fair" share of the region's subsidized housing.

The inequitable distribution of housing for households with limited incomes that require some type of assistance or subsidy to help pay for shelter costs has been a concern historically in many urban communities. The Mt. Laurel, New Jersey ruling by the New Jersey Supreme Court in 1983 that all municipalities in the state must build their "fair share" of affordable housing, was thought to have implications for ensuring fair share distribution of housing in other parts of the country. Although that ruling has not applied to communities outside of New Jersey, it has set a general precedent that the U.S. Supreme Court could potentially apply to other states.

*Household Income*

The purpose of this section is to identify the regional proportion of subsidized housing units in the City of Lansing relative to the proportion of the City's limited income households within the Tri-County Region.

Income plays a vital role in assessing the housing needs for a region, as the quality and type of housing one can afford is based on available income. Recent 1998 estimates show an increase in the median household income for Lansing and the Tri-County area to be between 21 percent and 25 percent.

Under federal guidelines, subsidized housing is intended to serve those households whose incomes are 60 percent or less than the median household income of the County. The Area Median Income is the current median income used by the Michigan State Housing Development Authority (MSHDA), as determined by Housing Urban Development (HUD), to identify the eligible incomes to qualify for a MSHDA

subsidized housing unit.<sup>1</sup> The Low Income Housing Tax Credit program (through MSHDA) stipulates that annual household incomes must not exceed 60 percent of the Area Median Income, adjusted for household size.

Lansing is classified as an eligible “distressed area” by MSHDA, based upon its designation as a Neighborhood Enterprise Zone. To qualify, the City had to meet at least three out of six criteria. The three criteria the City met were: a population of 10,000 or more, a City income tax, and a housing stock of which 60 percent or more were built before 1960. Lansing also qualifies for MSHDA’s Direct Loan program in which at least 20 percent of the units must be made available to households earning incomes at or below 50 percent of median income, an additional 10 percent of the units in a project are to be made available to households with incomes at 30 percent or less of the area median income, with the remaining 70 percent of the units not being income restricted. For purposes of identifying the Fair Share status of Lansing, 60 percent of the Area Median Income is used as an average to calculate the number of eligible limited income households in the City and the Region.

TABLE III-2 - MEDIAN INCOME PER HOUSEHOLD FOR LANSING AND TRI-COUNTY AREA

	County	Median Income 1990	Median Income 1998	% Increase 1990-1998	Area Median Income 1999 (HUD)
<b>Lansing</b>		<b>\$26,825</b>	<b>\$34,082</b>	<b>21</b>	<b>\$53,600</b>
	Ingham	\$30,162	\$40,525	25	\$53,600
	Clinton	\$36,180	\$48,541	25	\$53,600
	Eaton	\$35,734	\$46,561	23	\$53,600
<b>Tri-County Area</b>		<b>\$34,025</b>	<b>43,091</b>	<b>21</b>	<b>\$53,600</b>

SOURCE: 1990 Census; Claritas Data Services; MSHDA Income Limits and Maximum Rents (1/27/99); Gove Associates Inc., Upjohn Institute

With low-moderate income status determined as 60 percent or less of the median income for a given area, Table III-3 shows the estimated number of households which are at or below 60 percent of the median household income level for 1999 and the percentage of total households within that income category. The household income categories for each jurisdiction are based upon the average household size for that jurisdiction. Using an estimated median household size of 2.49 persons (which is the estimated median size for 1999 for Lansing), the qualifiable (60% of median) household income is \$27,298.

<sup>1</sup>The HUD income estimates are national benchmarks and do not necessarily reflect actual income levels in specific metropolitan areas.

TABLE III-3 - 60 PERCENT OF MEDIAN HOUSEHOLD INCOME FOR 1999

	60% of Area Median Income (HUD)	Households Below 60%	Total Households	% of Total Households in Jurisdiction Below 60%	% of Total Households in Tri-County Area Below 60%
Lansing	\$27,298	20,877	50,765	41.1	38.6
Ingham (outside of Lansing)	\$27,966	17,222	55,373	31.1	31.8
Clinton	\$27,966	5,941	23,126	25.7	11.0
Eaton (outside of Lansing)	\$28,602	10,036	36,544	27.5	18.6
<b>Tri-County Total</b>	<b>\$27,901</b>	<b>54,076</b>	<b>165,808</b>	<b>32.6</b>	<b>100.0</b>

SOURCE: 1990 US Census; Claritas Data Services; Gove Associates Inc. 1999

In 1998, within the City of Lansing there were an estimated 20,877 households below 60 percent of the median income, comprising 38.6 percent of the limited income households for the entire Tri-County area. Lansing also has the highest proportion (41%) of limited income households in its jurisdiction than any of the other units of government. Closely related to income and status is subsidized housing. Subsidized housing is essential to allow limited income households to have access to fair and equal housing.

### *Subsidized Housing*

The amount of subsidized housing, in particular the number of subsidized units within the City in comparison to the number of subsidized units in the Tri-County Area, is outlined below. Subsidized housing in the area is operated by several public housing agencies including the Michigan State Housing Development Authority, Rural Housing Services (USDA) and the Department of Housing and Urban Development. Individual housing complexes which rent to low income or elderly individuals are only eligible for federal tax subsidies (e.g. tax credits) for a maximum of 20 years. However, at the end of each 20 year term a housing complex may apply for an extension to accept federal subsidies for an additional 10 to 20 years.

Table III-4 indicates that in 1998 there were 22 subsidized housing complexes within the City of Lansing containing 2,583 housing units. If these numbers are compared with the

surrounding counties, Lansing leads in terms of the number of subsidized housing complexes and has about twice the number of subsidized housing units as any of the surrounding areas outside the City.

TABLE III-4 - TOTAL SUBSIDIZED HOUSING COMPLEXES AND UNITS

	# of Complexes	Total # of Units	% of Total Households in Jurisdiction Below 60%	% of Total Region
<b>Lansing</b>	<b>22</b>	<b>2,583</b>	<b>41.1</b>	<b>49.6</b>
Ingham (outside Lansing)	13	1,350	31.1	25.9
Clinton	8	328	25.7	6.3
Eaton (outside Lansing)	16	945	27.5	18.2
<b>Total Tri-County</b>	<b>59</b>	<b>5,206</b>	<b>32.6</b>	<b>100</b>

SOURCE: Michigan State Housing Development Authority; Gove Associates Inc., Upjohn Institute 1999

Lansing contains 49.6 percent of all subsidized housing units within the Tri-County area, followed by Ingham County outside of Lansing (25.9%), Eaton County (18.2%), and Clinton County (6.3%). Subsidized housing units make up only a small fraction of the total housing units for each of the smaller individual municipalities in the Tri-County Area.

The estimated 1999 housing count for the Tri-County area exceeds 157,000 units. Table III-5 shows the distribution of housing units for each jurisdiction. In 1990 the U.S. Census reported 53,919 housing units in Lansing, and in 1995, according to the City's Consolidated Housing and Urban Development Plan, 6,500 of those units, or 12 percent, were subsidized or assisted units. In the surrounding counties the percent of the total housing units which are subsidized varies greatly. In Ingham County 1.2 percent of all housing units were subsidized, Clinton County had 1.5 percent of all housing units subsidized and in Eaton County 2.7 percent were subsidized.

TABLE III-5 - HOUSING UNITS AND PERCENT SUBSIDIZED (1999)

	Housing Units	% of Total Units in Tri-County area	% Subsidized in Jurisdiction
Lansing	53,881	24.6	12.0
Ingham County (outside Lansing)	54,623	49.6	1.2
Clinton County	24,108	9.6	1.5
Eaton County (outside Lansing)	35,517	16.2	2.7
Tri-County Area	157,133	100.0	

SOURCE: Claritas; Gove Associates Inc., Upjohn Institute 1999



With a limit to the length of time housing complexes can be federally subsidized, it is expected that the number of federally subsidized housing units will change as multiple family complexes reach the end of their eligibility. Many of the complexes referred to in Table III-4 as subsidized housing complexes will no longer be eligible to receive federal subsidies in the next 5 to 10 years. It would be expected that as one complex becomes ineligible a different complex would be there to pick up the slack; however as of June 1999 there were no additional subsidized housing projects being constructed and not one of the 59 existing housing complexes has applied for an extension to continue accepting federal subsidies. Owners of those subsidized projects may see little or no advantage in applying for an extension of subsidy status because subsidized housing requires a "cap" on the rate of return on investment for the owner/investor. Such constraints can be lifted after the 20 year period and the development can accept market rents, thereby increasing the net annual derived income for investors. On the other hand, if the market is such that the apartment development, which was constructed with limited amenities in the first place to qualify for subsidized status, cannot compete with more luxurious apartments, it may be advantageous to request an extension. At minimum, the demand for such housing typically ensures a reasonable occupancy rate and a relatively secure, although smaller, net income. Extensions to continue accepting federal subsidies must be filed 60 days prior to their ending date. Therefore it is difficult to make any determinations as to what the future distribution of subsidized housing will look like for Lansing and the Tri-County Area.

This analysis does not reflect units in manufactured home parks which typically house limited income residents. However, the City contains 13 mobile home parks with 2,706 sites, while the balance of the Tri-County area has 37 parks containing 5,200 sites. Lansing, therefore, has 34 percent of all mobile home sites in the Tri-County area, which is slightly lower than the City's 38.6 percent proportion of limited income households for the area. Combining subsidized multiple family units and manufactured home park spaces, Lansing houses 5,289 units/spaces, or 40 percent of the Tri-County area's 13,112 total units/space, which is close to reflecting the City's relative proportion (38.6%) of the area's limited income households.

### *Conclusion*

The City of Lansing contains almost 39 percent of those households in the Tri-County area which are at or below 60 percent of the median household income for 1999, while the three counties outside the City combined make up the remaining 61 percent of limited income households. If the number of households at or below 60 percent median

income status is compared to the number of subsidized housing units for the City and the Tri-County area, the numbers do not correlate as expected. Since the City of Lansing houses 39 percent of the households earning 60 percent or less of the area's median income, it would be assumed that Lansing would also contain 39 percent of the subsidized housing units. However in 1999 the City of Lansing contains 49.6 percent of the subsidized housing units for the entire area. While this is not a substantially disproportionate allocation of subsidized housing relative to the households such housing is intended to serve, it does show that the City does bear more than its share of the supply of subsidized housing.

#### *Public Agencies*

Several nonprofit housing agencies in Lansing have been very active in making opportunities available for low to moderate income families to become homeowners. Agencies such as Ferris Development, Habitat for Humanity, the Franklin Street Community Housing Corporation, and the Greater Lansing Housing Coalition have all successfully provided dozens of low to moderate income families the chance to fulfill the American dream and to become homeowners.

With the City's assistance, these agencies either build new homes or rehabilitate older homes which they sell to select families with the goal of increasing home ownership within the City, while adding value to the homes in the neighborhoods, stability to the community overall and allowing families to have a fresh start on life through home ownership. Each individual agency is making a positive impact on the neighborhoods through the development of new homes or the rehabilitation of older homes.

These agencies have constructed or rehabilitated more than 120 homes between 1991 and 1998. The homes were then sold or rented to low-to-moderate income families. Each individual organization has had varying degrees of positive impact on the City through the number of units and areas where these units were made available. Habitat for Humanity has assisted 37 different families to become homeowners since 1991. These homes are located throughout the City and the composition of the families which acquire these homes is quite diverse. The Greater Lansing Housing Coalition (GLHC) has made 57 housing units available for rent or for sale since 1991. The 1998 production report for the GLHC indicates that 13 homes were sold and 9 additional homes had been acquired and were under construction for future sale or rent. The Franklin Street Community Housing Corporation (FSCHC) has rehabilitated and sold 7 single-family homes and made 6 homes available for rent which contain a total of 11 rental units. The

housing structures made available by FSCHC vary in size and in the number of units each contains, some of the buildings were single family homes while others were duplexes or triplexes with each unit having between 1 and 3 bedrooms. Ferris Development focused on 5 sites in 1998 and they were targeting an additional 4 sites for future development.

With private donations, federal grants, and other funding sources, the efforts to provide low to moderate income families in the City of Lansing with the opportunity to become homeowners has been made easier by these organizations and others like them. The homes made available have helped in providing stability to the neighborhoods and increasing the value of the homes. The continued efforts of these organizations and others like them will allow for additional families to have the same opportunities to become homeowners in the future and improve the neighborhood and community.

The City of Lansing Annually receives funding through three Federal Housing Programs, Community Development Block Grant (CDBG), HOME Investment Partnership (HOME) and Emergency Shelter Grant (ESG). The City currently carries out or sponsors fourteen (14) housing improvement programs either independently, as in the case of homeowner rehabilitation, historic preservation and rental rehabilitation programs, or in partnership with nonprofit housing corporations, as in the case of rehabilitation/purchase, down payment assistance programs and other rental or home ownership initiatives. The City is also a partner with the Michigan State Housing Development Authority (MSHDA) in implementing their programs.

Over \$2 million of Federal funds received annually by the City are budgeted for housing programs, an amount that leverages millions of dollars of other public and private investment to improve housing and neighborhoods in the City. Over 500 low and moderate income households benefit each year from these programs.

#### **Fair Housing**

The City of Lansing's Fair Housing Ordinance was adopted by Lansing City Council on March 10, 1986 and is administered by the Human Relations and Community Services Department.

#### **Code Enforcement/Compliance**

It is the responsibility of the Code Compliance Division to maintain, improve and upgrade Lansing neighborhoods by keeping the premises from junk, blight, trash and unsightly vehicles.

Local ordinances require that owners and occupants:

- Must maintain the premises in an orderly and safe manner.
- That Landlords must fix and maintain their rental properties. (In 1987, City of Lansing City Council amended the Housing Code to include inspection and registration of all rental properties)
- Maintain yards - if the grass and weeds have growth beyond eight (8) inches on private property the City will cut the lawn and bill the owner for the services.
- Do not run an unauthorized “business” out of their residence.
- Can be issued Civil infraction citations for non-compliance. Fines may be imposed, and court appearances may be required by the City.

#### **Planning/Zoning**

Zoning primarily controls how property may be used, and where structures may be placed on the property. The laws are designed to allow owners reasonable use of their land, while protecting the rights of the neighborhood and the community.

#### **Community Development**

In the past year the City of Lansing has rehabilitated over 200 homes from funding made available through the Department of Housing & Urban Development (HUD), Community Development Block Grant (CDBG) and HOME programs. The following programs provide low and moderate income city residents low interest loans to upgrade their housing conditions.

#### **Housing Rehabilitation for Targeted Areas and Citywide**

A household may qualify for the loan or grant programs if the following requirements are met:

- 1) They must live in the home, and not use it for rental purposes,
- 2) The home must not be located in the floodplain,
- 3) The house payments, house insurance and property taxes must be paid up to date,
- 4) The total household income may not be greater than specified income guidelines.,

**CDBG Single Family Rehabilitation Programs:** If all of the above requirements are met, a household could qualify for a 0% interest loan that does not have to be repaid as long as the household lives in the home. Eligible repairs must be code related for structural, plumbing, mechanical, and electrical including repairs for security reasons and weatherproofing. The cost of repairs must be approved by the City’s Development Office. **Additions, new garages, or swimming pools are not eligible.**

**Home Rehabilitation:** To participate in this loan program a household must meet the same requirements for single family rehab and the property must meet the HOME selection criteria established by the City.

If all of the above requirements are met, the household could qualify for a loan to fix the home. Fifty (50) percent of the loan is forgiven over a period of ten (10) years and the remaining 50% will be a 0% interest loan that does not have to be repaid as long as the household lives in the home. The entire home must meet Housing Quality Standards once the rehabilitation has taken place.

#### **Rental Rehabilitation Programs**

To be eligible for this program:

- Fifty-one percent of the square foot area must be for residential rental (50% for duplex).
- Rent must be within the Fair Market Rents (FMRs) as established by HUD.
- The property taxes must be paid up to date on all the **owner's properties** located in the City.
- Structures located within the 100 year floodplain are ineligible.
- The tenant's **total** household income must qualify as indicated under each program description.
- There are no limits on owner's income eligible.

**Rental Rehabilitation:** Under this program, the initial tenant's total household income may not be greater than specified income guidelines. This is a fifty (50) percent matching found program with ten (10) percent interest.

**HOME Rental Rehabilitation:** The initial tenant's total household income may not be greater than the specified guideline, based upon family size (date in effect 1-27-99).

**Historic Preservation/Rehabilitation Program:** The City of Lansing is now offering financial incentives for the protection, retention and improvement of historically significant **residential** units. Community Development Block Grant (CDBG) funds are being utilized for this program, as well as State of Michigan incentives.

Improvements allowed under this program include:

- 1) Exterior improvements in keeping with the Secretary of the Interior's guidelines.
- 2) Some remedial actions may be prescribed for exterior components of the structure by the Lansing Historic District Commission.
- 3) Work must be done by a contractor licensed by the State of Michigan.
- 4) Qualified property owners may do work themselves (labor costs excluded), but must request approval early in the application process, and before any work begins.
- 5) Work will begin upon receipt of Development Office written commitment, or executed proceed to work notice.

Tax incentives are available for restoration and renovation, interior and exterior, under state and federal programs. A 1999 state law created tax incentives, for up to 25 percent of eligible costs, for upgrading done in legally established local historic districts.

#### **Weatherization Program**

Applicants could qualify for a grant up to \$2,000 maximum assistance for weatherizing their owner-occupied home.

#### **Energy Fitness/Lead Hazard Analysis**

These programs address the energy efficiency and weatherization needs of low/moderate income households, and assess lead hazards in homes occupied by low/moderate income households by providing educational and technical assistance, conducting energy monitoring and conducting lead risk assessments.

#### **MSHDA's Property Improvement Programs (PIP)**

The City in partnership with the Michigan State Housing Development Authority (MSHDA) in providing low interest loans for owner-occupied and rental properties.

**Owner-Occupied Homes.** Under this program:

- The maximum combined income of all adults in the household is \$43,575.
- The home must be at least 20 years old, unless it is made barrier free, has improved energy efficiency, or correct health or safety hazards.

**Rental Properties:** This is a low cost improvement for owners of small rental properties. To be eligible, an applicant must be:

- An individual property owner or a MSHDA approved nonprofit corporation owner of a 1-4 unit rental property,
- The gross rents on the units do not exceed MSHDA's moderate cost guidelines for the community,
- There are no income limits for borrowers, who must be a reasonable credit risk, and are able to repay the loan, and
- The building is at least 20 years old, unless made barrier free with improved energy efficiency, or corrected health or safety hazards.

#### **Lansing Neighborhood Housing Corporation**

The Lansing Neighborhood Housing Corporation (LNHC) is a Michigan, not-for-profit corporation that was created in October 1993. It provides financing for nonprofit housing developers that identify single family residential properties in the City of Lansing that are in need of rehabilitation for resale to low/moderate income persons with families.

Membership includes eight local banks, the Credit Bureau of Great Lansing, the Appraisal Institute - Mid Michigan Chapter, local title companies, and the City of Lansing in a ex-officio capacity. All time is volunteered by member organizations.

#### **Down Payment Assistance and Housing Counseling**

Down payment assistance, and housing counseling is available through the Ferris Development. It provides Emergency Shelter Hot Line, Rental Assistance, Home Ownership Programs and Home Maintenance Classes.

#### **Employee Assisted Housing Program (EHP)**

With LISC's assistance, the Housing Resource Center (HRC) is developing a new Employee Assisted Housing Program (EHP) to help families purchase and rehabilitate homes in designated CDBG areas of the City. Sparrow Hospital, Ingham Regional Medical Center, and the Board of Water and Light are supporting this initiative through LISC with contributions.

#### **Lansing Home Ownership Program (LHOP)**

LHOP has designated two sections in the City of Lansing. One on Lansing's north side and the other is on Lansing's south side. First and second mortgages are provided that allow low/moderate income buyers to purchase and renovate the home of their choice.

In some cases second mortgages are forgiven over a period of time. This program allows qualified buyers to purchase and rehabilitate their homes before moving in.

When rehabilitation is complete the property must meet all City of Lansing Rehabilitation Standards, as designated for the LHOP program.

#### *Historic Preservation/Rehabilitation*

Tax incentives are available for restoration and renovation, interior and exterior, under state and federal programs. A 1999 state law created tax incentives, for up to 25 percent of eligible costs, for upgrading done in legally established local historic districts.

#### *Housing Type and Trends by Number of Bedrooms*

One of the most significant attributes of a housing unit that impacts the selection of that unit by a householder is the number of bedrooms. The size of the housing unit, as determined by the number of bedrooms is both a supply and a demand factor in the "economics of housing." It is a supply factor in that the availability of housing by bedroom size (number of bedrooms) is a key characteristic of the housing stock in any community. On the other hand, the size of the household and/or the latest market trends regarding bedroom size will determine the attractiveness of any particular unit to a potential buyer or renter.

The viability of the City of Lansing as a residence of choice is enhanced if its housing stock conforms to the characteristics of the households within the greater housing market area (the Tri-County Area). Even more importantly, the City's housing stock should be in line with the characteristics (at least in terms of bedroom size) of the immediately surrounding suburban communities that are offering the types of dwelling sizes the market is demanding and are growing in population and housing starts.

The following distribution of housing units by bedroom size existed within the Tri-County Area in 1990. It excludes housing units that contain no bedrooms (efficiencies and lofts):

TABLE III-6 - PERCENT HOUSING DISTRIBUTION BY NUMBER OF BEDROOMS (1990)

Number of Bedrooms	One	Two	Three	Four	Five+
Tri-County (excluding Lansing)					
Total	10.1%	27.6%	42.3%	16.7%	3.4%
Owner	1.2%	17.8%	54.7%	22.1%	4.2%
City of Lansing					
Total	17.3%	33.7%	37.0%	10.5%	1.6%
Owner	3.0%	24.8%	53.5%	16.3%	2.3%

SOURCE: U.S. Census of Housing STF 3A



Table III-6 indicates that, in general, both the region outside the City and the City of Lansing contain a housing stock that is 70 percent two and three bedroom. However, owner-occupied housing in the region outside of Lansing tends to have a higher proportion of three and four bedroom homes and a lower proportion of one and two bedroom units than the total Tri-County stock. This in effect means that rental housing within the Region tends to be oriented toward one and two bedroom units, which is to be expected since the total stock also contains apartments. The City of Lansing has an even higher proportion of one and two bedroom units and a lower proportion of three, four and five bedroom housing than the outlying market area. The combined proportion of two and three bedroom units in the City is, however, within the same 70 percent range as the market area.

Among owner-occupied units, the City's distribution of housing by number of bedrooms is fairly similar to the Tri-County area. Lansing does, however, tend to have relatively more owner-occupied housing with fewer bedrooms than does the Tri-County area. Approximately 28 percent of the City's owner-occupied housing consists of one and two bedroom units, compared to 20 percent for the Tri-County area. Conversely, 72 percent of Lansing's owner-occupied stock consists of housing of three or more bedrooms, while 80 percent of the market area's stock has similar characteristics. **In essence, while Lansing's housing stock is generally similar to the housing stock of the surrounding area, the City tends to have smaller housing units (in terms of the number of bedrooms) than those that are available in the broader market.**

Map III-3 depicts the percentage of housing units by number of bedrooms by Block Group in 1990. The highest proportion of one bedroom units are located within the older portions of the City surrounding the downtown area.



Colonial Village Homes



In the remainder of the City, one bedroom units make up a small portion of the housing stock, except for those sections of the City near the southern perimeter on the east side of Lansing north of Jolly Road and west of I-96 as well as the area bordered by I-496 on the south, Cedar Street on the east, Washington Avenue on the west and Miller Road on the north.

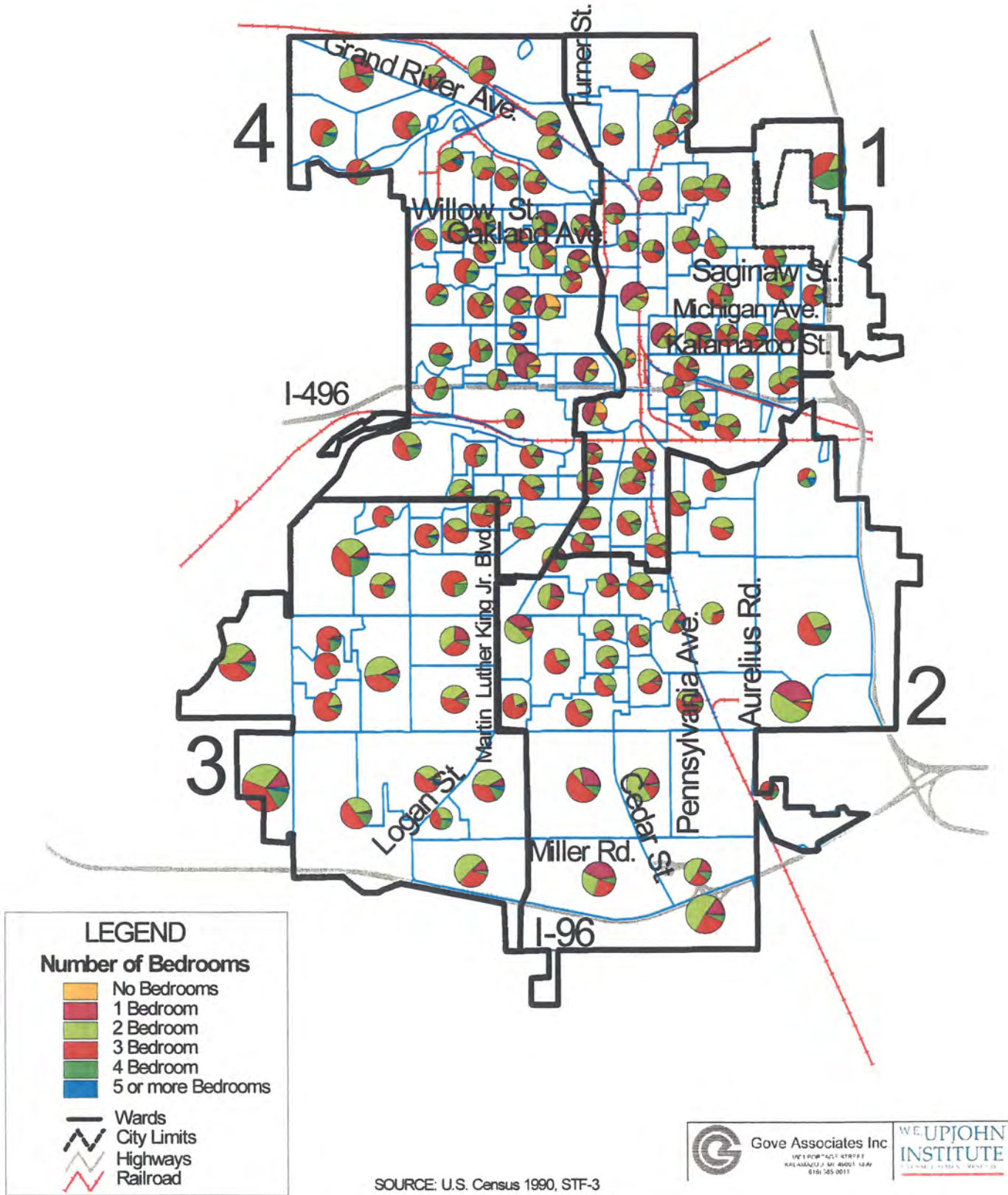
Most of the one bed-room units in these areas are in multiple family (apartment) complexes. The concentrations of one family units in the various Block Groups in the City range from 0 percent to 60 percent.

Two bedroom units are common throughout Lansing, with the largest concentrations of those units in the southern portions of the City and the smallest concentrations surrounding the central business district. Concentrations of two bedroom units within a Block Group range from 0 percent to 68 percent.

Three bedroom units within the City comprise the single largest housing type and are most predominant in the northern and southern sections of the City and least predominant immediately adjacent to the downtown area. These units make up anywhere from 5 percent to 83 percent of the Block Groups in which they are located. They are more likely to be located in newer single family subdivisions.

Map III-3 highlights the location of units by bedroom size according to the actual count of units over a specified number by Block Group. This map shows areas that contain more than 300 one bedroom units, 300 two bedroom units, 300 three bedroom units and 100 four+ bedroom units. These represent those areas of the City where these types of units are predominant within defined Block Groups. For the most part, one bedroom housing is likely to be found in areas where apartments are the primary housing type. Exceptions are the Block Group off of Grand River Avenue between Delta River Drive and N. Waverly Road, and the Block Groups generally southwest of the Capitol complex around what is commonly known as the Seven Block Area as well as Waverly Road between Jolly Road and Holmes Road. Those areas also have a high number of three bedroom units. Two bedroom housing, in terms of number of units, is most predominant in the northwest corner of Lansing between Grand River Avenue and Willow Street. These units, which are also located west of Sunset Avenue, and in the northeast, west central and southern sections of the City, comprise a good portion of the overall housing stock. The largest numbers of three bedroom housing units are, in many instances, located in the same Block Groups as the largest number of one or two bedroom units.

MAP III-3 NUMBER OF BEDROOMS BY BLOCK GROUP AND WARD

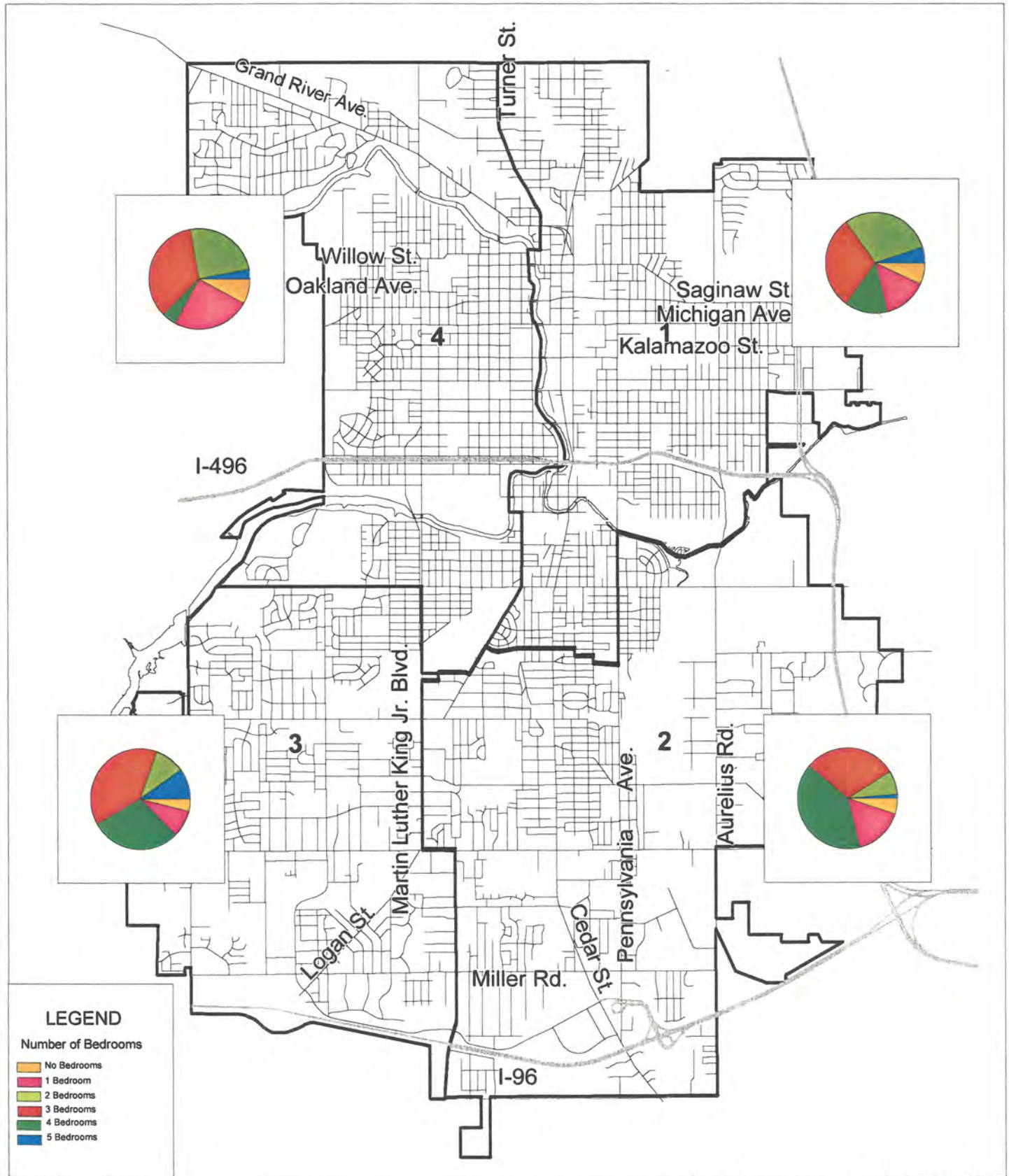


Again, this is primarily a factor of the larger sizes (areas) of these Block Groups. Areas containing 100 or more four and five bedroom units are also depicted in Map III-4. These are predominantly located in the southern and western portions of Lansing, where more expensive or newer housing development is located.

The size of the homes within each of the four Wards is shown in Map III-3 by the number of bedrooms it has. Figures III-1 and III-2 show the proportion of homes with a given number of bedrooms. Map III-4 shows that Ward 3 has the greatest proportion of homes with five bedrooms as well as large proportions of homes with three and four bedrooms. Ward 2, while having a smaller proportion of homes with five bedrooms, has a large proportion of homes with three and four bedrooms. In Ward 4 those homes with one, two and three bedrooms are all represented by nearly the same proportion, while those homes with four and five bedrooms are a much smaller percentage. Ward 1 has the greatest proportion of homes with two bedrooms than do the other Wards, and also a significant proportion of three bedroom homes. Ward 1 had about the same proportion of homes with one and four bedrooms, while there are a smaller number of homes having five bedrooms.

According to a Housing Market Study completed in 1997 by Community Targeting Associates, the City's inventory of multiple-family rental housing complexes (apartments) contained a mix of 47 percent one bedroom, 38 percent two bedroom and 14 percent three bedroom units. While the proportion of two bedroom apartments reflect the City's average, the proportion of one bedroom apartment units is substantially higher and the proportion of three bedroom apartment units is substantially lower than the overall mix of corresponding units within the City, as reflected in Table III-7.

MAP III-4 - PROPORTION OF BEDROOMS BY WARD



SOURCE: U.S. Census 1990, STF-3



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*Comparison of Bedrooms Between City and Surrounding Jurisdictions*

Those jurisdictions surrounding Lansing and which have experienced the relatively faster pace of growth over the past decade are in effect the City's chief competition for attracting new residents and maintaining existing households. There are a number of factors that a household considers when making a decision about a particular type of dwelling, and those have been described in this Study. One of those is the number of bedrooms within the unit, which is typically a factor of the size of the household.

To establish a comparison of both the composition of housing units by number of bedrooms and the change (trends) in those units over time, housing data for surrounding communities was compiled and compared to housing by bedroom size for the City of Lansing. Those communities consist of: Bath Township, Delhi Township, DeWitt Township, Delta Township, Lansing Township, Meridian Township, Windsor Township and East Lansing. These are, for the most part, newer "urban fringe" communities where residential development has been relatively active and which are attracting new households. Table III-7 displays the number and percent of housing units by number of bedrooms for those "urban fringe" communities as a whole and for Lansing for 1980 and 1990, and the net gain or loss among each type of unit by bedroom size during that period for the "urban fringe" communities and for Lansing. This data is graphically depicted in the bar chart in Figure III-1 and Figure III-2.

TABLE III-7 - AREA HOUSING CHARACTERISTICS BY NUMBER OF BEDROOMS (% OF TOTAL)

Year	Tenure	Number of Bedrooms					Total
		1	2	3	4	5+	
1980	<b>"Urban Fringe"</b>						
	Owner	2.5	22.1	49.8	21.2	4.4	100.0
	Total	17.0	32.8	33.5	13.4	3.3	100.0
	<b>Lansing</b>						
	Owner	3.6	28.3	49.9	15.6	2.5	100.0
	Total	17.5	35.3	35.0	10.4	1.7	100.0
1990	<b>"Urban Fringe"</b>						
	Owner	1.0	18.9	53.3	23.1	3.7	100.0
	Total	15.0	31.0	36.2	14.9	2.8	100.0
	<b>Lansing</b>						
	Owner	3.0	24.8	53.5	16.3	2.3	100.0
	Total	17.3	33.6	37.0	10.5	1.5	100.0
Change 80-90	<b>"Urban Fringe"</b>	Number (%)	Number (%)	Number (%)	Number (%)	Number (%)	Number (%)
	Owner	-333 (-5.7)	+190 (+3.3)	+4102 (+70.5)	+1867 (+32.0)	-6 (0)	+5,820 (+20.2)
	Total	+1581 (+16.0)	+1880 (+19.1)	+4609 (+46.7)	+2069 (+21.0)	-272 (-2.8)	+9,867 (+19.5)
	<b>Lansing</b>						
	Owner	-189 (-18.4)	-1140 (-14.2)	+677 (+4.8)	+101 (+2.2)	-84 (-11.7)	-635 (-2.2)
	Total	+224 (+2.5)	-204 (-1.1)	+1679 (+9.4)	+217 (+4.1)	-20 (-2.4)	+1896 (+3.7)

SOURCE: U.S. Census 1980, 1990 STF 3A



FIGURE III-1 - AREA HOUSING CHARACTERISTICS BY NUMBER OF BEDROOMS: 1980

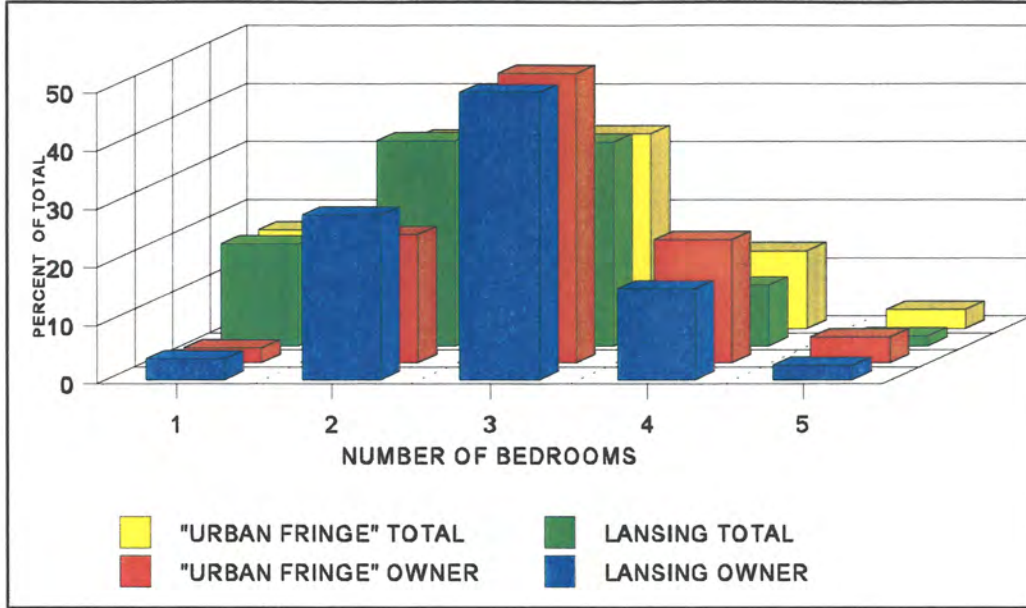


FIGURE III-2 - AREA HOUSING CHARACTERISTICS BY NUMBER OF BEDROOMS: 1990

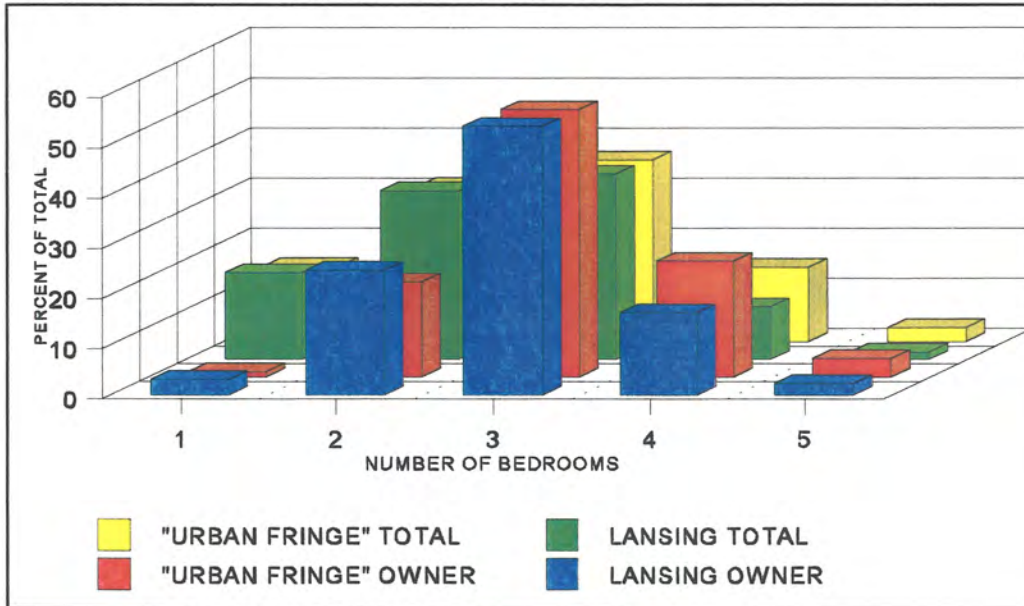


Table III-7 indicates several conditions and trends. The composition of the housing stock by bedroom size in the surrounding “urban fringe” is oriented more toward units of four or more bedrooms than Lansing, which has a slightly higher proportion of one and two bedroom units. Table III-7 also shows that owner-occupied housing in both areas tends to contain a larger percentage of three, four and five bedroom units while rental housing tends to be skewed more heavily toward one and two bedroom units. Three bedroom housing tends to be relatively consistent between the two areas, with a comparable increase in the proportion of owner-occupied three bedroom units between 1980 and 1990 for both areas.

During the decade of the 1980s, the “urban fringe” communities realized a combined net increase of almost 10,000 units, or 19.5 percent of the housing stock, while the City gained almost 2,000 units, for a net increase of 3.7 percent. The majority (59%) of those units built during that period in the “urban fringe” communities were owner-occupied. Of those, the largest increase occurred among three bedroom units, which made up 78 percent of the net gain in owner-occupied housing and 47 percent of the overall net gain in housing in those communities. Owner-occupied three bedroom units in these communities increased by almost 70 percent over 1980, while all three bedroom units increased by about 47 percent during that 10 year period. In addition, one bedroom and five+ bedroom owner-occupied housing in “urban fringe” communities incurred a net loss while overall, five+ bedroom housing decreased by almost three percent.

Within Lansing, there was a net decrease of 635 owner-occupied units (a 2.2% loss). Most of that decrease occurred among two bedroom units, although there was a net loss among one bedroom and five+ bedroom units as well. Overall, during the decade of the 1980s the City experienced net losses among two bedroom and five+ bedroom housing.

It is evident from Table III-7 that three bedroom housing is the most favored within the market, as both the “urban fringe” communities and the City realized net increases in those units. The major difference, however, is that the “urban fringe” communities saw a 47 percent increase in those units, compared to the City’s nine percent increase. The difference in gain among three bedroom units between the two areas is even more pronounced for owner-occupied housing.

While the City’s housing stock is skewed more toward one and two bedroom units and the overall Tri-County area has a higher proportion of four and five+ bedroom housing (see Table III-6), it is interesting to note that the telephone survey results indicate that,

among desirable characteristics a household would desire in another housing unit, “more bedrooms” was mentioned sixth out of eight characteristics. This indicates that most residents tend to be satisfied with the number of bedrooms of their current residence and is partially verified with the net decrease of five+ bedroom units in the City during the 1980s.

#### *Housing by Tenure*

The composition of the City’s housing stock by tenure is a key determinant of the type, quality and overall attractiveness of the City as a place to live. Tenure is the classification of a housing unit by either owner-occupancy or renter-occupancy. It is almost an axiom that owner-occupancy generates more incentive to reinvest in the community than renter-occupancy. Because of the greater investment and longer term residency associated with owner-occupancy, communities with a higher rate of units owned by residents tend to be more stable.

At the same time, rental housing (including apartments) can be, and often is, the housing of choice for certain households. The quality of life afforded by apartment living is often determined by the quality of management. Good management usually results in high occupancy and continuous demand. Many apartment complexes are owned by investors and managed by outside vendors. Those management companies, while providing at least minimum maintenance, often do not spend a substantial amount of effort in ensuring a high quality environment for tenants, and that is a function of budgetary constraints and affordability. It is, however, very possible, and obviously desirable, for management companies to upgrade and enhance their management practices, particularly in the areas of maintenance and the provision of general services. The end result should be an enhancement of the quality of life for both apartment and single family housing residents. This is a particularly crucial goal to achieve in light of the fact that almost 50 percent of the units within the City are renter-occupied.

Between 1980 and 1990, the Tri-County Area outside of Lansing experienced a net increase of 10.4 percent in its total housing stock, or a gain of approximately 15,500 units. Within that net gain, owner-occupied housing increased by almost 8,700 units, or 9.3 percent and another 5,155 renter-occupied housing units (representing a 10.3% increase) were added to the Area’s housing supply. The balance of the total housing stock added during that 10 year period were vacant when the 1990 census was taken.

Lansing saw a net gain of 1,119 housing units during the 1980s, representing a 3.8 percent increase in the City's total stock. During the same period, there was a net loss of 616 owner-occupied units (-2.2%) and a net gain of 1,735 renter-occupied units (an 8.2% increase) within the City. In effect, while the Tri-County Area was increasing its total housing stock at about three times the rate of the City, the overall rate of increase in owner-occupied and renter-occupied units was fairly equal (9.3% and 10.3% respectively). Lansing, however, was undergoing a net loss in owner-occupied housing and all of its net gain was attributed to rental housing.

This residential development trend has continued through the 1990s, with the Tri-County area outside of Lansing experiencing a 12.5 percent increase in new construction between 1990 and 1997.

During that same period, Lansing added an estimated 480 units to its housing stock, for an increase of 0.9 percent and the "urban fringe" communities issued 6,398 building permits for a 10.8 percent increase in their housing stock.

Between 1990 and 1999, the City issued building permits for 422 single family homes, 130 multiple family units, and 255 mobile home placements. Assuming an accepted actual construction rate of 98 percent, there were an estimated 414 single family homes, 127 multiple family units (including duplexes) and 250 mobile homes built or placed within the City during that period. At the same time, there were 417 demolition permits issued for single family dwellings, two issued for duplexes and two issued for 3-4 unit apartments. Applying the same 98 percent factor to demolitions, there were 409 actual demolitions. Overall this represented a net gain of five single family site built units and 115 multiple family units.

Assuming all new single family development is for owner-occupancy, and all new multiple family development, except for condominiums, is for rental-occupancy, 76 percent of all new development in the City was directed toward owner-occupancy and 24 percent was for renter-occupancy. This does not include mobile home placement, which is considered to be personal rather than real property and can be both owner-occupied and renter-occupied.



The 1990 Census indicates there were approximately 1,300 units, or 2.4 percent of the City's total housing stock, in multiple unit (condominium) ownership occupancy. This Study assumes that new condominium development is occurring in the same proportion as the percentage of condominiums relative to the total housing stock in 1990.

Over the 1991-97 period, the majority of permits (72%) issued in "urban fringe" communities were for single family units, compared to 28 percent issued for duplex and multiple family development. As with the City, it is assumed all new single family construction is oriented toward owner-occupancy; however a proportion of duplex and multiple family development may be condominium, or owner-occupancy.

According to the 1990 Census, the City contained 22,898 renter-occupied housing units, or almost 15 percent of all rental housing in the Tri-County Area. Rental housing also made up 45 percent of the City's total occupied housing stock whereas in



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the Tri-County Area outside of Lansing, rental housing comprised 25 percent of the occupied housing stock. In 1999 there are 22,027 rental housing units within the City's housing inspection program, including 5,297 single family, 2,904 duplex and 13,826 multiple family units.

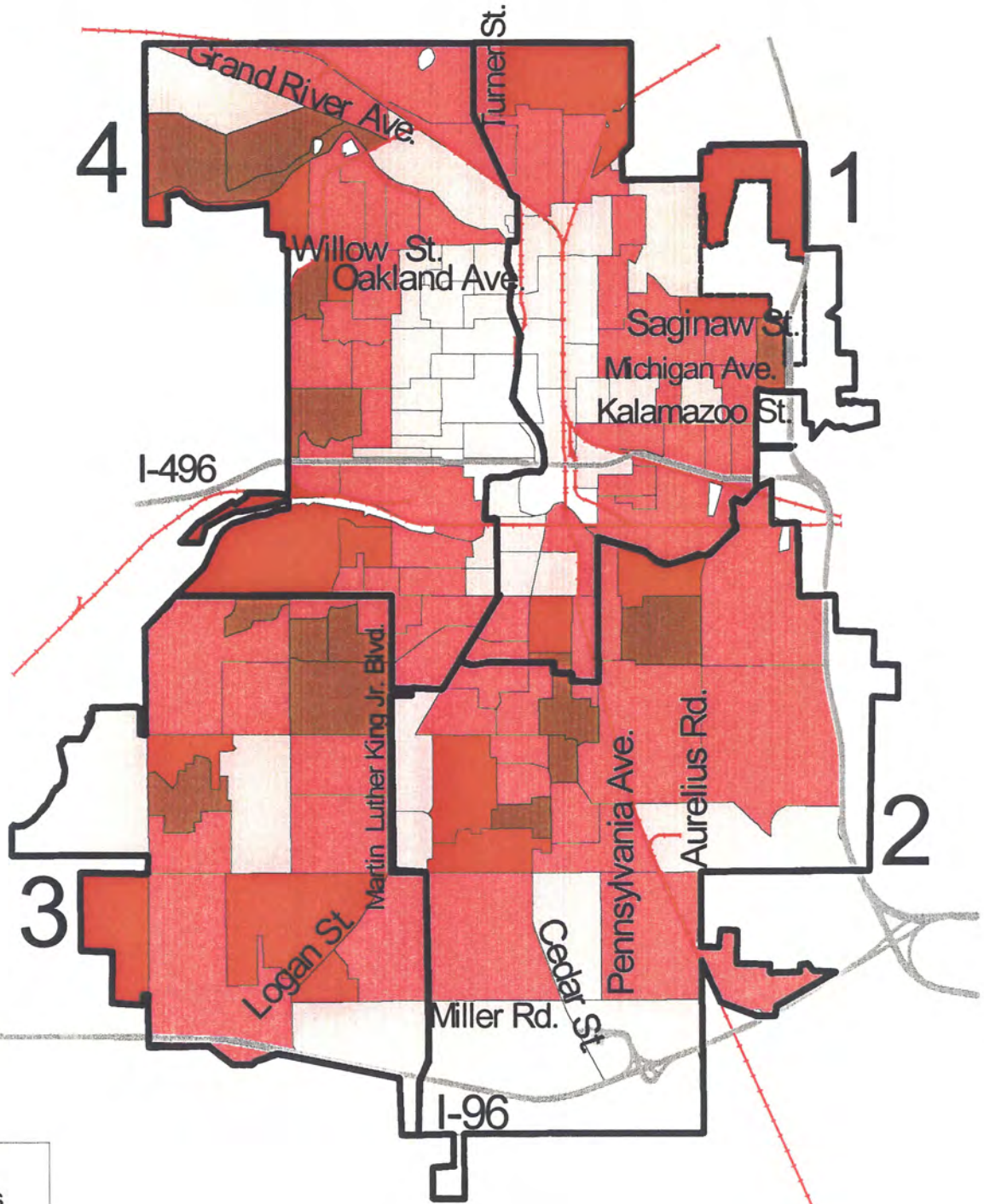
The geographical distribution of rental housing within the City is generally concentrated within the northern (older) portion of the City. Map III-5 and Map III-6 display the relative concentrations of renter-occupied housing for 1990 (based upon U.S. Census Block Group data) and for 1999 (based upon the City's registered rentals and vacant units identified by the Board of Power and Light). Since 45 percent of the City's housing stock is renter-occupied, those Block Groups with 45 percent or more renter-

## **SECTION III \_\_\_\_\_ Lansing Housing Market**

occupied housing represent those areas where the proportion of rental housing generally exceeds the City average. At the same time, those areas where the proportion of rental housing is below 45 percent reflect a relatively smaller density of rentals than the Citywide average. The 1990 Census and 1999 Housing Registration allocations are generally similar in their distribution patterns, with some decrease in the concentrations of rental housing occurring within the northern and southern sections of the City. While the data base for these two maps are not from the same source, the maps do show that the patterns of renter-occupancy have not substantially changed during the decade of the 90s.

An increase in the number of rental housing units in Ward 2 is seen when comparing Map III-5 with Map III-6. While the remaining three Wards may have seen a change in the number of rental housing units, the change was not as significant as the change seen in Ward 2.

Map III - 5. Percent of 1990 Rental Housing by Block Group and Ward



**LEGEND**

- Highways
- Railroad
- City Limits
- Wards

**1990 Rentals**

- 0 - 10%
- 10 - 20%
- 20 - 45%
- 45 - 100%

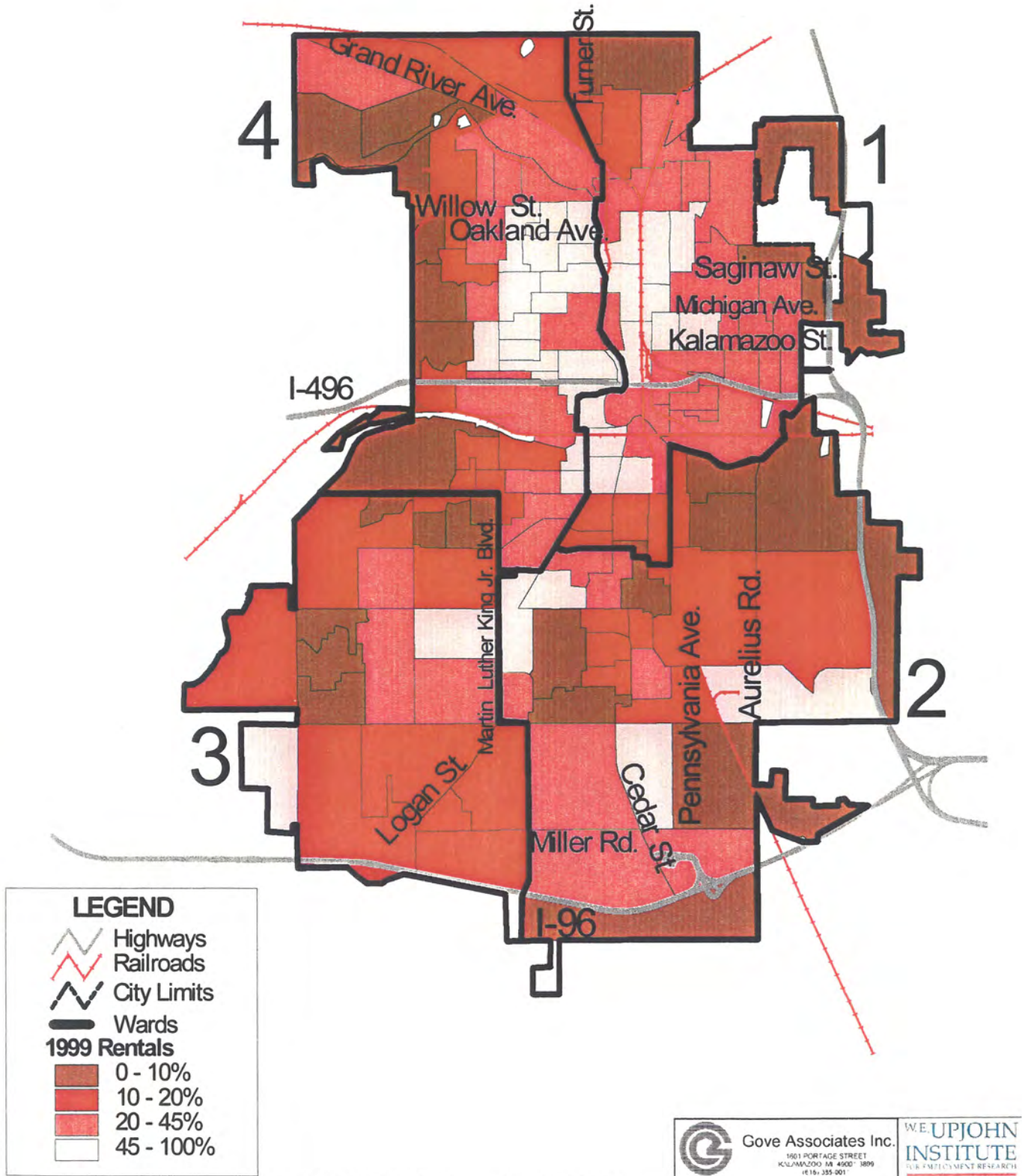
SOURCE: U.S. Census 1990, STF-3

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MAP III-6 - ADJUSTED 1999 RENTAL HOUSEHOLDS BY BLOCK GROUP AND WARD.



SOURCE: City of Lansing - registered rental database

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*Vacant Units*

The number of vacant units in the City was estimated by comparing the vacancy database generated by the City of Lansing Board of Water and Light over a one month period. Addresses that remained vacant over this one month period were deemed long-term vacancies. There are 1,724 long-term vacancies in the City, of which approximately 66 percent are single family residences and 12 percent are multiple family units. The vacant residential units do not appear to be concentrated in any one area of the City, however higher numbers of multiple family vacancies are found in the central City and more single family vacancies are in the south and north. The remaining vacancies are primarily commercial properties, which are concentrated along the major thoroughfares.

*SEV Growth*

One measure of the economic and social development of a community is the change in its State Equalized Value (SEV). SEV is a measure of the value of both real and personal property within a unit of government as identified by the local assessor and “equalized” or calibrated by the state. Assessed valuation is intended to reflect 50 percent of the market value of the real and personal property within a jurisdiction. Real property includes properties used for residential, commercial, industrial, or agricultural purposes. Vacant parcels are assessed based upon what the zoning of the parcel is and/ or its potential use. SEV is different than taxable value. Taxable value is the value of the property that can actually be taxed, and is capped by the annual rate of inflation as a result of the enactment of Michigan's Proposal A in 1996. Under that Act, which cut the amount of property tax a homeowner had to pay on homestead property, the only time the inflation cap is removed is when the dwelling is sold and the property is taxed at the new state equalized value (SEV).

By comparing the change in Lansing's SEV for residential real property over time with other jurisdictions' changes in residential SEV over time, the relative vitality of Lansing in terms of residential growth and development and increase in property values can be determined. Table III-8 depicts the City's residential SEV for 1990 and 1998 and the actual and proportional change over that period of time and compares that change in SEV with the surrounding “urban fringe” communities and other cities within Ingham County.

As Table III-8 indicates, while Lansing has the single highest residential SEV for all three years, it also has experienced the lowest rate of increase among all of the comparison communities. These two conditions are not mutually exclusive, as a

community with a larger base value would have to undergo a substantial increase in actual property valuation to realize a large proportional increase over time compared to a community with a smaller SEV base. For example, the net increase in Lansing's residential SEV between 1990 and 1998 was \$246,273,500 while during the same period, Delhi Township's residential SEV grew by \$161,613,768, yet this represented a 100.9 percent increase for the township.

TABLE III-8 - STATE EQUALIZED RESIDENTIAL VALUATION

	1990	1998	Actual Change	Percent Change
Lansing	755,362,400	1,001,635,900	246,273,500	32.6%
East Lansing	278,540,650	379,083,450	100,542,800	36.1%
Leslie	10,217,400	17,472,440	7,255,040	71.0%
Mason	45,843,800	76,891,600	31,047,800	67.7%
Williamston	19,721,200	41,460,405	21,739,205	110.2%
Delhi Township	160,238,950	321,852,718	161,613,768	100.9%
Lansing Township	69,365,500	92,071,700	22,706,200	32.7%
Meridian Township	488,211,000	818,735,300	330,524,300	67.7%
Bath Township	47,254,550	121,192,618	73,938,068	156.5%
DeWitt Township	89,366,500	166,835,100	77,468,600	86.7%
Delta Township	301,594,600	479,238,100	177,643,500	58.9%
Windsor Township	66,240,500	114,762,200	48,521,700	73.3%

SOURCE: Michigan Department of Treasury State Tax Commission.

### *Conversions*

As a developed community, Lansing has a substantial inventory of older commercial and industrial buildings. As a result of various economic and social conditions these buildings have been modified, changed use, or have been abandoned. There are currently a substantial number of vacant commercial buildings within the City, primarily along major transportation routes. With a current dynamic national and state economy, these commercial spaces should theoretically be actively used. However, many buildings are older structures which do not lend them viable for modern marketing and display techniques. Coupled with the competition provided by larger regional malls, strip malls, and discount outlets within the City and in surrounding townships, the age and design of many of these buildings have made them relatively obsolete for viable commercial uses. Consequently, they remain vacant and fall into disrepair, often generating further blight on surrounding properties.

One of the markets that this Study considers as viable for enhancing the City's "livability factor" and which is proposed as the subject of attraction efforts is the conversion of existing commercial and warehouse structures into "loft" apartments and condominiums. These types of residential units are designed for a market that is oriented toward young upwardly mobile singles, higher income professionals with no children and retirees. Remodeling these older buildings into residential units provide positive opportunities to put inactive, deteriorating properties back into active use and regenerate surrounding properties as well as the larger surrounding neighborhoods. In addition, they provide a substantial base for increasing pedestrian traffic and activity "mass" in adjacent commercial areas.

**The most effective sites for these types of residential conversions are in and around the downtown area, which offers the most variety and places of interest for this market.** One of the key objectives of Lansing's City Center revitalization strategy is to "promote a strong residential base which plays a key role in contributing to the vitality of the central area and which generates energy for the area"<sup>2</sup>. To accomplish that, the Center City plan proposes a "mixture of housing types, retail uses and workplaces within walking distance of each other." Consequently, the plan calls for the development of a variety of housing types in the Center City and the enhancement of residential neighborhoods surrounding the downtown area, with linkages between the activity centers downtown and the surrounding residential neighborhoods. More specifically, the plan contains a future land use map that includes low-to-moderate density residential, mixed use/medium density residential and high density residential/accessory mixed use activities. The majority of these residential areas are located north of Shiawassee Street, north to West Grand River and North Street. In addition, low density residential combined with ground floor business activity is proposed south of the Capitol complex between Ottawa and Ionia streets. Further south in the Center City plan area, between Kalamazoo and St. Joseph streets, a 14 block area is designated for mixed business/medium density residential development.

The mixed use medium density residential designation calls for the preservation of existing single family dwellings, new townhouse development and some apartments over first floor commercial. High density residential/accessory mixed use development will consist of a density of 20+ units per acre with loft dwellings and industrial building conversions as well as other adaptive reuse of existing buildings. This concept also

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<sup>2</sup>Central Lansing Comprehensive Plan: A Revitalization Strategy for Lansing's City Center

## SECTION III \_\_\_\_\_ Lansing Housing Market

includes apartments above retail or office space. Areas designated as low density residential/ground floor business allow for a mixture of residential and office or retail space in the same building, primarily single family homes that have been converted to accommodate those uses. The Capitol Area Business/Medium Density Residential designation provides for a higher density mixture of residential, institutional, central business district support and office uses. The Old Town District, located on Grand River Avenue, is proposed to continue to develop as a mixed use, high activity area, with a combination of street front retail, general commercial, and upper level office, studio or residential use.

In effect, the Center City revitalization strategy is a comprehensive approach to increase the “mass” of activity in and around the downtown area, relying heavily upon residential uses as a generator of that activity. Accomplishing this will require a variety of residential “types,” including detached single family houses, town houses, multi-story apartments, mixed use apartment/business structures, and loft conversions (the conversion of older commercial and warehouse buildings into small studio type apartments). **The variety of housing types within a relatively small, intense “high energy” area should provide a unique living environment that can’t be found anywhere else in the Tri-County Area and which will attract those individuals and families seeking such an environment. If done properly, the proposed concepts will enable Lansing, especially the Center City area, to become a quality “community of choice.”**

There are a number of sites currently in and around the Center City study area that have been identified as potential “loft conversions” (see Figure III-3, Part 1 and Part 2). These are older buildings located on major streets in existing commercial areas surrounded by established residential neighborhoods. Some of these sites are being actively used and others are vacant and have fallen into disrepair. These have been identified without knowledge of the structural condition or the size of each building. Consequently, it is not possible to determine the potential total number of units that could be established as a result of conversion of these properties to “loft” apartments. However, the identification of these sites does show that there is a viable opportunity to create loft apartments in and around the downtown area and in that process to revitalize surrounding properties and generate increased market activity for existing commercial development in those areas. That, in turn, could lead to new commercial and residential investment in those areas.

Figure III - 3 - Part 1. POTENTIAL CONVERSION SITES



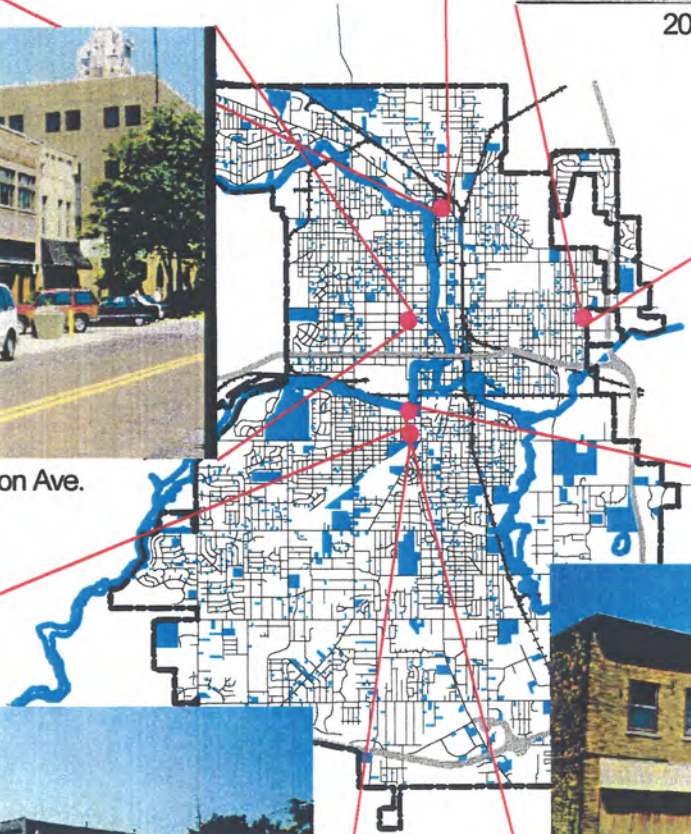
200 Block E. Grand River Ave.



2000 Block E. Michigan Ave.



300 Block S. Washington Ave.



1800 Block S. Washington Ave.



1300 Block S. Washington Ave.

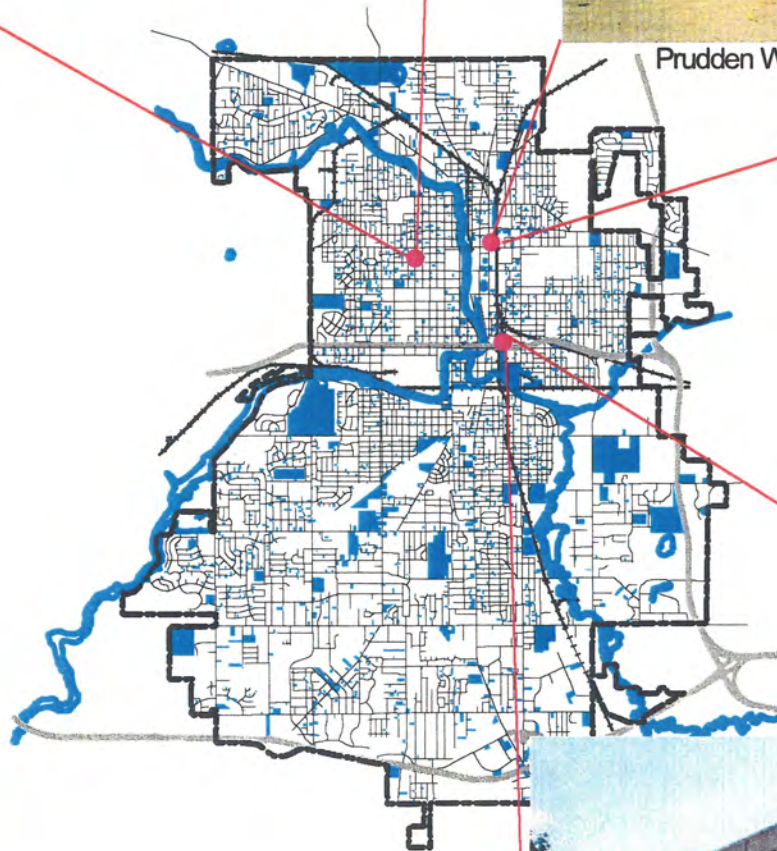
Figure III - 3 - Part 2. POTENTIAL CONVERSION SITES



600 Block W. Saginaw St.



Prudden Wheel Condominiums



500 Block Hosmer St.

*“Build-Out” Potential*

While the City is a “mature” municipality, and has seen substantial development over the years, it is also “landlocked” in that it is surrounded by townships and cities (“urban fringe” communities). However, there are approximately 2,371 acres (of the City’s 21,696 acres of land area) that are still undeveloped. Of that amount, 1,880 acres are developable and zoned for residential as a permitted use or allowed by special uses permit (see Map III-7).

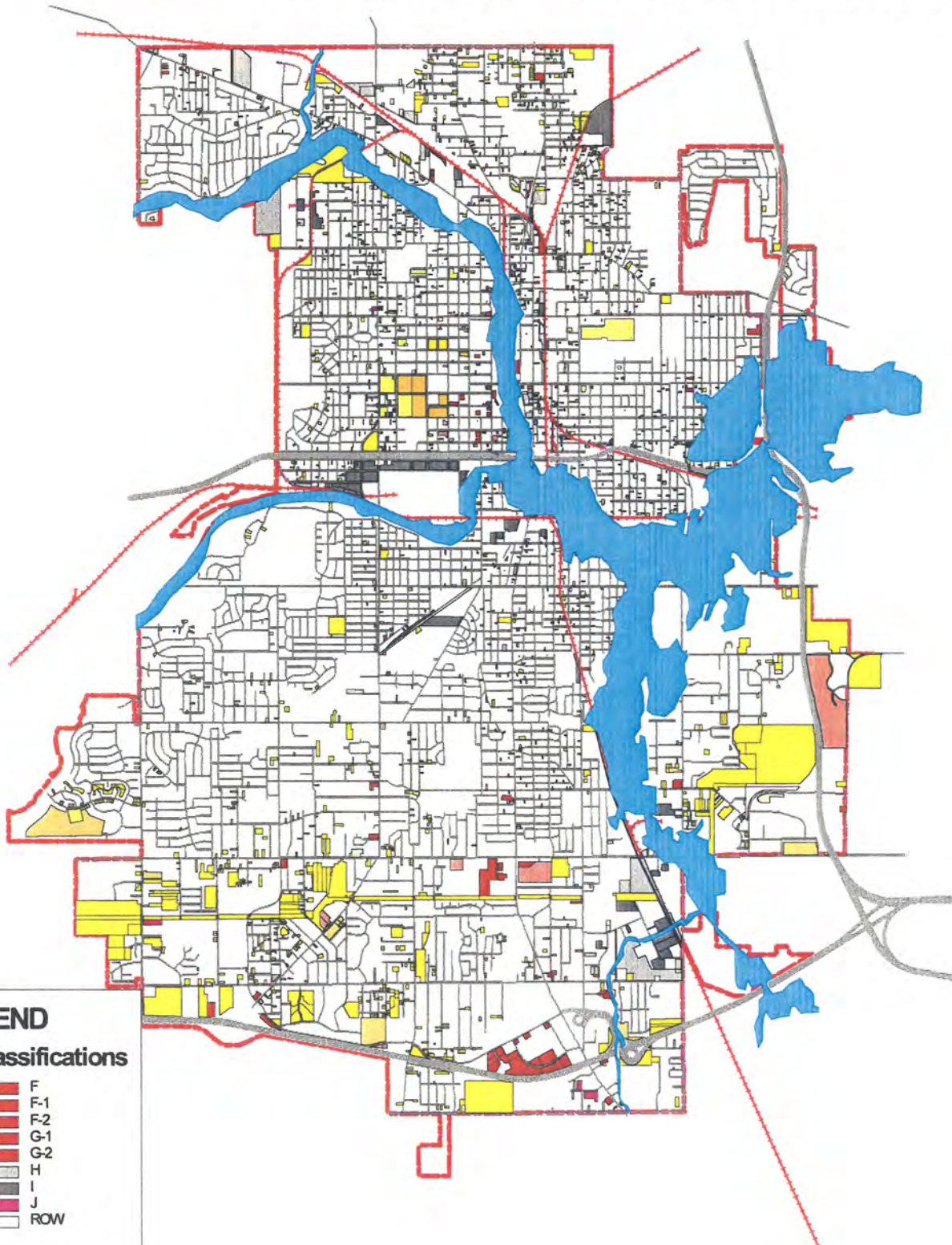
Those include parcels zoned for single family detached residences: (“A” and “B” Districts), duplex units (“C” District), combined residential and office space (D-2 District), multiple family dwellings (DM-1, DM-3, and DM-4 Districts) and residential/commercial mixed use (E-1 District). Residential uses are also allowed by special use permit in the “F” and “F-1” Commercial Districts, the “C-1” Business District, the “H” Light Industrial District and the “I” Heavy Industrial District.

Even though Lansing is a “mature” community, it offers opportunities for new or additional residential activity for both to “infill development,” or building on individual vacant parcels distributed among developed properties throughout the City, as well as larger parcels for planned development. To define the magnitude of the potential for additional residential development, vacant parcels were identified according to the zoning district under which they were classified.. Those districts (“A”, “B”, “C”, “D-2”, “DM-1”, “DM-3”, “DM-4”, and “E-1”) that allow residential development by right encompass a total of 1,463 acres. Of that total 1,305 acres are zoned for single family development, including 104 acres in the “C” District which allows for duplex residential development. Districts that allow residential development by special use permit or as a conditional use (“F”, “F-1”, “G-1”, “H” and “I” districts) account for 517 acres.

The City’s zoning ordinance requires a minimum lot size of 4,000 square feet for single family residences in the “A” and “B” districts and 6,000 square feet in the “C” District. Using those minimum required lot areas (which are notably small), a maximum potential of 10,223 single family units could be built within Lansing. If duplex units were constructed in the “C” district, which is reasonably likely, the number of single family units would be less. Since the allowable lot sizes are relatively small, it is highly probable that in most instances, new single family housing will be built upon combined lots. That would, in effect, decrease the number of potential single family units by 50 percent, to about 5,100. These undeveloped parcels zoned for single family residences are distributed throughout the City, although most are concentrated in the



MAP III-7 - BUILDABLE VACANT PARCELS WITHIN CURRENT ZONING



**LEGEND**

**Zoning Classifications**

	A		F
	B		F-1
	C		F-2
	CUP		G-1
	D-1		G-2
	D-2		H
	DM-1		I
	DM-2		J
	DM-3		ROW
	DM-4		
	E-1		
	E-2		

100 year Flood Zone

Highways

Railroad

Street

City Limits

SOURCE: Board of Water and Light;  
City of Lansing Zoning Ordinance

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northern and southern portions of Lansing. In those areas where larger parcels that are zoned "A", "B" or "C" exist, it is probable that new single family development will occur on lots that are 80 to 100 feet wide. These vacant parcels are located in areas in the southern sections of the City that have the highest proportions of home ownership. Within the northern sections of Lansing (north of I-496) these parcels are in areas where 10 percent, and often 30 percent, or more of the stock is renter occupied.

Portions of several blocks west of the capitol complex, near M. L. King Blvd., are also available for single family development. These parcels are near or within what is termed the "Seven Block" Area which is part of the City's Renaissance Zone. The City is proposing to redevelop this area as a mixture of residential, office, community facilities and neighborhood commercial.

Specifically, the Renaissance Zone application indicated the City proposes the following for this area: rehabilitation of 60 structures, construction of 12 new 1,200 square foot single family dwellings, acquisition and removal or relocation of sixty structures, development of a neighborhood commercial center, relocation and reuse of churches, expansion of two commercial structures, and the provision of office and mixed residential uses. A second designated Renaissance Zone site is off of South M.L. King Boulevard, near the Old Lindell Forge site. This is a site of approximately 60 acres that is vacant and has historically been in industrial use. A portion of this site is currently considered to be environmentally contaminated and has storm drainage problems. Plans for this site consist of multiple developments, including three new warehouse sites, three new industrial sites, 54 new single family residential sites and an expanded park and buffer. While the Renaissance Zone program for these areas is still active, some of the components may change as the development process proceeds forward.

**Development of vacant single family parcels for owner occupancy, particularly in high single family rental areas, would lend stability to the housing stock and perhaps begin to generate the conversion of single family rentals to single family owner occupancy.**

The "DM-1, "DM-3" and "DM-4" Residential districts allow for low density to high density multiple family development. Vacant parcels with these zoning designations are concentrated primarily in the west side of the City west of Waverly Road (the Lansing/Eaton Neighborhood Organization), the southern portion of the City north of I-96 off of Georgetown Boulevard, in the eastern sector of the City north of Jolly Road

and in the north central section of Lansing near the central business district between Butler Street and Walnut Street east of the Seven Block Area. There is a total of 157 acres of vacant parcels zoned strictly for multiple family development, with densities ranging from 11.4 dwelling units per acre to 87.1 units per acre. Applying the median density allowed under each of these districts, an “average” estimated number of multiple family units that would be developed on these sites would be 3,215, with the potential ranging from a low of 2,223 units to a maximum of 4,208 units.

In addition to traditional single family and multiple family development, the City also allows residential development (multiple family) to occur in office, commercial and industrial zones. The “D-1” Professional Office District and the “D-2” Residential Office District both allow for multiple family developments at densities ranging from 11.4 units to 19.5 units per acre. Development of these districts entirely as multiple family would result in a range of 1414 units to 2457 units, with an average of 1926 units. The “E-1” Apartment Shop district, the “F” and “F-1” General Commercial district, and the “G-1” Business District allow for multiple family residential development at various densities ranging from 19.8 dwelling units per acre to 87.1 dwelling units per acre. If these vacant parcels were developed totally as residential, the potential number of multiple family units would range from a low of 3,813 units to a high of 8,045 units, with an “average” of 5,929 units. The “H” and “I” light and heavy industrial districts also allow for multiple family units by special permit. There are 397 acres of vacant industrial land in the City. If these were totally developed as multiple family, an additional 12,346 to 34,579 units would be added to the City’s housing stock.

The total number of multiple family units that could potentially be developed in these various business districts would range from a low of 17,573 to a high of 45,081. The “average” number of multiple family units potentially allocated to all of these districts would be 31,316.

Table III-9 depicts the number of residential parcels, total acreage, and the potential minimum and maximum number of units that could be developed on vacant parcels within the City. An “average” number of units is also identified based upon the different ranges of densities allowed for multiple family development in the various districts. Table III-9 also identifies a “model” number of units for each type of zoning district that reflects an optimum buildout. The model proposes complete development of all single family districts using the densities allowed, complete development of all multiple family properties using an average or mean of the allowed densities, multiple family residential

development on 30 percent of the vacant parcels in office related districts and commercial districts multiplied by the average number of units (average density) allocated to each of those districts, respectively and no residential development allocated to either of the industrial districts.

The total potential buildout for new residential development in the City therefore ranges from 26,382 units to 50,297 units, if all available parcels were developed. This would result in a 50 percent to 100 percent increase in the City's housing stock and population. Applying an average of all densities allowed results in an increase of 38,340 units, of which over 5,000 (13%) would be single family.

It is highly unlikely that all of the vacant office, commercial and industrial properties in the City would be developed with multiple family housing. A reasonable model would allocate multiple family housing to a maximum of one third of the vacant office and commercial districts. The model buildout would provide for:

- complete development of all vacant parcels zoned as single family residential,
- an “average” of the allowable multiple family densities in multiple family residential districts,
- average multiple family development densities on 30 percent of all vacant office, and commercially zoned properties and no residential development in industrial zones, which would result in a more viable 10,688 additional (new) residential units. Forty-eight percent of those units would be single family homes.

Although this is a reasonable “model” of potential development if “buildout” should occur, it does not reflect the optimum alternative scenario proposed in Section VI of this Study. This difference is primarily due to the forecasted modest increase in population and employment growth in Table II-17 and Table III-10.

TABLE III-9 - VACANT PARCELS IN WHICH SINGLE OR MULTIPLE FAMILY DEVELOPMENT IS ALLOWED

Zoning District	Number of Parcels	Acres	Minimum No. of Units	Maximum No. of Units	Average No. of Units	Model
Single Family Res ("A", "B", "C")	1,643	1,304	10,223	10,708	5,112	5,112
Multiple Family Res ("DM-1", "DM-3", "DM-4")	67	157	2,223	4,208	3,216	3,216
Office ("D-1", "D-2")	42	124	1,414	2,457	1,936	580
Commercial ("E-1", "F", "F-1", "G-1")	189	121	3,813	8,045	5,929	1,780
Industrial ("H", "I")	209	397	12,346	34,579	23,463	0
Total	2,150	2,103	26,382	50,297	38,340	10,688

SOURCE: City of Lansing; Gove/Upjohn Institute

The vacant properties zoned for office, commercial and industrial activities, and which allow for multiple family residential development as either a permitted use or use allowed by special permit are located throughout the City. Larger concentrations of commercial and office properties are located in the southern sector between I-496 and Jolly Road as well as the east side of I-496 south of Forest Road. Most parcels zoned for office or commercial use are located on smaller lots that are not large enough to accommodate multiple family developments within the densities provided for in the zoning ordinance. A good portion of those smaller parcels are located near or in the central business district as well as along major roads, such as Cedar Street. Vacant industrial parcels can be found in the southeast and northern quadrants of the City as well as south of the I-496 corridor (see Map III-7).

## DEMAND FACTORS

*Population Forecast*

The U.S. Census Bureau estimates that in 1998 the City of Lansing's population stood at 127,825 which was down slightly from its 1997 estimate of 127,967 persons. Still, the City's population is up 0.4 percent from its 1990 population of 127,321. The City accounts for 28.4 percent of the Tri-County Area's total population. The Tri-County Area's population, 449,683, slipped downward as well in 1998, dropping 165 individuals.

Our forecast for the City of Lansing calls for the City's population to hold steady in the coming years as shown on Table III-10. The City's population is expected to stay above 127,000 until the year 2005. By 2010, the City's population is forecasted to dip below 127,000 and to be below 126,000 in 2015. It should be noted that the forecast is based on the assumption that the City does not institute any major housing policies that would change historical trends.

TABLE III-10 - POPULATION FORECAST BY AGE GROUP

	1990	1995	2000	2005	2010	2015
Total	127,321	127,870	127,869	127,036	126,139	125,189
0-4	11,881	10,682	10,682	10,379	9,867	9,025
5-9	9,925	9,957	9,957	9,246	9,064	8,603
10-14	8,524	8,573	8,573	8,152	7,839	8,107
15-19	4,739	5,193	5,193	6,215	4,823	4,444
20-24	5,741	5,769	5,769	5,673	6,025	5,278
25-29	10,000	9,221	9,221	8,282	8,059	7,719
30-34	13,724	9,578	9,578	8,796	7,878	7,746
35-39	12,881	13,124	13,124	9,053	8,368	7,474
40-44	10,501	12,336	12,336	9,469	8,569	7,930
45-49	8,220	9,974	9,974	11,635	8,963	8,121
50-54	5,820	7,821	7,821	12,413	10,892	8,476
55-59	4,601	5,381	5,381	7,428	12,120	10,300
60-64	4,317	4,217	4,217	5,069	6,719	11,385
65-69	4,316	3,841	3,841	4,078	4,585	6,612
70-74	3,888	3,691	3,691	3,235	3,705	4,344
75-79	3,124	2,976	2,976	2,709	3,001	3,929
80-84	2,341	2,459	2,459	2,168	2,335	2,984
85+	2,778	3,076	3,076	3,034	3,326	2,713

Source: W.E. Upjohn Institute

Key demographic trends expected to be facing the City include:

- The continued aging of the baby boomers - individuals born in between 1947 and 1963.
- The out-migration of approximately 1,000 residents per year from 1990 to 2015 including many school age children (Table III-10).
- An increase in the number of senior citizens living in the City. In 1990, individuals above the age of 65 accounted for just under 13 percent of the City's population. By 2015 with many of the baby boomers entering retirement, individuals older than 65 years old will make up an estimated 16.4 percent.

#### *Housing Perception Survey*

Kercher Center for Social Research (KCSR) at Western Michigan University conducted a random-digit dialing telephone survey of City of Lansing residents in May and June of 1999. KCSR contacted 1,383 households and obtained 518 completed interviews for a response rate of 38 percent - a rate that is in line with similar efforts in other communities. The telephone interviews were carried out from May 20 to June 9, 1999, and calls were made on week nights from 5 to 9 p.m. and on Saturdays from 10 a.m. to 2 p.m. The achieved sample allows a 95 percent confidence interval with a level of precision of plus or minus four and a half points.

As shown in Table III-11, the sample fairly represented the City of Lansing's population with the sole exception of under representing individuals between the ages of 20 to 29 years and Hispanics.



Colonial Village Homes

TABLE III-11 - DEMOGRAPHIC CHARACTERISTICS OF SURVEY SAMPLE

Characteristics	Percent Sample	Percent of 1990 Population
<b>AGE</b>		
Under 20	1.4	3.6
20 to 29 yrs	19.6	27.8
30 to 39 yrs	24.5	26.4
40 to 49 yrs	22.3	15.1
50 to 59 yrs	15.0	9.4
60 to 69 yrs	7.6	9.0
Older than 70 yrs	8.9	8.8
<b>ETHNIC CATEGORIES</b>		
Whites	74.4	73.9
Blacks	15.9	18.6
Hispanics	2.9	7.9
<b>GENDER</b>		
Male	39.0	47.4
Female	61.0	52.6
<b>HOUSEHOLD INCOME</b>		
Less than 10,000	5.6	Not Comparable
\$10,000 - 25,999	20.2	Not Comparable
\$26,000 - 45,999	31.1	Not Comparable
\$46,000 - 85,999	26.3	Not Comparable
Greater than \$86,000	7.8	Not Comparable

SOURCE: KCSR Household Survey

Because women tend to answer the phone and to not reject survey requests as often as men, 61 percent of the survey respondents were women.

A large share of the surveyed residents have lived in Lansing for more than 6 years and expect to continue to reside in the City during the next five years. Of those surveyed, 47 percent have lived at their current address for six or more years and 63.3 percent revealed that their previous address was also in Lansing. Finally, 56.7 percent expect to be living in Lansing during the next five years, although 12.8 percent may move to a different house.

The expected duration of residence at the current house varies according to the age of the respondent (Table III-12). For individuals who are less than 30 years old, only 15.7 percent expect to be living at their current address five years from now; 22.2 percent expect to be living in Lansing but at a different location. For individuals in their thirties,



31.0 percent plan to be at their current address five years from now and 14.3 percent expect to be residing at a different location in the City of Lansing. A majority of the surveyed middle-age residents, between the ages of 40 and 60, expect to be in the same dwelling five years from now, and nearly three quarters of the City's senior population, 60 years and older, expect to be living in the same dwelling five years from now.

TABLE III-12 - WHERE THE PERSON EXPECTS TO LIVE 5 YEARS FROM NOW  
(PERCENT OF RESPONDENTS)

Location	Under 29 years	30-39 years	40 -59 years	60 and more
Same Address	15.7	31.0	54.7	74.1
Different House in Lansing	22.2	14.3	11.5	2.4
Living in the Lansing area, but outside of City	11.1	22.2	11.5	2.4
Living outside of the Lansing area	40.7	24.6	14.6	7.1

SOURCE: KCSR Household Survey

Homeowners, who account for 68.5 percent of the surveyed residents, were asked to estimate the appreciation of their homes during the next three years. Nearly 40 percent believe that the value of their homes will increase by more than 5 percent, while 45.3 percent thought that their homes had increased by 5 percent during the past three years. Only 2 percent thought the market value of their house would decline over the next three years.

More than half of the interviewed renters want to buy a home within the next three years, and of those, 47.6 percent are looking or will look inside Lansing, while 42.9 percent plan to move outside of the City. The challenge facing the City of Lansing is to encourage these future homeowners to buy in the City and not in the surrounding areas. It is important to note that the surveyed renters seeking non-city addresses tend to earn a higher income than those searching for City locations. Of the 42.9 percent looking to buy outside the City, 27.8 percent have income greater than \$46,000, while of the 47.6 percent looking to buy inside the City, only 12.5 percent achieved earnings of greater than \$46,000.

Bigger is better for most of the surveyed residents when asked about the characteristics of their "ideal" houses. As shown in Table III-13, more closets, a bigger garage and simply a larger house topped the list of prized characteristics. This presents a real challenge for the City because a large share of its housing stock is comprised of small two to three bedroom houses. A random sample of the houses that were sold in the City

during the past two and one-half years revealed that 50 percent of these houses contained less than 1,010 square feet. A key policy question presents itself: What can the City do to encourage City homeowners to remodel or enlarge their homes instead of moving from the City to a larger house?

One unexpected result of the household survey was the lack of interest in condominiums. Over 70 percent of the respondents said that a condominium was “not a factor” in the search for the “ideal” home. This should not be interpreted that condominium developments are doomed to fail but only suggests that their market is not existing City residents. Condominium development, especially those that emphasize a unique urban environment (a downtown or “Old Town” location and/or in a converted manufacturing/warehouse structure), may be successful magnets that attract new residents to the City.

TABLE III-13 - DESIRED HOUSING CHARACTERISTICS

House Characteristics	Percent Important and Very important
More closets	52.4
Larger garage	48.1
Larger house	42.7
Additional bathrooms	40.6
Larger yard	39.2
Single floor	31.9
More bedrooms	29.9
Condominium	9.9

SOURCE: KCSR Household Survey

In addition to describing the dwellings that they would like to live in, residents were also asked about the characteristics of their current neighborhoods. This is the most important question in the survey because the easiest and most effective strategy available to the City are those that encourage current residents to “stay put.” The City can do little about the pull factors of suburban locations (large lots, more open space, new homes); it can only act on the push factors. Like a business, the City of Lansing can ill afford to push away its current customers.

The good news is that surveyed residents, in general, like their current neighborhoods with more than 60 percent noting affordability and accessibility to both work and shopping as strong pluses. Just below 60 percent found the resale value of their current home to be a plus. More than 50 percent of the residents surveyed found their neighborhood appearance, neighbors, and size of dwellings attractive. Less than 50 percent of the surveyed households listed the important neighborhood amenities including security, traffic safety, architectural characteristics, property taxes and K-12 schools as being attractive.

Focusing attention on only those households earning more than \$46,000 per year, the top 37 percent of the surveyed households, more than 60 percent of the surveyed households list resale value and neighborhood appearance as attractive characteristics. At the same time, the City's more affluent residents found their current neighborhoods less attractive in terms of property taxes, schools and architecture than the remaining 67 percent of the City's residents surveyed. In short, the City's residents, who are more likely to live in the City's nicer neighborhoods, find their neighborhoods attractive and a "good value" in terms of affordability and resale value. The City's concern should focus on determining if the characteristics that are less satisfactory for this population - property taxes, architectural appearance and schools- are sufficient to "push" them away from the City. Indeed, this data support the traditional role of inner cities in providing good "starter" homes with good "resale" value that allow more affluent families to save for their second house located in the suburbs with expectations of lower property taxes, attractive architectural characteristics and better schools.

TABLE III-14 - ATTRACTIVENESS OF CURRENT NEIGHBORHOOD CHARACTERISTICS (Percent)

Characteristics	Unattractive	Lower 63% of Income Attractive	Top 37% of Income Attractive
Affordability	10.3	71.9	67.5
Access to work	12.8	66.7	66.9
Access to retail/shopping	12.4	66.1	65.8
Resale value (exc. renters)	11.3	59.2 (total)	65.1
Neighborhood appearance	14.4	52.0	66.3
Neighbors	19.1	52.0	58.3
Size of house/apartment	18.4	52.3	52.3
Security	21.9	47.4	52.5
Traffic safety	23.7	42.3	52.0
Architectural characteristics	22.7	44.0	40.0
Property taxes	26.4	33.7	30.5
K-12 schools	33.8	33.2	29.2

SOURCE: KCSR Household Survey

The household survey provides evidence suggesting that:

- The City's existing housing stock is comprised of too many houses that are not big enough to meet the "ideal" characteristics of the City residents.
- Condominiums are not attractive options to most of the City's current residents.
- A majority of the surveyed young adults, younger than 29 years, plan to live outside the City within the next five years.

Based upon the survey, it is clear that if the City does not generate some "pull" factors, or at least alleviate current "push" factors facing its more affluent residents, it will most likely witness an out-migration of this vital population.

#### Determination of Housing Prices

Housing prices are determined by supply and demand factors that are unique to individual neighborhoods. The very same housing can sell for significantly different amounts depending upon the neighborhood. Indeed, the following analysis suggests that there are strong "neighborhood effects" in the City of Lansing.

In order to gain an understanding of housing demand in the City of Lansing, a sample of 1,197 houses sold during the past two and one-half years were analyzed using data from the City's assessors office. For each house data was collected on assessment area location as mapped by the City Assessor (see Map III-8), type of basement, the year built, number of bedrooms and square feet of living area.

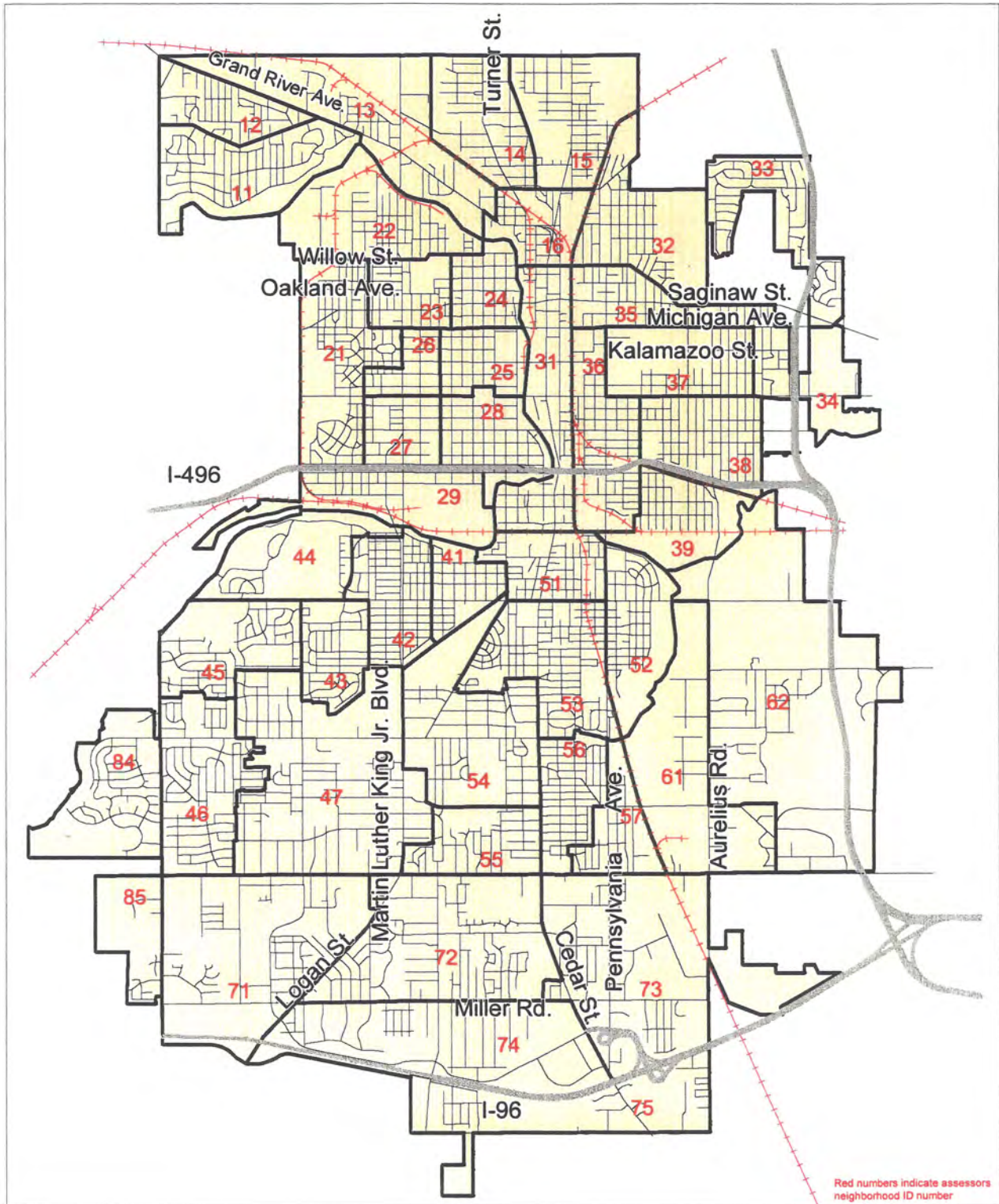
Using a linear regression model, it was found, not surprisingly, that the age of a house has a significant negative impact on the selling price of a home, while the house's square footage had a strong positive affect. Control variables were generated for each of the 47 areas used by the Assessor's office to indicate difference in sales price if you sold an identical house in one neighborhood over another. Finally, data were controlled for whether the house has a basement, crawl space, or is on a slab.<sup>3</sup>

<sup>3</sup>The formal equation used was:

$$\text{Sale Price} = \alpha_1 + \alpha_2(\text{AGE}) + \alpha_3(\text{sq ft}) + \alpha_4(\text{sq ft})^2 + \sum_{i=1}^{47} [d_i(\text{sq ft}) + d_i] + \sum_{j=1}^3 \text{Basement type}_j$$

where  $d_i$  = a dummy variable.

MAP III-8 - ASSESSOR'S NEIGHBORHOODS DESIGNATION



The age of the house has a negative effect on the selling price, knocking off nearly \$370 per each year of age. The size of the home has a large impact on selling price but an impact that decreases with the size of the house. In other words, adding an extra square foot to a 1,000 square foot house will add more value than adding an extra square foot to a 2,000 square foot house. Having a basement compared to a slab or crawlspace added, on average, at least \$10,000 to the selling price of a home.

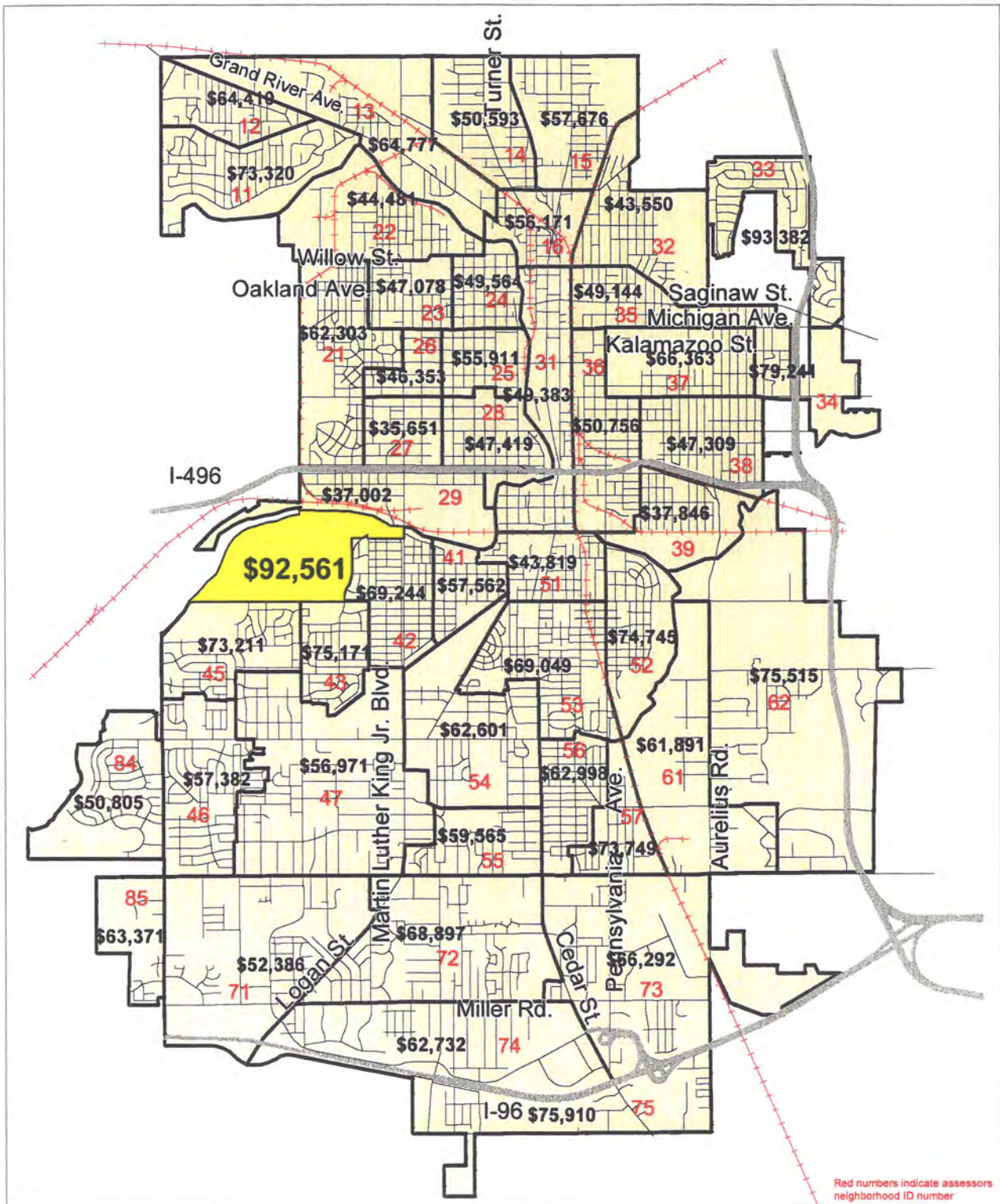
Neighborhood effects are large: a neighborhood can impact the selling price by as much as 50 percent. For example a 53-year-old, 1,010 square foot house that would sell for \$92,561 in Area 44, which is near Moore's River Drive, would sell for only \$50,802 in Area 36 on the near eastside of Lansing (see Map III-9A and III-9B).

The median home in the City of Lansing is 1,010 square feet, 53 years old and if sold in assessor's neighborhood # 44 it would sell for \$92,561. What Map III-10A is showing is the average value of the median Lansing home for each Ward. This value was determined by taking the average value for each of the assessors neighborhoods located in a specific Ward and using these values to produce an average value for the median Lansing home within that specific Ward. Map III-10A shows that if the average Lansing home were sold in the northern portion of the City, either Ward 1 or 4 it would sell for on average between \$55,510 and \$55,803. The selling price increases significantly in the southern portion of the City. The average selling price jumps between \$63,015 in Ward 3 and \$67,717 in Ward 2. These numbers are averages of all assessor's neighborhoods and are not necessarily a fair and accurate representation of individual neighborhoods within a Ward.

Map III-9B shows what the assessed value of the median Meridian Township home would be if it were located within a specific assessor's neighborhood in the City of Lansing. Map III-10B is taking these assessed values and showing what the average assessed value of the median Meridian Township Home is for an entire Ward within the City of Lansing. These assessed value vary significantly. The average assessed values in the western portion of the City (Wards 3 & 4) are very similar with only a few hundred dollars difference, \$84,828 and \$84,671 respectively. However at the low end, if the median Meridian Township home were located in Ward 1 it would have an averaged assessed value of just under \$80,000. If this same home were located within Ward 2 the average assessed value would jump to more than \$95,000. These numbers are averages of all assessor's neighborhoods within a Ward and are not necessarily a fair and accurate representation of individual neighborhoods within a Ward.

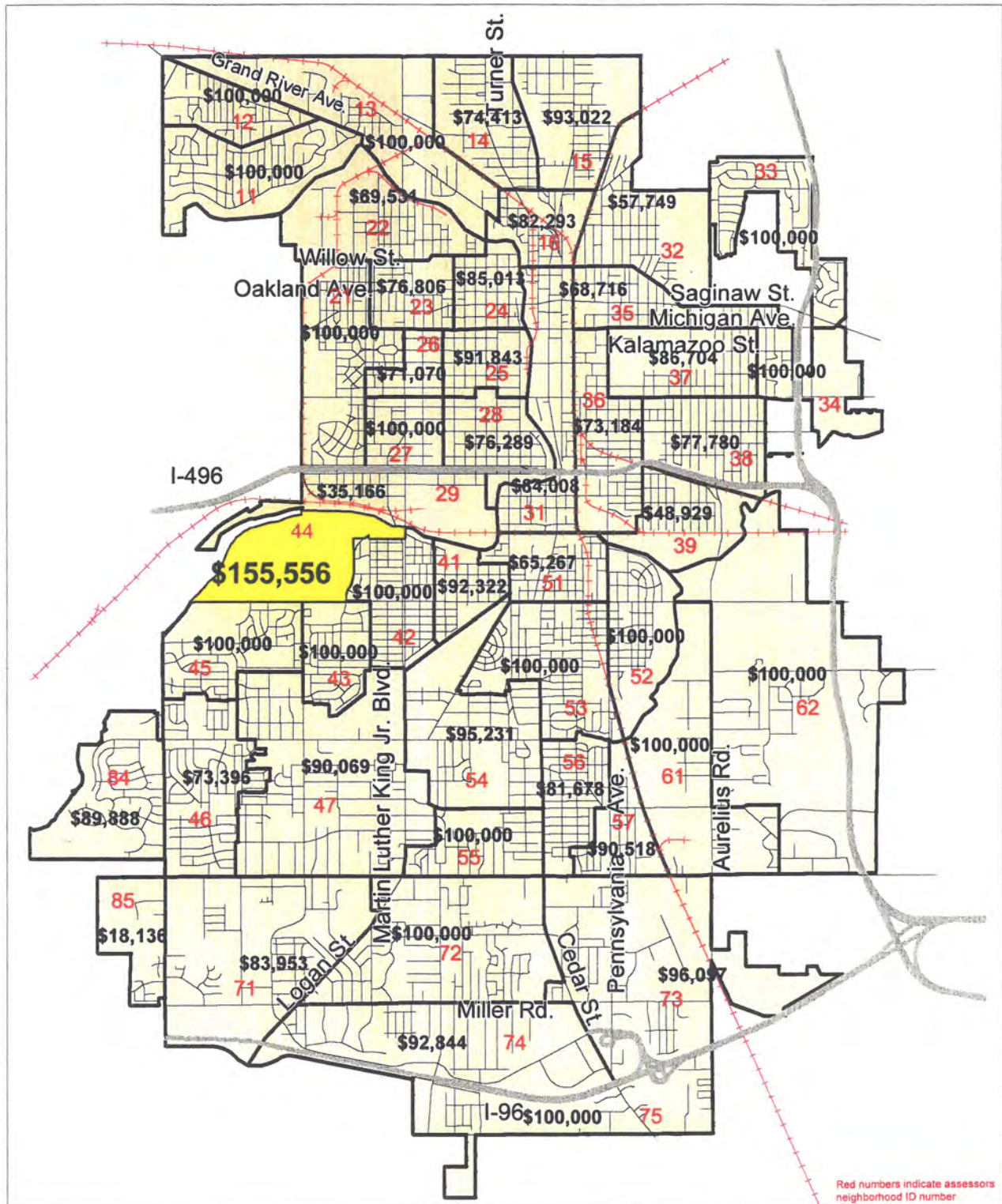
MAP III-9A - HOME VALUE COMPARISON: MEDIAN LANSING HOME

Median Lansing Home: 1,010 Square Feet, 53 years old.  
Selling Price in Neighborhood #44 (Yellow on Map) = \$92,561



MAP III-9B -HOME VALUE COMPARISON: MEDIAN MERIDIAN TOWNSHIP HOME

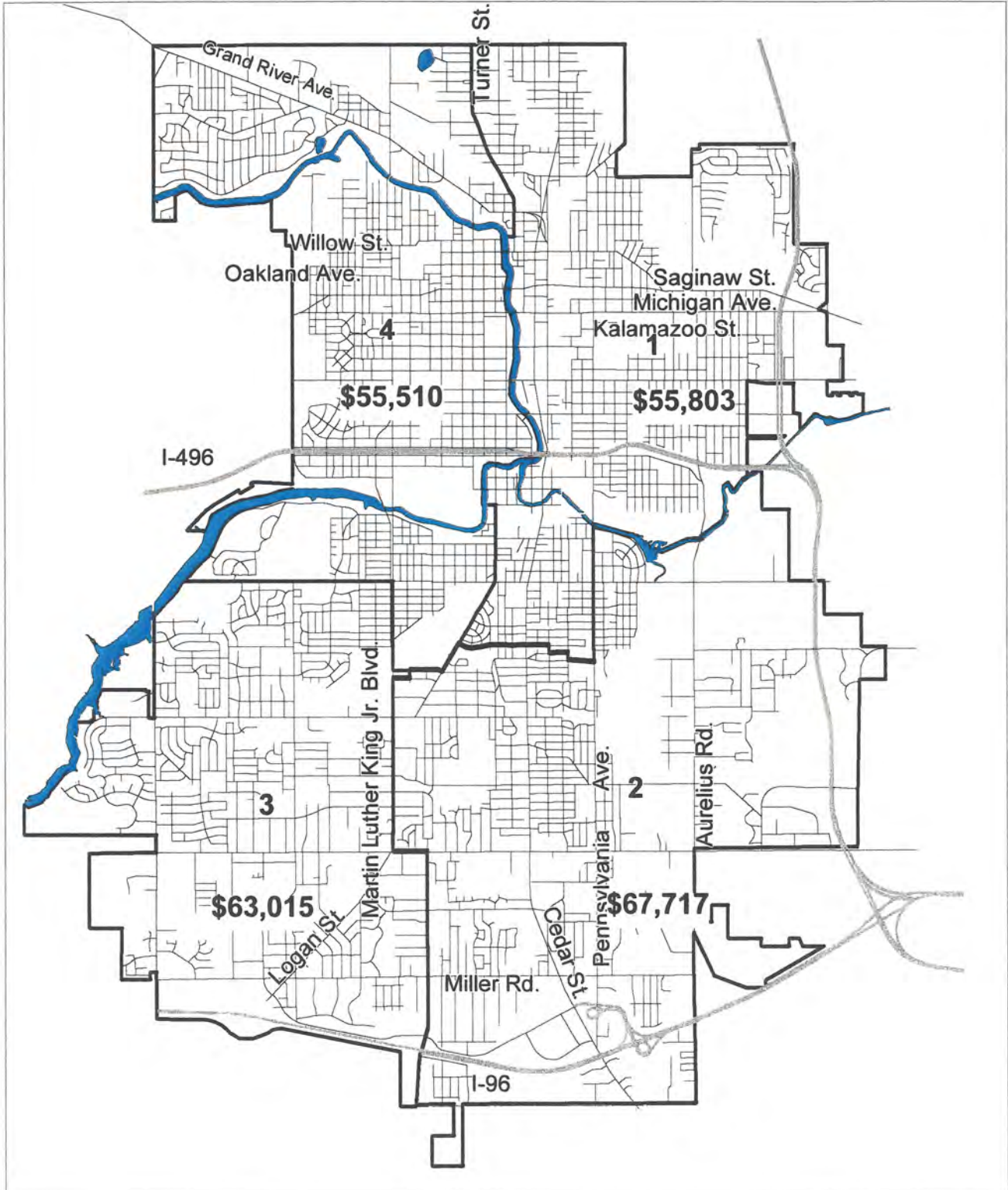
Median Meridian Township Home: 1,776 Square Feet, 21 years old.  
Selling Price in Neighborhood #44 (Yellow on Map) = \$155,556





MAP III-10A - HOME VALUE COMPARISON: MEDIAN LANSING HOME

Median Lansing Home: 1,010 Square Feet, 53 years old.  
Average Selling Price by Ward



MAP III-10B - HOME VALUE COMPARISON: MEDIAN MERIDIAN TOWNSHIP HOME

Median Meridian Township Home: 1,776 Square Feet, 21 years old  
Selling Price Averaged by Ward

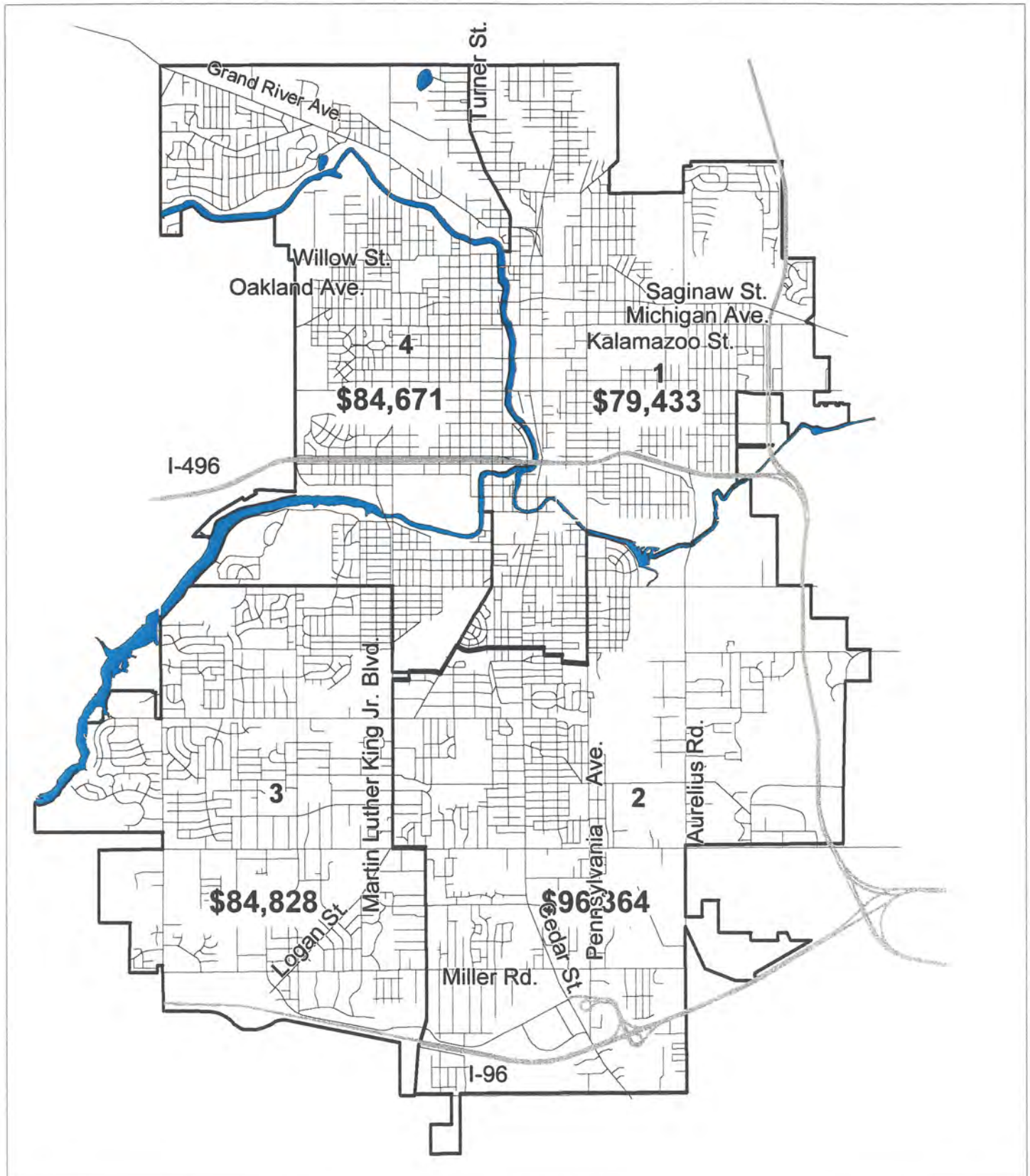


Table III-15 shows what this typical 1010 square feet, 53 year old house would sell for in various Assessor areas in the City.

TABLE III-15 - COMPARABLE PRICE OF SIMILAR HOUSING BY ASSESSOR'S AREAS (1996-1999)

House Characteristics		Selling Price		House Characteristics		Selling Price	
Square Feet	1010	Median Lansing Assessor Area	\$59,663	Square Feet	1776	Median Lansing Assessor Area	\$91,843
Age	53	Area 44	\$92,561	Age	21	Area 44	\$155,556
		Meridian	\$77,587			Meridian	\$154,079
		Delta	\$55,935			Delta	\$140,607
Lansing Assessor Area	Price	Difference From Area 44	Percent Difference From Area 44	Lansing Assessor Area	Price	Difference From Area 44	Percent Difference From Area 44
11	\$73,436	-\$19,126	20.7%	11	\$122,513	-\$33,043	21.2%
12	\$64,512	-\$28,049	30.3%	12	\$108,557	-\$46,999	30.2%
13	\$64,882	-\$27,679	29.9%	13	\$109,971	-\$45,585	29.3%
14	\$50,642	-\$41,919	45.3%	14	\$74,413	-\$81,143	52.2%
15	\$57,755	-\$34,806	37.6%	15	\$93,022	-\$62,534	40.2%
16	\$56,227	-\$36,334	39.3%	16	\$82,293	-\$73,263	47.1%
21	\$62,411	-\$30,150	32.6%	21	\$108,363	-\$47,193	30.3%
22	\$44,533	-\$48,028	51.9%	22	\$69,531	-\$86,025	55.3%
23	\$47,143	-\$45,418	49.1%	23	\$76,806	-\$78,750	50.6%
24	\$49,644	-\$42,918	46.4%	24	\$85,013	-\$70,543	45.3%
25	\$55,992	-\$36,569	39.5%	25	\$91,843	-\$63,713	41.0%
26	\$46,404	-\$46,157	49.9%	26	\$71,070	-\$84,486	54.3%
27	\$35,840	-\$56,721	61.3%	27	\$112,935	-\$42,621	27.4%
28	\$47,482	-\$45,079	48.7%	28	\$76,288	-\$79,268	51.0%
29	\$36,984	-\$55,577	60.0%	29	\$35,166	-\$120,390	77.4%
31	\$49,460	-\$43,101	46.6%	31	\$84,008	-\$71,548	46.0%
32	\$43,574	-\$48,987	52.9%	32	\$57,749	-\$97,807	62.9%
34	\$79,333	-\$13,229	14.3%	34	\$119,403	-\$36,154	23.2%
35	\$49,183	-\$43,379	46.9%	35	\$68,716	-\$86,840	55.8%
36	\$50,802	-\$41,759	45.1%	36	\$73,184	-\$82,372	53.0%
37	\$66,404	-\$26,157	28.3%	37	\$86,704	-\$68,852	44.3%
38	\$47,376	-\$45,185	48.8%	38	\$77,780	-\$77,776	50.0%
39	\$37,862	-\$54,699	59.1%	39	\$48,929	-\$106,627	68.5%
41	\$57,640	-\$34,922	37.7%	41	\$92,322	-\$63,234	40.7%
42	\$69,317	-\$23,244	25.1%	42	\$102,003	-\$53,553	34.4%
43	\$75,261	-\$17,301	18.7%	43	\$114,302	-\$41,254	26.5%
45	\$73,325	-\$19,237	20.8%	45	\$121,685	-\$33,871	21.8%
46	\$57,411	-\$35,150	38.0%	46	\$73,396	-\$82,161	52.8%
47	\$57,045	-\$35,517	38.4%	47	\$90,069	-\$65,487	42.1%

Continued on next page

House Characteristics		Selling Price		House Characteristics		Selling Price	
51	\$43,863	-\$48,699	52.6%	51	\$65,267	-\$90,289	58.0%
52	\$74,885	-\$17,676	19.1%	52	\$133,324	-\$22,232	14.3%
53	\$69,143	-\$23,419	25.3%	53	\$109,714	-\$45,843	29.5%
54	\$62,673	-\$29,888	32.3%	54	\$95,231	-\$60,325	38.8%
55	\$59,663	-\$32,899	35.5%	55	\$101,936	-\$53,620	34.5%
56	\$63,034	-\$29,527	31.9%	56	\$81,678	-\$73,878	47.5%
57	\$73,780	-\$18,781	20.3%	57	\$90,518	-\$65,038	41.8%
61	\$62,003	-\$30,558	33.0%	61	\$109,726	-\$45,830	29.5%
62	\$75,617	-\$16,944	18.3%	62	\$119,673	-\$35,883	23.1%
71	\$52,456	-\$40,105	43.3%	71	\$83,953	-\$71,604	46.0%
72	\$68,999	-\$23,562	25.5%	72	\$112,766	-\$42,790	27.5%
73	\$66,357	-\$26,204	28.3%	73	\$96,097	-\$59,460	38.2%
74	\$62,798	-\$29,764	32.2%	74	\$92,844	-\$62,713	40.3%
75	\$76,040	-\$16,521	17.8%	75	\$130,497	-\$25,059	16.1%
84	\$50,894	-\$41,667	45.0%	84	\$89,888	-\$65,669	42.2%

SOURCE: City of Lansing Assessor's Office, Gove Associates Inc., Upjohn Institute

Expanding our analysis to Meridian and Delta Townships, we found that, on average, the selling price per square foot in Lansing is \$57 compared with \$84 in Delta Township and \$90 in Meridian Township. While this is a large gap, it can be misleading because of the differences in housing stock. The median size of a house sold in Lansing in our sample was 1,008 square feet and a median age of 53 years. For Delta and Meridian townships they were 1,484 square feet and 1,776 square feet and 23 years and 21 years, respectively.

To determine how a comparable house would fair in the City of Lansing versus the suburbs we developed a similar regression model used in the City of Lansing for Delta and Meridian Townships.<sup>4</sup> The median house in Meridian Township, 1,776 square feet and 21 years old, would sell for \$155,600 in Lansing's nicest neighborhood which was slightly higher than would it would sell for in Meridian Township, \$154,100. It would sell for approximately \$140,607 in Delta Township (Table III-15). However if the same house was located in the median Lansing neighborhood, it would only sell for \$91,800. Using different ages and sizes, the results change somewhat but the general pattern is the same.

<sup>4</sup>The regression model differed from the Lansing model in that we added a squared age of the house and a cube of the square feet. In addition, basements and neighborhoods variables were also dropped due to a lack of data. The resulting coefficients fit the pattern established in the City of Lansing.

The magnitude of neighborhood effects on the value of houses cannot be overly emphasized. **An effective strategy that improves the quality of life and, equally important, the image or perception of a neighborhood would have a tremendous impact on the housing values.** Unfortunately, perceptions do not die easily. Only after several years of intense effort on the part of the city and neighborhood residents to enhance the streetscape, and the neighborhood's "feel" could you expect to see a change. Unfortunately, a minor infraction - a poorly maintained front yard - can set back the impact of any progress significantly.

### *Quality of Life Issues*

#### **The Impact of Public School**

The Lansing Public Schools, like most all core city schools, face many challenges including having a large portion of its students living below or near the poverty level, struggling with older buildings that are difficult to heat and may not be suitable for today's teaching strategies, and competing with nearby suburban schools that have fewer low-income students and more modern buildings.

As identified in the resident survey, the perception of the Lansing Public Schools is sharply divided. Nearly 22 percent of the households surveyed believed that the schools were a tremendous strength to the neighborhood. Nevertheless, the schools ranked last among all neighborhood characteristics asked on the survey. Indeed, 24.7 percent of those surveyed responded that the public schools were so poor that they provide a reason for leaving the neighborhood. This stance is supported by the fact that the number of children between the ages of 10 and 14 years in 1990 was 76.2 percent fewer than the number of children in the City who were younger than five years old in 1980.

In this analysis, test scores taken from the Michigan Educational Assessment Program (MEAP) are used to gauge school performance. Despite being heavily criticized the (MEAP) test scores (percent of students passing) are still commonly used by parents and educators to measure the relative performance stick of the state's public schools. This is especially the case given that the state's dropout rate statistics have been found to be seriously flawed.

At face value, the MEAP passage rates tend to indicate that suburban schools are, almost always, "better" than central city school districts. However, this may not be an accurate comparison since students living in poverty, regardless of where they reside, tend to have lower passing rates than students who do not live in poverty. When comparing

how well schools are doing in relation to others, the poverty of the student population must be taken into account. An often-used measure of poverty is the percentage of students receiving free and reduced price lunches (FRPL) among elementary students. Unfortunately, FRPL is not as good of an indicator of poverty in the later grades because as student get older there is more of a stigma of receiving free or reduced price lunch so fewer students who qualify use the program. Secondly, dropout rates, particularly for the eleventh grade level, skew the results.

In the Tri-County Area, only 3 of the 61 public schools outside of the Lansing Public Schools have a higher percentage of fourth grade students taking free and reduced price lunch (FRPL) lunch than the most "affluent" fourth grade building in the Lansing Public Schools (see Figure III-4 and Figure III-5).

In the analysis below a regression model was developed to measure the effect of the percent of a school's building students on FRPL on the building's Math and Reading MEAP passing rates. The model that best fits the data includes expenditures per student, FRPL, FRPL squared, and FRPL cubed and a "dummy" variable for each Intermediate School District (ISD) in the state to capture any unique characteristics an ISD might have that would affect their test scores.<sup>5</sup> The year used was 1997 as this is the most recent year in which the financial data are available.

The results of the regression shows that poverty, reflected by the FRPL does indeed have a very large impact on predicting a school building's MEAP passage rates for both the reading and math tests.

Using the model to control for percentage of students taking FRPL, it was found that in regards to the fourth grade Math MEAP score, 59 percent of the schools in the Tri-County Area outside the Lansing school district scored higher than predicted, while only 22 percent of the Lansing Public schools performed higher than was predicted based on expenditure per student and FRPL. For reading the picture is not so bleak. Again, 59 percent of the non-Lansing schools performed better than predicted while 41 percent of the Lansing schools did better than predicted.

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<sup>5</sup>The formal equation is:  $MEAP = \alpha_1(FRPL) + \alpha_2(FRPL)^2 + \alpha_3(FRPL)^3 + \alpha_4(EXP\ PER\ STUDENT) + \alpha_5 \sum d_i ISD$   
 where  $ISD$  = intermediate school district  
 where  $d_i$  = a dummy variable for each  $ISD$  for the state.

FIGURE III-4

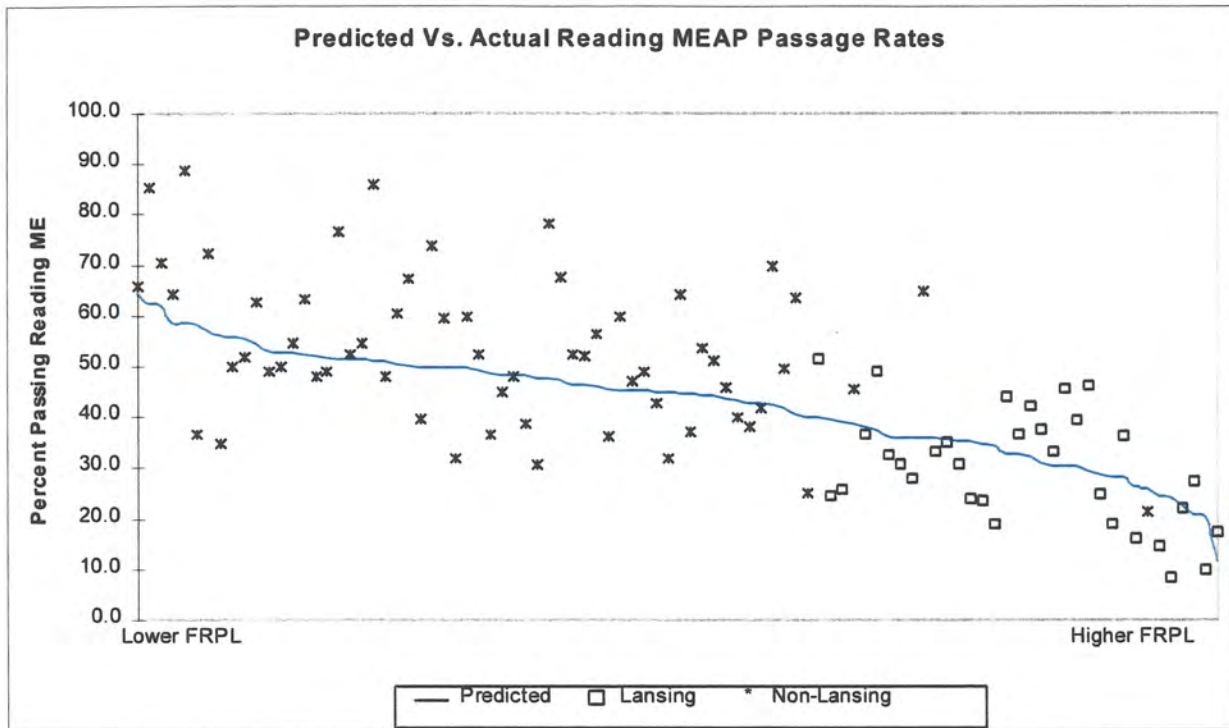
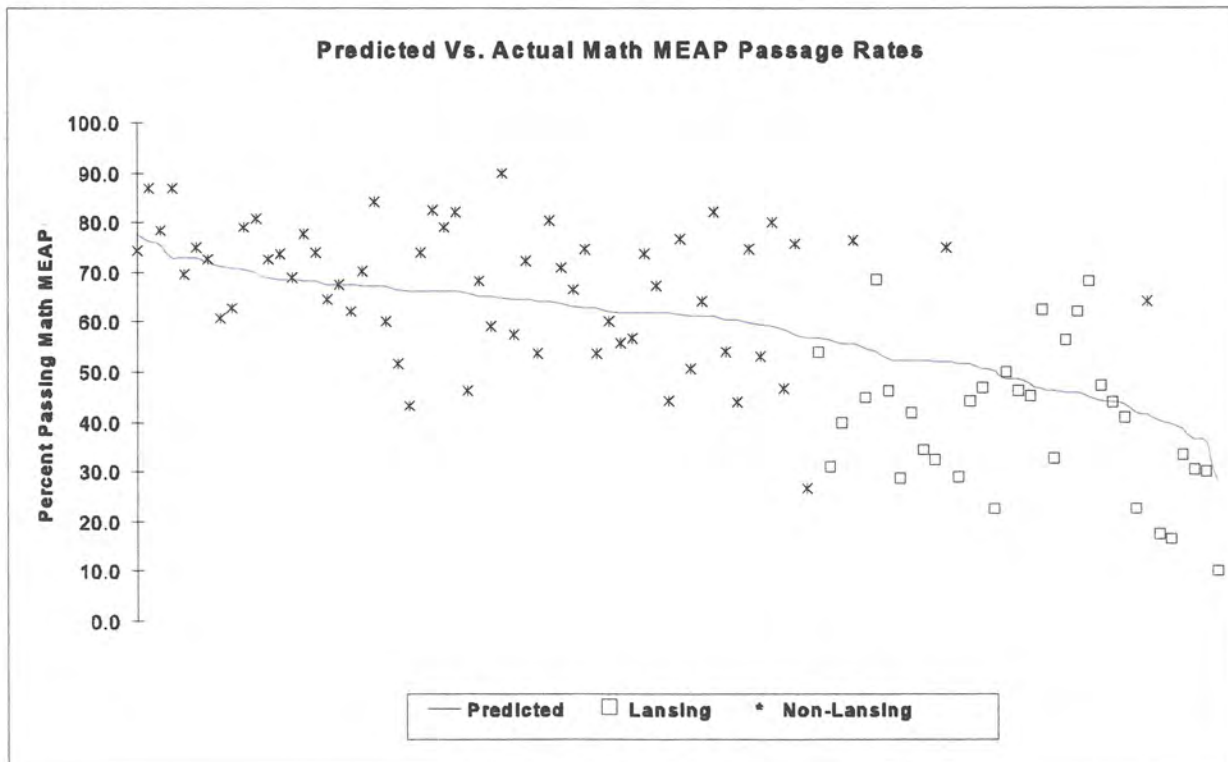


FIGURE III-5



It is above and beyond the intended purpose of this report to evaluate the Lansing Public Schools. A more complete assessment prepared by Herbert C. Rudman in 1997<sup>6</sup> revealed several of Lansing Public Schools' strengths include its teaching staff and its efforts to introduce new innovations in teaching. The report concludes that "overall, parents are pleased with the teachers of their children and many of their school administrators." Nevertheless, the negative perception and "average" performance of the Lansing Public Schools are strong detriments to the City's housing market. At the same time, school officials properly point out that their jobs are made more difficult by having too many students whose families are constantly moving around the district. **A more stable housing environment for these students would indeed create a better learning environment, not only for themselves but for their fellow students as well.**

### Crime

Crime in the City of Lansing has been steadily decreasing since 1990, following a national trend. Total crimes have decreased by 10 percent over this time period. Map III-11 shows the distribution of both personal and property crimes from 1990 to 1998 by police reporting area. Personal crimes are those offenses that physically affect another person, such as homicide, assaults and robbery. Property crimes, include burglary, arson and larceny. Personal crimes decreased throughout the City, except in the three regions in the southcentral and southwest. Property crimes also show significant decreases, with only two areas showing slight increases in the south central and north reporting areas.

### Retail Market Analysis

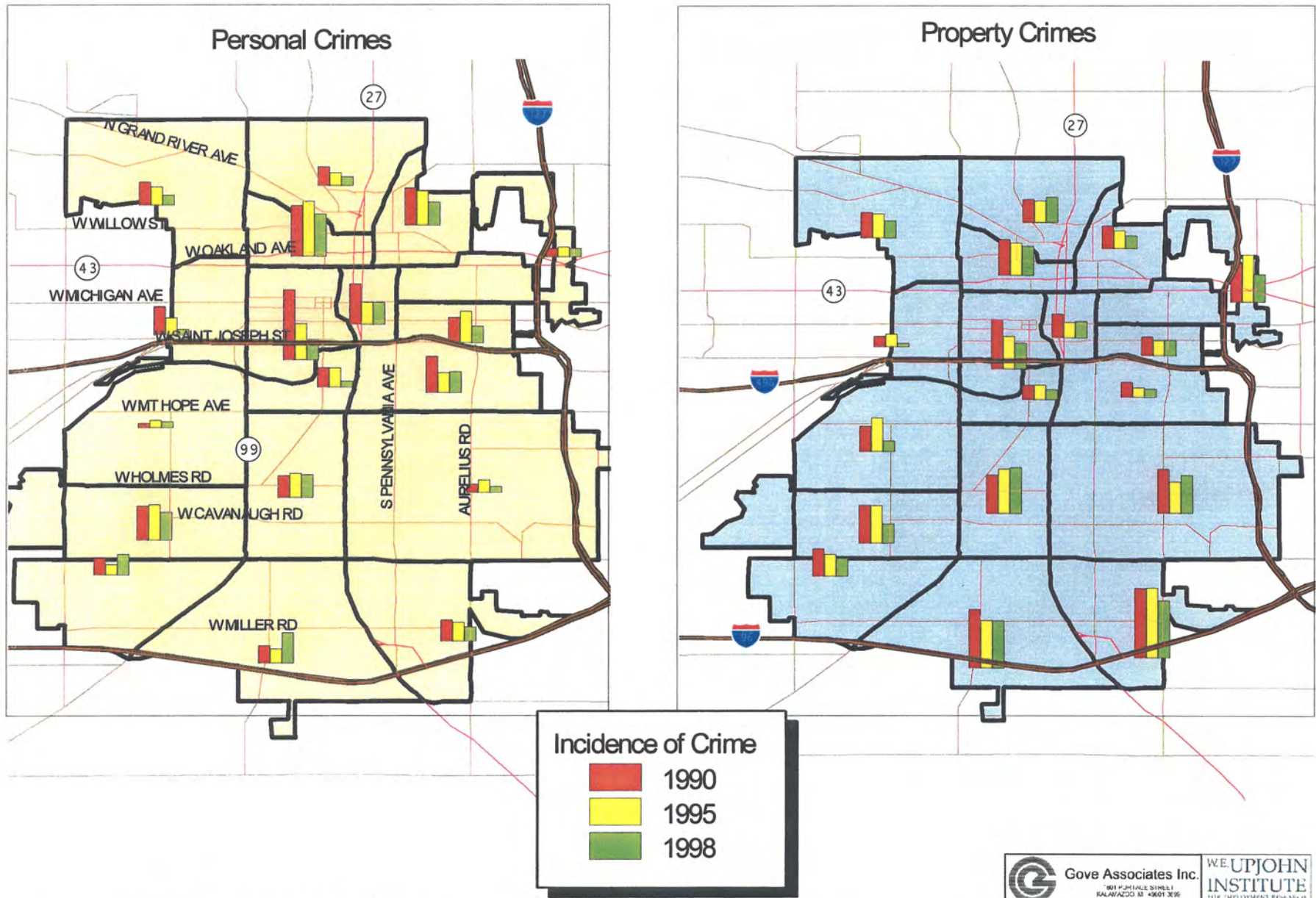
Two-thirds of the City of Lansing residents surveyed cited access to shopping as a strong neighborhood asset (see Table III-16). Unfortunately, it is unclear if this finding reflects the efficiency of the City's transportation network or the strength of neighborhood shopping districts. Still, it is a true statement that a strong retail/commercial area is a strong neighborhood asset, while a deteriorated retail district can have a very negative impact on surrounding neighborhoods. Closed-up store fronts, poorly-stocked, unsightly and high-priced convenience stores can drag down a residential area. Moreover, it is a vicious circle that only feeds on itself because as a neighborhood deteriorates its buying power declines, driving down the viability of its neighborhood shopping areas.

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<sup>6</sup>Herbert C. Rudman, *School Improvement Survey-Lansing Public Schools* (Public Sector Consultants, Inc., Lansing), 1997.



MAP III-11 - CRIME TRENDS 1990 - 1998



SOURCE: City of Lansing Police Department



An analysis of the retail environment in the City of Lansing reveals few deficits, which is not too surprising as the retail industry is highly responsive to market changes. The financial barriers to entry in most retail sectors, while sizable for the smaller entrepreneurs, are still relatively small, allowing for quick market adjustments.

In 1992, the City's average sales per store were similar to the state and to the retailers in the Tri-County Area, outside the City as shown in Table III-16. Overall, Lansing retailers earned an average of \$1.5 million in revenues compared to an average of \$1.3 million statewide, and \$1.4 million in the Tri-County Area outside the City. The overall retail trade activity per store varies greatly by retail type. The overall retail trade volume is a weighted average for all retail establishments in the specified area.

TABLE III-16 - 1992 SALES PER STORE REVENUES

	Michigan	Tri-County Outside of Lansing	Lansing
Overall Retail Trade	\$1,311,892	\$1,438,565	\$1,538,606
Building materials	\$1,392,308	\$1,525,467	\$2,577,970
General Merchandise	\$10,430,198	\$13,978,128	\$15,199,933
Food Stores	\$1,560,854	\$1,969,949	\$1,307,234
Automotive Dealers	\$5,028,147	\$4,995,144	\$6,541,426
Gas Service Stations	\$1,354,858	\$1,598,257	\$1,176,531
Apparel Stores	\$705,329	\$579,582	\$523,618
Furniture Stores	\$958,418	\$701,366	\$1,576,600
Eating and Drinking	\$444,401	\$504,146	\$472,366
Drug Stores	\$1,742,346	\$1,192,224	\$1,549,895
Miscellaneous	\$553,748	\$644,138	\$638,181

SOURCE: 1992 U.S. Census of Retail Trade

In addition, more recent retail sales estimates prepared by *Sales Marketing & Management* suggest that retailers in the city are keeping their share of the Tri-County Area market. As shown in Table III-17, as of 1998, the City's retailers attracted just short of one-third of all retail sales for the entire Tri-County Area, and its share has stayed fairly constant during the past five years. The table also reveals that the City's share is holding steady across all major retail sectors. Finally, the table presents *Sales Marketing & Management's* estimates of the effective buying income -after tax income- of the City's residents as a percentage of the entire Tri-County Area. As with sales, the

City's after tax income has maintained its share during the past five years. At the same time, it is important to note that the City's share of retail sales is greater than its residents' share of income, suggesting that the City is maintaining its regional retail center status. It is a status that the city should strive to maintain in order to provide its residents with ample shopping and employment opportunities.

TABLE III-17 CITY OF LANSING'S SHARE OF TRI-COUNTY RETAIL SALES AND INCOME (PERCENT)

	Total	Food	Eating and Drinking	General Merchandise	Furniture/ Appliance	Automotive	Effective Buying Income
1999	32.3	26.0	30.7	29.5	51.3	36.7	24.8
1998	31.5	25.6	30.3	28.9	50.1	35.7	24.3
1997	29.8	24.4	29.0	27.2	47.3	33.4	23.1
1996	30.6	25.9	29.2	28.9	47.9	34.2	23.6
1995	33.0	26.4	30.8	30.8	50.3	38.5	24.8

Effective Buying Income = after tax income

SOURCE: *Sales Marketing & Management Survey of Buying Power.*

Turning to a more detailed examination of the City's retail sector, Table III-18 presents an inventory of current retail activity at the City's major shopping areas as of April 1999. Clearly, the Frandor shopping center with 35 retailers is the City's largest shopping area and attracts shoppers from East Lansing and other areas outside the City. In addition to Frandor, the City offers other major retail districts that draw from outside the City including Cedar-Edgewood center and Pennsylvania Avenue between Keystone and Miller that draw upon shoppers residing in Delhi Township.

The total household income of residents living in the City southern neighborhoods (south of Jolly Avenue) reach an estimated \$353.7 million in 1998 and is expected to grow an additional 21.1 percent during the next five years (not adjusting for inflation). It is estimated the area's grocery stores are attracting sufficient revenues to remain profitable.

The northern section of the City, which currently does not have a major food store, does not have sufficient income to support the entry of a new store, especially with the market penetration of existing food stores on Saginaw Highway in Delta and Lansing Township.

**SECTION III**

**Lansing Housing Market**

TABLE III-18 - INVENTORY OF RETAIL ACTIVITY IN THE CITY'S MAJOR RETAIL AREAS (EXCLUDING DOWNTOWN)

Retail Areas	Retail Stores
Frاندor (Michigan and 127)	Sears, Staples, Vaccination Center for Pets, Planned Parenthood, deli, credit union, computer store, Sunations Tanning, Future Gallery, Videos To Go, Bo-Rics, a nail place Michael's, Radio Shack, Moto Photo, dentures, Pet Nanny, Oriental Gifts, billiard store, tailor, Fashion Bug Plus, Cobbler Bench, Community News Center, Disquiet Party Supply, DOC, Grand Gourmet, John Deer Equipment, Athletic Attic, Jo-Ann Fabrics, Brown and Brown Medical Equipment, Holden Reid Clothes, Bolwert Ace Hardware, Fitness USA, Krogers, Marshall Music
Logan Square (Logan and Holmes)	Thrift Store, Mega Movies Rental, Sav-A-Lot, Ace Hardware, Medicine Shop, Rent A Center, Hollywood Video, Midwestern Dental, tune-up shop party store
Jolly-Cedar	Fantastic Sams, credit union, Rentway, several vacant stores, Jo-Anns, Family Bookstore, Rite-Aid, Computer Warehouse, car stereo one, car alarm place
Cedar and Edgewood	Target, Sams Club, MC Sporting Goods
Miller and Pennsylvania	Kinkos, Pets Supply Plus, Meijer
Cedar Square (Cedar and Northrup)	Used computer store, hair place, video store, waterbed store
Keystone and Pennsylvania	ABC Warehouse, Franks Nursery, Art Van Furniture
Cedar, South Of Brookland	L & L, hair places, police department
Jolly and Waverly	Quicky Convenient, pawn broker, Rite Aid Pharmacy, Quality Dairy, Mr. Jolly Laundry
Miller and Cedar	Tony's Party Store, Payless Shoe Store
Logan Village (Logan and Hughes)	TV repair, nail, craft store moved out
Metro Plaza (Logan and Jolly)	Pet grooming, monogramming, pizza, optical, tanning
Jolly Road Plaza (Jolly and Aurelious)	Video store, pizza places, Quality Dairy
Pleasant Valley and Holmes	Vans Food Market, Little Caesar's, Hip Hop Holmes, Quality Dairy, Market Plus
Waverly and Holmes Shopping Center	Chiropractic, day center, flower store, attorneys
Washington and Miller	Boarded up 7-11, Food Mart
Colonial Village Plaza at Boston Boulevard and Mt. Hope	National City Bank, one available store front, State Farm Insurance, Rite Aid, Hollywood Video, L&L Shop Rite, China Garden, Fantastic Sans

SOURCE: W.E. Upjohn Institute, Gove Associates Inc.

*Parks/Public Amenities*

The Lansing Parks and Recreation Department oversees over 100 parks, four golf courses, river trails, cemeteries, traffic islands and a zoo, totaling over 2,500 acres. The community has a record of support for recreation, as shown by the 1990 approval for a millage to allow the development and renovation of recreation projects. One of the more prominent projects completed as a consequence of this millage was the Lansing River Trail, which is one of the longest urban trails in the country. The Parks and Recreation Department also offers numerous recreation programs and special events. The location of the recreation facilities are distributed throughout the City. Many of the parks take advantage of the rivers running through the City and are adjacent to the Red Cedar and Grand Rivers in the northern and eastern portions of the City. Many of these parks provide access to the rivers for fishing or other water related activities such as canoeing.

With more than 100 parks and other recreation areas distributed throughout the City each neighborhood has easy access to several parks. The portion of the City located north of the interstate has the greatest concentration of neighborhood parks. These neighborhood parks provide various amenities to residents and provide important open space/green space which enhances the livability and visual aesthetics of the neighborhoods. The parks play an important role in the quality of life within the individual neighborhoods and those homes which are adjacent to a park facility benefit greatly from their location.

The local parks range in size from the smallest (Turner Park at .04 acres, a mini neighborhood park with a picnic area) to Cergo Park (a naturally preserved area providing the public with access to Fidelity Lake and occupying nearly 201 acres on the east central side of the City). The average size of all parks is 15.25 acres. When including golf courses and cemeteries, the average size of Lansing's park facilities increases to 56 acres.

There are nine community or senior centers located within the City, seven are located north of the I-496 interstate and two in the southern portion of the City. In the northern portion of the City residents have access to the Gier Community Center, Caravan Club, Turner-Dodge House, Cristo Rey Community Center, Lansing Senior Center, Letts Community Center, and Foster Community Center. The two community centers in the southern portion of the City are the Boys and Girls Club and the Miller Road Senior Center. All nine facilities are located in different areas of the City and host many activities for Lansing residents of all ages.

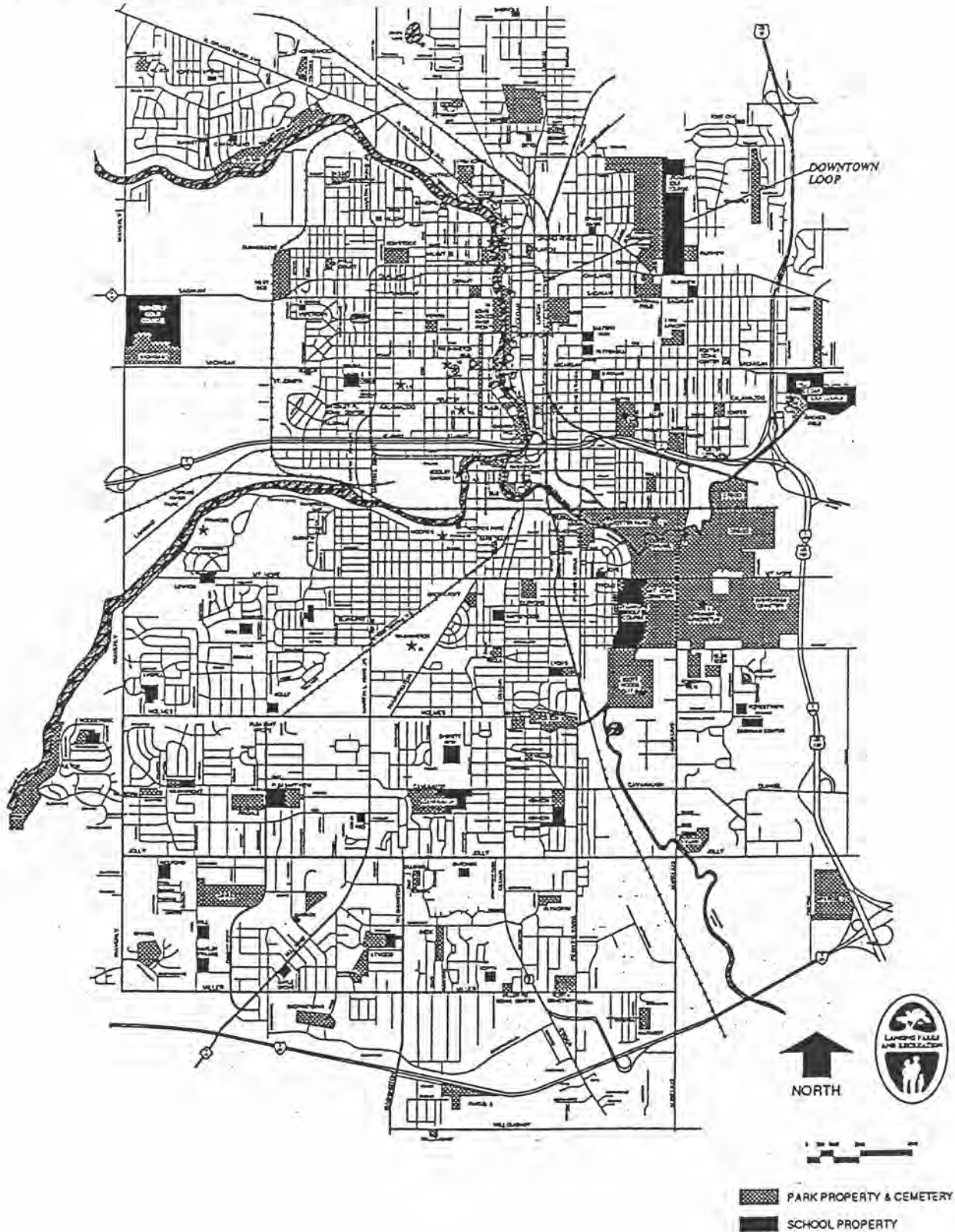
In addition to the many activities offered at each of the individual recreation facilities and community centers, the City funds a number of different recreation programs throughout the year. Citizens of all ages and interests are provided varied activities throughout the year. The activities funded by the City include:

- The Fencer Arboretum
  - Nature day camp
  - Star watching
  - Fall color walks
  - Maple syrup festival
  - Nature explorations for parents and kids
  - Nature for preschoolers
- The Turner-Dodge House
  - Time travelers history camp
  - Mystery dinner theater
  - Spring fling /Easter egg hunt
  - The Sutherland Quintette
  - Rocket into the 21st Century
- The Potter Park Zoo Hosts
  - Boo at the Zoo
  - Wonderland of lights
  - Sundown Safari
  - Winter wonderland of lights
  - Spring break programs
  - Amateur naturalist
  - Wonders of the Rain Forest

The City also funds recreation programs relating to sports, games, fitness, dance, 50 plus programs for seniors, therapeutic recreation, creative crafts and educational programs for youth. The City of Lansing takes great pride in providing a variety of recreation opportunities to its residents. The parks are tremendous assets to the neighborhoods in which they are located and the wide distribution of the parks in different areas ensures recreation opportunities are available to residents no matter where they live in the City.

In addition to the recreation facilities and community centers, the Capitol Area District Library has three locations within the City. The main library, located in downtown Lansing on South Capital Street has an estimated 130,000 volumes and 27 Internet computers available to the public. The two branch libraries are located at 200 N. Foster and at 3500 S. Cedar. A wide variety of electronic median resources including the World Book Encyclopedia are available to the public on CD-Rom, the Library system also offers children story time and other programs.

MAP III-12 - LANSING PARKS AND RECREATION



*Housing Provider Survey***Background**

A telephone survey was conducted of professionals who work as Realtors (6), Real Estate Developers (6), Real Estate Appraisers (6), Home Builders (4), or with Mortgage Institutions (6), Property Management Companies (4), and Nonprofit Housing Organizations within the City of Lansing.

The questions on the survey were all open ended. The questions on the survey ranged from general questions about the City of Lansing and how Lansing should confront the issues it faces to more specific questions tailored for the specific occupation and the expertise the respondent has in his or her field.

**Results**

All respondents were asked: **“if the City of Lansing found \$1 million in “free” funds that could be spent on housing, how should they use it?”** Of the responses received, **a plurality (23%), suggested that the funds be used for low interest loans or grants for home rehabilitation**, which in turn would improve the appearance of target neighborhoods. **Financial assistance to first time homeowners** was favored by 17 percent of the respondents, preferably in the form of down payment assistance. The third (15%) most frequent cited use of the \$1 million in “free” funds was for **continued maintenance to homes**. Several different approaches were suggested ranging from education on home care, to loans where a portion would be paid off through owners doing a portion of the work, with the hope that it would give the owner a sense of pride in his or her home. Additional uses for the funds ranged from **entire redevelopment of neighborhoods** in either the downtown area or in scattered pockets of blighted structures in an attempt to touch off a “chain reaction” of home improvements, to **general neighborhood cleanup, infrastructure improvements, to historic preservation, hire a consulting firm for redevelopment ideas, enforcement of traffic laws, eliminate one-way streets, increased rental inspections, education on home care, a paid director for the historic society and staffing in the local history room at the Lansing Library.**

In an attempt to identify what the City can do to reverse the trend of individuals moving out of the City into the outlying areas, realtors, real estate developers and builders were asked, **“what actions could the City take to make the City a more attractive residential location?”** The respondents cited several different reasons for out-migration



## SECTION III \_\_\_\_\_ **Lansing Housing Market**

from the City, with schools (22%) and infrastructure (26%) being the two largest contributing factors to this occurrence.

Schools were the number one single issue for the loss of residents in the City. The reasons given were based on perception that the elementary schools were of good quality, however the perceptions of the junior and high schools were that the education students receive is poor.

The existing infrastructure in the City was addressed as an issue which needs to be improved. **Repairs to the sidewalks and streets** were needed the most. **The clean up of the neighborhoods** in the form of the removal of junk, inoperable cars and trash which accumulates in yards was mentioned by 13 percent of the respondents and is an issue which contributes to additional problems including poor maintenance of homes. Other issues which needed to be addressed to make the City of Lansing a more attractive residential location are: **reduce the high crime rate, institute a reduction of the 1 percent income tax, require stricter enforcement of zoning, reduce the percentage of rental units, create meeting places and funds for neighborhood associations offer home restoration tax credits for low-moderate income owners and increase infill housing.**

Realtors, real estate developers and builders were asked, “**what changes or improvements could be made in Lansing to make it a “residence of choice” for upper income households?**” The most common answer (36%) was related to the school system, with **the perception of the schools being unsafe and the quality of education poor.** With a 16 percent response, the second most common recommendation to make Lansing a residence of choice is to **increase the amount of land which is suitable for development of upper income homes and to increase the number of neighborhoods which are desirable to upper income households through neighborhood improvements and cleanup, the creation of historic districts, and incentives to live in such a district.** Crime in the City of Lansing is an issue which needs to be addressed according to 12 percent of the respondents. Specifically **the amount of crime needs to be reduced to make Lansing desirable to upper income residents. Reduction of the 1 percent income tax, improve infrastructure, create meeting place and funds for neighborhood associations and redevelopment of the downtown area similar to the City of Ann Arbor were also cited as factors that could draw additional upper income residents into the City.**

When asked whether there was a market for condominium conversions within the City, the majority (61%) of realtors, real estate developers and home builders said "yes." A combined 38 percent said either there was not a market for condo conversions (15%) or they did not know (23%). The general comments on condo conversions were that they are needed downtown specifically the older "empty nesters" are a segment of the community which is ignored and would be an ideal market for condo conversions.

In addition to the various groups of housing providers being asked some of the same questions, each group was asked specific questions relating to that particular profession.

#### Realtors

Realtors were questioned about the housing market, the number of home sales within the City, and areas of the City where the sale of homes may be more or less difficult.

The sales listing areas for all but one of the Realtors surveyed was the greater Lansing area. The average price range of homes sold within the City varied from \$40,000 to \$150,000, with the average sale price around \$80,000 for the City. This price is much lower than the homes which those Realtors have sold in the suburbs. The areas of the City where it is easiest to sell a home were the southeast near the Pennsylvania, Mt. Hope and Potter St. areas, southwest portions of the City along Moores River Drive and in the northeast around the university. The explanation for sales being easier in these areas is that they have active neighborhood associations and the homes are well kept. The areas where it is more difficult to sell a home are near the GM Plant on Townsend Street, and on the south side. The GM Plant itself is considered an obstacle to home sales in that area and on the south side not all homes are up to code and crime is perceived to be more prevalent.

#### Real Estate Developers

Developers were questioned about where the majority of their developments are done and if there are areas in the City where they would not consider developing. Of the developers questioned, 66 percent have done some work in the City. These developments ranged from rehabilitation of homes to the building of town houses, apartments and senior apartment complexes with development costs between \$120,000 - \$300,000. The areas where the developers said they would not consider a development were the south side and the north side, two developers said they would put a development anywhere in the City.

#### Real Estate Appraisers

Appraisers were asked about the proportion of their appraisals which were done in the City, what shortcomings they encounter while appraising homes in the City, and if there are problems with housing stock in one area more than others. Of the appraisers questioned **66 percent did 50 percent or less of their appraisals within the City.** Of the appraisals done in the City the most common shortcoming encountered is the exterior condition of the homes and the neighborhood environment. The areas of the City where appraisers encounter the most problems are the **older downtown area and the area southwest of Jolly Road and Waverly Road.** Some of the suggested actions the City can do to alleviate these shortcomings are to **increase rental inspections and have more police patrol of specific neighborhoods at night.**

#### Mortgage Institutions

Mortgage institutions **approve a large percentage of the applications** they receive for home purchases in the City. Depending on the institution the approval rate is from 99 percent to as little as 50 percent with **most institutions reporting 80-95 percent approval.** The biggest problem reported in approving mortgages within the City is **bad credit history and the lack of a down payment.** These problems are wide spread and are not concentrated in any specific neighborhood or area of the City. In order to increase home ownership in the City the mortgage institutions suggest **some sort of down payment assistance,** and additional **programs to help provide low interest loans to first time buyers.**

#### Property Management Companies

The property management companies surveyed range in size from managing several single-family homes or companies managing single buildings containing 12 units to larger management companies managing multiple family buildings, townhouses and senior apartments. The most common obstacles management companies face when dealing with rental properties in Lansing are **finding qualified tenants who have good credit history, sufficient income and pay rent on time.** The **occupancy rate ranges from 85 to 100 percent,** with several companies having a 100 percent occupancy rate. These companies manage apartments that have rents which range from \$415 - \$1,000 with the average rent of all management companies' units being around \$530.

**Home Builders**

Home builders who have offices within the City of Lansing who were surveyed have built from no homes in the City to about 30 in the City during the last 15 years. The builders price their developments from \$90,000 - \$250,000. When asked if there is an area of the City where they would NOT put a development, two builders said if they were asked to put a development anywhere in the City they would. One builder said that he would not build in the **downtown area or south of Mt. Hope Road**. When questioned as to why they build so few homes their response is that there is **no land available for development and clients don't want to live in the City**.

*Conclusion*

Overall, the respondents suggest the following actions to improve the City's potential to attract new upper income households in the City are:

- **improve the reputation of the schools**
- **reduce crime**
- **improve roads and sidewalks which will assist in the visual appearance of the neighborhood**
- **increase the amount of land suitable for the development of new homes in neighborhoods which are attractive to upper income households**
- **create and market condominiums, particularly in central business area**

*Capture and Absorption*

In conducting market studies, two "yardsticks" are used to measure the potential of a specific project to be successful in its ability to attract residents. One is "capture" rate, or the identification of the proportion of the target market that the particular project would be able to attract. The other measure, "absorption," which is associated with "capture" and is the amount of time a project will likely take to achieve an acceptable occupancy. These same concepts that are used to measure the market potential of individual projects can also be generally applied at the larger community level to identify the potential for capturing and absorbing the residential "market" of the area (in this case the Tri-County Area).

**Capture**

This Study identifies capture rates for the various targeted households identified in Table VI-2, using the numeric goals for each of the housing types prescribed for the alternative development scenario. That scenario calls for a combination of new condominium, conversion loft, and single family home development along with renovation of existing

**SECTION III** \_\_\_\_\_ **Lansing Housing Market**

historic homes. These will occur in addition to the retention of households within the existing housing stock, including the maintenance and upgrading of that stock over time.

In this Study, capture rates are determined for each targeted housing type by comparing the target number of households for each type to the number of households in the Market Area (Tri-County Area) that would be the “best fit” for that type of housing unit. “Best fit” is determined by the household’s age group, income category, and presence or absence of children. A key factor used in estimating capture rates is household movership. As identified by the U.S. Census Bureau and HUD in *Housing Characteristics of Recent Movers* (1991), in the Midwest, 7.3 percent of all owner-occupied households move in any one year. Conservatively, about 15 percent of those households move from an owner-occupied to a renter-occupied unit. Additionally, 35.1 percent of renter households in the Midwest move on an annual basis. Of those, 20 percent move to owner-occupied units and the remaining 80 percent move into another rental unit. Applying those rates to the characteristics of target households within the Tri-County Area and dividing the target number of units of each housing type by the resultant number of annual movers results in the estimated rate of capture of the available (likely to move) households in the Area. Table III-19 depicts the estimated annual capture rate for each targeted housing type.

TABLE III-19 - ESTIMATED CAPTURE RATES FOR TARGETED HOUSING TYPES

Housing Type	Annual Target (a)	Market Area Households (b)	Movership Factor (c)	Annual Movers (d)	Capture Rate (e)
Condo Buyers	10	15,326	.0621 (.073 x .85)	951	1.05% a d
Loft Renters and Buyers	5	11,029	.351	3,871	0.13% a d
Historic District Dwellers	5	3,694	.0621 (.073 x .85)	229	2.18% a d
Single Family Home Buyers	92	19,562	.0621 (.073 x .85)	1,214	7.6% ad
Total	112	49,611		6,265	1.79% a d

SOURCE: Gove Associates/Upjohn Institute/Claritas

In addition to the proposed rates of capture for each of the desired housing types, the alternative scenario calls for promoting strategies to retain those households that would seriously consider moving outside the City, particularly as those households grow. This is partly predicated upon the telephone survey results that indicated about one-third of the City's current households plan to move outside of Lansing within the next five years. That reflects an annual movership rate of 6.8 percent. With an estimated 52,536 renter-occupied and owner-occupied housing units in Lansing in 1999, that represents 3,572 households annually moving outside of the City over the next five years. Historically, as reflected in the City's relatively constant population, households that migrate out of Lansing have been replaced by other households moving in. However, to retain those households within the City that are contributing, or potentially can contribute, to the stability and economy of Lansing and its neighborhoods, the City should attempt to provide incentives to retain those households that would otherwise move to surrounding communities, or other areas of the state or country.

**As a target, Lansing should set a target retention factor of at least 30 percent. That is, efforts should be made to retain at least 30 percent of those households that would otherwise leave the City due to various reasons. This would represent over 1,000 households annually that the City could retain to contribute to the enhancement of its residential and commercial environments.**

#### **Absorption**

Absorption is a measurement of the amount of time that is required to achieve a reasonable level of occupancy for new or existing vacant housing units. One component of that measurement is the length of time properties for sale or rent are on the market. Absorption is also a function of the attractiveness of the property and/or the neighborhood relative to other sites in the marketplace, the overall economic health of the area and the affordability of the property. All of these factors vary with changes in relevant conditions and consequently the absorption rate associated with any development or neighborhood changes with time.

To obtain a general indication of the current absorption of residential units in Lansing, properties that were identified as vacant by the Board of Power and Light in June, 1999 were compared to a vacancy list compiled in July, 1999 - 30 days later. Over this 30 day period, the number of total vacancies, including residential and commercial properties increased from 3,036 to 4,026, or about 33 percent. At the same time, there were 1,724 properties that were vacant in both June and July. Of those, 78 percent were

residential (66% single-family and 12% multiple-family). Assuming that the percentage of vacant properties over the 30 day period that were residential is the same as the percentage of vacant properties in June that were residential (i.e. 78% of June's vacant parcels were residential), then there were 2,368 vacant residential parcels in June. Of those, 84 percent, or 1,989 units, were single family and 167 percent or 379 units, were multiple family. Overall, of the 1,724 units that remained vacant during the June-July period, 1,517 were residential. That represents 64 percent of the estimated number of vacant rental properties existing in June. In effect, only 36 percent of those vacant residential units existing in June were actually occupied 30 days later.

Another, more direct, indicator of absorption is contact with housing providers. The length of time a residential single-family unit stays on the market is a function of the cost and location of the unit. Overall, the current average time for a house to be on the real estate market is about 60 days. That can vary between 30 days to 90 days or more, with a longer market time for higher end market homes.

During the first six months of 1999, one realtor who was interviewed sold 19 single-family homes, with an average time on the market of 83 days, and also rented 17 single-family units with an average vacancy of 100 days.

Multiple family complexes typically require two weeks to a month to replace a tenant who has vacated a unit.

These absorption periods indicate that houses are being sold in Lansing at a standard pace. The relative selling or rent-up period for a new home or new development will depend upon the attractiveness and unit sales price of the development compared to other competitive markets. Right now, there does not appear to be a "rent-up" demand for new housing.

TABLE III-20 - RESIDENTIAL ABSORPTION RATES

Total Vacancies	Number Vacant in Both June and July	Estimated Vacant Residential Parcels		Estimated Residential Absorption Rate (monthly)
June, 1999 - 3,036 July, 1999 - 4,026	Total 1,724 Estimated Residential 1,517	June Only 2,368	Vacant parcels existing in June that were occupied in July - 852	36%

SOURCE: Gove/Upjohn

## **Section IV - Housing Financing Issues**



### House Financing Issues

For most home buyers obtaining financing is not a barrier to home ownership. Due to the current low inflation environment, nationwide, 30-year mortgage rates have hovered near 7.5 percent for past several years. In addition, with the economy in its seventh year of economic growth, most families have earned an acceptable credit history and sufficient savings for a down payment to be approved for a conventional loan. Indeed, the competition among banks and nonbanks for mortgage lending is extremely strong.

The possible racial discrimination in mortgage loan lending is still a concern in all communities, however. A recent study by Castillo & Associates Consultants, *Mortgage Lending in the City of Lansing 1993 through 1996*, found that:

- 83 percent of the loan applications submitted by whites received funding from 1993 to 1996. Whites submitted 11,675 loan applicants for \$486.1 million and 91 percent of that total amount for approved; however
- 71 percent of the 1,654 loan applications submitted by African Americans received funding during the same time period. The total loan amount requested was \$65.4 million and 77 percent of that amount was approved, and
- 72 percent of the 624 loan applications requested by Hispanics received funding. The total loan amount request of \$16.7 million and 79 percent of that amount was approved.

While the report showed that the approval rate for white applicants exceeded those for African Americans and Hispanics, it was unable to document if African Americans and Hispanics loan applicants were denied when whites with identical or worse credit histories or income levels were approved. The report did note that with the acceptance by most financial institutions, nationwide, of “credit scoring” instead of depending upon the judgement of the involved loan officer, the denial rate for African Americans has increased from 34 percent in 1993 to 53 percent in 1997. Given that the national economy was growing during this period, such an increase in the denial rate is worrisome.

Table IV-1 presents the level of mortgage activity, approvals and denials for each of the census tracts in the City for 1997. In addition, it shows the percentage of population in each tract that is African-American and Hispanic. There is no statistical correlation between the 1997 denial rate and the 1990 racial composition of the City’s census tracts.

TABLE IV-1 - 1997 HOME PURCHASE MORTGAGE ACTIVITY

Census Tract	1997				1990	
	Loans Approved	Application Denied	Other	Denial Rate	% African-American	% Hispanic
1	23	9	1	27.3%	4.2%	12.3%
2	7	0	0	0.0%	19.0%	19.3%
3	16	3	7	11.5%	25.1%	16.0%
4	51	4	2	7.0%	29.9%	6.7%
5	10	3	0	23.1%	43.1%	13.1%
6	17	3	0	15.0%	28.9%	7.8%
7	18	2	1	9.5%	20.7%	9.7%
8	22	2	3	7.4%	16.4%	26.2%
9	26	2	4	6.3%	6.5%	10.1%
10	28	4	5	10.8%	5.7%	6.4%
12	24	1	3	3.6%	18.7%	15.6%
13	1	0	1	0.0%	22.7%	14.3%
14	2	0	1	0.0%	22.4%	8.7%
15	3	1	3	14.3%	64.4%	4.0%
16	13	1	3	5.9%	78.0%	2.0%
17	71	0	3	0.0%	16.0%	3.0%
19	3	0	0	0.0%	23.9%	8.1%
20	22	2	2	7.7%	19.1%	12.1%
21	17	5	3	20.0%	21.1%	13.0%
22	36	0	2	0.0%	0.8%	2.3%
23	68	2	15	2.4%	2.9%	4.7%
24	45	6	5	10.7%	10.4%	6.1%
25	49	4	9	6.5%	4.4%	3.5%
26	29	5	1	14.3%	4.3%	7.9%
27	48	8	4	13.3%	6.8%	5.2%
28	34	8	2	18.2%	4.9%	4.7%
29	56	3	2	4.9%	12.6%	4.6%
31	35	0	4	0.0%	4.9%	4.7%
32	19	6	4	20.7%	8.3%	12.7%
33	54	7	2	11.1%	14.8%	6.0%
34	32	3	0	8.6%	0.0%	0.0%
36	61	6	2	8.7%	37.6%	6.9%
37	53	3	4	5.0%	15.9%	6.3%
44	6	1	1	12.5%	35.7%	0.0%
51	35	4	3	9.5%	31.5%	10.1%
52	57	9	2	13.2%	13.2%	5.6%
53	113	9	3	7.2%	12.7%	5.3%
65	46	1	3	2.0%	10.2%	9.2%
202	98	14	34	9.6%	41.2%	7.1%
214	84	9	7	9.0%	27.7%	6.7%

SOURCE: The Federal Financial Institutions Examination Council (FFIEC). The data reflect lending activities for both depository and non-depository institutions that are covered by the Home Mortgage Disclosure Act (HMDA) and the 1990 Census.

*Housing Financing Barriers*

For households with low-to-moderate income finding the necessary financing for a home mortgage can be a considerable challenge. In one-on-one interviews with Lansing area non-profit housing assistance agencies and banks, the overriding financial problem cited facing low-to-moderate households seeking to buy their own home is the lack of a solid credit history. Unfortunately, in some instances it is the over abundance of consumer credit that is the problem as households unwittingly harm their credit history by becoming overly extended with credit cards and other forms of debt.

In addition, unforeseen emergencies such as uninsured medical bills, divorce, major car repair or an uninsured accident, or the loss of employment are the primary culprits causing a person or household to stumble into a financial nightmare that can take years to repair.

The third major financial crisis some households face is in fact associated with the successful purchase of a home. A home purchase triggers the needed additional purchases of major appliances and furniture. Indeed, one the more serious pitfalls facing homeowners with low-to-moderate income is the easy accessibility of various debt consolidation and credit finance companies that charge extremely high interest rate and unfavorable terms.

**In short, the major financial barrier facing many households is lack of information and awareness of personal finance management.** For households with sufficient income, the lack of personal finance skills is costly; however, it can be handled without putting their housing situation in a crisis. For a households with limited income the same mistakes can be extremely harmful and lead to the loss of shelter. Most of the non-profit organizations interviewed in this effort cited the need for personal finance counseling for individuals wanting to buy their first home.<sup>1</sup>

Telephone interviews with Community Development Departments of similar cities to Lansing revealed that down payment assistance and rehabilitation loans are their primary

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<sup>1</sup>One-on-on interviews were conducted with Jenny Grau, Habitat for Humanity; Almus Thorp Jr., Greater Lansing Housing Coalition; Dawn Flynn, Franklin Street Community Housing Cooperative; Rose Norwood, Housing Resources Center; Roger Newcomb, Ferris Development; Timothy Strasz, Lansing Neighborhood Housing Corporation; Martina Johnson, St. Stephens Community Nonprofit Housing Cooperation; Bob Wielenga, Project Teamwork; Steve Nickel, Lansing Community Microenterprise Fund; and Amy Salisbury, LISC.

housing assistance activities.<sup>2</sup> While there is some variation in the programs being offer in terms of length of loans and forgiveness, none of the cities had housing assistance programs that went beyond what is eligible under various Housing and Urban Development guidelines.

The City of Lansing is proactive in improving the housing conditions of its low to moderate income residents. Leveraging federal funds with state and local dollars the City has been able to assist more than 500 low and modreate income households in finding decent and affordable housing annually. Moreover, the City has developed very positive partnerships with the area's nonprofit housing organizations.

The City provides rehabilitation loans for homeowners and landlords. For homeowners, rehabilitation loans are available for building code-related repairs on structure, plumbing, mechanical and electrical including security. In addition, loans are available for exterior/site improvements, and in some instances for renovating kitchens, bathrooms and even building a fence. If the loan is processed under the City's Community Development Block Grant (CDBG) program it is lent at zero interest and is deferred until the sale of the home. If the loan is funded through the City's HOME rehabilitation program, 50 percent of the loan is forgiven if the family stays in the house for 10 years and the remaining portion of the loan bears no interest and is not due until the home is sold. Income eligibility reaches up to \$56,600 for family of eight. For a family of four, the income cap is \$42,900 per year.

The City also offers financial incentives to save historically significant homes regardless if they are located in a historical district. Funded through the City's CDBG program, the program provides a zero interest loan rate for approved structural and exterior improvements. Because it is funded with CDBG dollars, income restrictions apply. In addition, owners of properties in local historic districts may apply for state tax credits for the eligible costs of restoration and renovation.

A State program that addresses housing at the neighborhood level is the Neighborhood Enterprise Zone (NEZ). New Construction Neighborhood Enterprise Zone Certificates are available for only those properties which are owner-occupied. The NEZ Certificate may then be obtained under the following situations:

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<sup>2</sup>Telephone interviews were conducted with representatives of the Community Development of the following cities Ann Arbor, Battle Creek, Jackson, Kalamazoo, Flint, Muskegon, and Saginaw

Home Buyer/Owner - The owner/occupant of new construction files for a certificate when purchasing from a Building/Developer (who has already made a pre-application) or prior to building.

Existing Home Owner - NEZ Certificate may be applied for on any addition to an existing structure or new structure on property.

Newly constructed residences within the NEZ do not pay property taxes. Instead, a new residential unit is taxed the "NEZ Tax," which is equal to half the State average property tax rate. In Lansing's case, this is slightly more than half of the regular Lansing property tax rate.

In the case of a new addition, the NEZ Tax is applied to the SEV of the addition and the existing property would remain on the ad valorem tax rolls unless a rehabilitation certificate was applied for at some point.

A residential unit on which rehabilitation measures are implemented can have the property taxes frozen at the pre-rehabilitation rate for a period of 12 years.

Rehabilitation NEZ Certificates are available to home owners and landlords that either own and occupy as their principle residence an existing residential structure with a current value of \$60,000 or less per unit, or own and manage an existing residential multi-unit structure with a current value of \$60,000 or less per unit, with additional criteria for minimum improvements.

In conclusion, house financing is readily available at low interest rates for middle-to-high income homeowners. The City is fortunate to have many non-profit organizations that are providing financing assistance and/or building safe and affordable housing for households with limited incomes. Moreover, there is no statistical evidence that suggests any racial discrimination in current lending patterns. Finally, most efforts being made by similar cities in the state are confined to programs meeting HUD Community Development Block Grant eligibility requirements.



**Section V - Gaps in City's Housing Market**





## SECTION V \_\_\_\_\_ Gaps in the City's Housing Market

### Housing Composition

Gaps existing in Lansing's housing market reflect the discrepancies in the composition of the supply of housing in the City with the composition of the Market Area's households. Components of that gap include housing unit size (by number of bedrooms), housing cost, and tenure relative to the socio-economic composition of the households in the Market Area. In addition, the current composition of the City's housing stock compared to the composition of its current households is also an indicator of the extent of any "gap" that may exist in the City's housing market.

In terms of housing unit size, the most recent reliable data is from the 1990 Census, as building permit data does not indicate the number of bedrooms in units being constructed. In 1990, Lansing's housing stock was comprised of the following percentage of units by bedroom size:

#### Lansing Housing Stock by Bedroom Size

one bedroom	- 17.3%
two bedroom	- 33.6%
three bedroom	- 37.0%
four bedroom	- 10.5%
five and more bedroom	- 1.5%

These proportions add up to 100 percent and exclude housing units with no bedrooms.

The typical "fit" between the number of bedrooms and household size is a function of the following general relationship:

one bedroom	- one and two person household
two bedrooms	- two and three person household
three bedrooms	- four and five person household
four bedrooms	- six and more person household

Following that prescription, and assuming that 50 percent of two person households are in one bedroom units and 50 percent are in two bedroom units, the following household composition by number of bedrooms (as a proportion of total households) was in existence within the Tri-County Market Area in 1990:

one bedroom households	- 40%
two bedroom households	- 33.3%
three bedroom households	- 23.3%
four bedroom households	- 3.3%

## SECTION V \_\_\_\_\_ Gaps In the City's Housing Market

Comparing the proportion of units by bedroom size for Lansing in 1990 to the probable distribution of households by bedroom size for the Market Area in 1990 shows that at that time the City tended to have a smaller proportion of one bedroom units and a larger proportion of three and four bedroom units than would be required to make a good "fit" between the City's housing stock and the household composition of the Market Area.

While recent data is not available to compare housing sizes (by square feet) within Lansing and outside the City in fringe areas as well as the overall market area, it can be intuitively stated that single family housing outside the City is, on the average, larger than single family housing in the City. This is particularly evident within the past 10 years, where new homes on larger lots tend to have become increasingly larger and substantially more expensive. At the same time, building lots within the City are relatively smaller and subsequently the homes built on those lots are smaller than those housing units found in outlying areas.

The Market Area, as identified by Claritas in their Prizm Demographic Cluster data base, contains almost 1,200 households with annual incomes over \$90,700. At the same time, there are only a few areas within the City where the average sale price of a home over the past two and a half years has been over \$120,000. Of the 6,709 residential properties that have sold in Lansing since 1997, 176, or 2.6%, have sold for over \$120,000. At the same time, another 92 units (1.4%) have sold for \$104,000 to \$106,000. In effect, only 4% of the housing units that have been sold in the City between 1997 through mid 1999 have sold for over \$100,000. At the same time, there are an estimated 54,399 households in the Market Area outside the City that could afford to purchase a home costing \$100,000 or more. That represents about one-third (32.5%) of all households in the Market Area. **This indicates a substantial gap in the City's supply of upper scale homes compared to the number of households in the Tri-County area that could potentially afford such homes.**

The gap between the City's existing residents' economic status and the market value of its residential properties can be determined by reviewing the "affordability" of the housing stock.

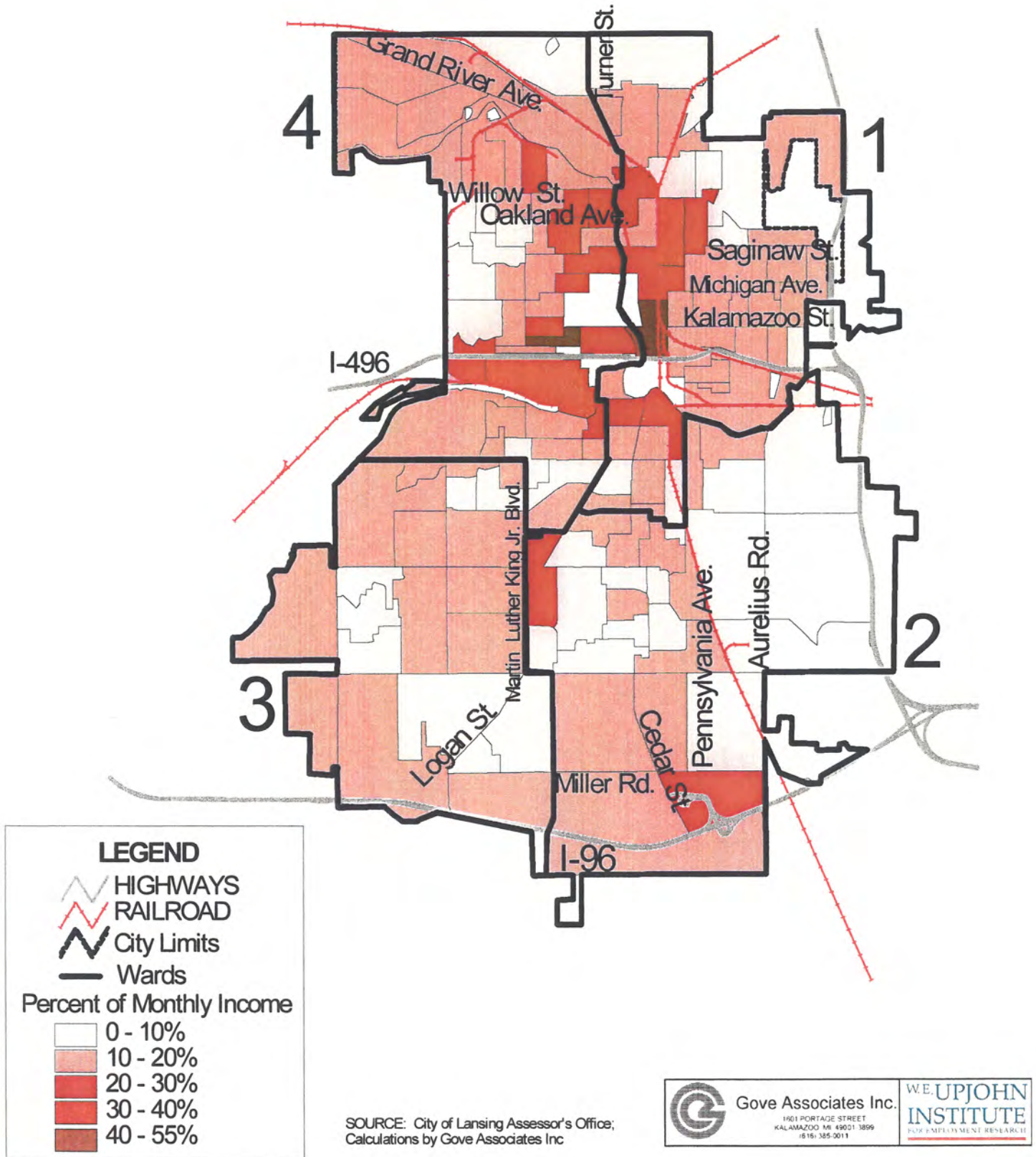
In order to assess the feasibility of existing residents to own their homes, the ability of residents to afford an average mortgage was analyzed. Home sale prices were obtained for the past two and one half years from the City Assessor's Office, and the average home price was calculated during this period by Census block group. Using these average home prices, a standard mortgage of 30 years was assumed with 7.6 percent interest and a down payment of 10 percent. From this calculation, the average monthly payment for a mortgage in each block group was estimated. This monthly payment was then compared to the 1998 median

## **SECTION V \_\_\_\_\_ Gaps in the City's Housing Market**

income for each block group, the percentage of the monthly house payment to the median monthly income was calculated. The results of this analysis are shown in Map V-1.

The general "rule of thumb" is that a household should not pay more than 30 percent of its monthly income on housing. **Map V-1 shows that the vast majority of City households would pay less than thirty percent of their income on house payments.** Only a few block groups, centered around the central business district, would pay upwards of 30 percent on housing. Of the block groups that are greater than 40 percent, both reflect little overall home sales during the 2½ year period. Therefore, a few high priced sales during the period may have valued home prices above the real average price for the block group.

Map V-1. Percent of Monthly Median Income that would be needed for the average home selling between 1997 - 1999 by Block Group and Ward.



## **Section VI - Conclusions and Recommendations**



## **SECTION VI \_\_\_\_\_ Conclusions and Recommendations**

The City of Lansing offers a wide range of housing options and a solid living environment. A majority of the households randomly surveyed in this study, 56.7 percent, expect to be living in the City five years from now. The City's population has held relatively steady during the past 10 years which is not a minor achievement given national trends toward expanding the urban fringe.

In addition, the City benefits from an active and highly cooperative group of nonprofit housing organizations and a very active City Housing Department that are successful in enabling families to achieve home ownership. Taking a variety of approaches, these nonprofit organizations and the City are making a difference in an expanding number of neighborhoods as they assist a growing number of families in becoming homeowners. As one nonprofit director lamented, they are finding it more and more difficult to find "junk" that can be converted to owner-occupied residences.

Moreover, the city can boast of many strengths and positive attributes including:

- 1. General Motors recent decision to site its Cadillac assembly plant in Lansing will not only help retain high-paying jobs in the city but also has the potential of attracting more jobs in and near the City as GM strongly encourages that its major suppliers to locate their production plants within 150 miles of the plant.**
- 2. From 1990 to 1998, the City's population increased which was in sharp contrast to a similar-sized city in Michigan and the Great Lakes state.**
- 3. Surveyed residents view the City's housing stock to be of good value.** Moreover, residents expressed that living in the City offers good access to work and retail/shopping opportunities. A majority of the residents surveyed also found that their neighborhood's appearance, and neighbors to be positive attributes.

At the same time, the City is facing several major challenges that are limiting its role in the Tri-County Area's housing market. These challenges are:

- 1. A slow-growing economy where the area's unemployment rate is kept low due to the lack of population growth and not due to strong employment growth.** While the economy offers stability, especially with the announcement of the new Cadillac plant to be opened in 2001, it is expected to grow only slightly in the coming years. Relative to 23 other similar-sized metropolitan areas in the Great Lakes region, its past performance is marginal at best - except in the growth of service employment.

## **SECTION VI \_\_\_\_\_ Conclusions and Recommendations**

Tied to the sluggish economy, the Tri-County Area population is also forecasted to grow at a below-average rate. In fact, the three-county area lost population in 1998 according to preliminary estimates by the U.S. Census.

2. **An existing housing stock that is comprised of many small, single-family units that are more than 40 years old.** This stock partially limits the City's role as only a place for "starter homes." While older houses offer an attractive environment that cannot be matched by many new houses, their age is associated with higher maintenance costs. In addition, they have fewer and smaller bathrooms and closets which decrease their attractiveness in today's market. This fact is emphasized by the finding that only 15.7 percent of the surveyed residents in their twenties expect to be living at the same location in five years, and only 31 percent of the surveyed "thirty-somethings" plan to be in their current dwelling units.
3. **Strong location factors can affect housing values substantially.** The same house can dip in value by thousands of dollars by being located in different neighborhoods in the City. While data limitations do not allow for the inclusion of race into the report's analysis, national trends highly suggest that, unfortunately, race continues to play a part in determining neighborhood housing prices.
4. **The City is burdened by more than its "fair share" of public assisted housing relative to its surrounding townships.**
5. **A public school district that is struggling to serve a student population that is burdened by poverty.** The Lansing School District is working under a dark cloud of a negative perception - out of a list of twelve neighborhood characteristics, it received the weakest endorsement of surveyed residents. Unfortunately, the analysis suggests that the school's lackluster performance as measured by fourth grade MEAP scores cannot be completely explained by the number of students coming from poverty backgrounds.
6. **Approximately 8.3 percent of the current surveyed housing stock is in a "deteriorated" condition according to our inventory of more than 23,943 units.** It is important to note that this is an upper bound estimate as only those areas of the City where the housing stock was considered to be "at risk" were surveyed.



## **SECTION VI \_\_\_\_\_ Conclusions and Recommendations**

7. **The inability, so far, to build upon the City's urban "uniqueness."** Currently, there are fewer than 5 residential lofts in the City's downtown. The City's historical district is small relative to other cities and is being encroached upon by non-residential uses. Still the City can boast of many historical buildings in attractive neighborhoods.

**Given these challenges, it is important that the City allocate its limited resources wisely through existing partnerships and by developing new partners.** Moreover, the City must have a firm understanding of its goal to become a residence of choice for all populations. Such a goal may call on the City to step out of its current mode of operation and to enact new programs that are not means-tested and targeted toward new populations.

### **Status Quo Forecast**

As stated earlier, City of Lansing's population is forecasted to hold fairly steady during the next 15 years, falling from 127,869 in 2000 to 125,189 in 2015. This forecast is based on the assumptions that City's housing policies and the perceptions of residents and non-residents regarding the City's quality of life will change very little during the forecasted time period.

Key results of the Status Quo forecast are the following:

1. **The established trend of households moving from the City while their children are still pre-school age will continue.** The percentage of decline in the number of young families living in the City is expected to drop from 14.7 percent of the City's population to 12.4 percent in 2015. This movement may slow the "starter home" market in the City in the coming years.
2. **The City's population will become more mature as the baby boomers continue to age.** This aging of the population will be following national trends and suggests that the housing market for the City's higher-end homes will remain stable.
3. **Again, following national trends, a higher percent of the City's population will be senior citizens, increasing the demand for retirement community environments within the City.**

**SECTION VI \_\_\_\_\_ Conclusions and Recommendations**

TABLE VI-1 - STATUS QUO POPULATION FORECAST BY DEMOGRAPHIC GROUP

		1990	1995	2000	2005	2010	2015
Total:		127321	127870	127869	127036	126139	125189
	Percent Change		0.4%	-0.0%	-0.7%	-0.7%	-0.8%
Pre-school	0-4 yrs	11,881	10,682	10,682	10,379	9,867	9,025
	%of total	9.3%	8.4%	8.4%	8.2%	7.8%	7.2%
Elementary	5-9 yrs	9,925	9,957	9,957	9,246	9,064	8,603
	%of total	7.8%	7.8%	7.8%	7.3%	7.2%	6.9%
Middle-High	10-19yrs	13,263	13,766	13,766	14,366	12,663	12,552
	%of total	10.4%	10.8%	10.8%	11.3%	10.0%	10.0%
Young Single	20-24yrs	5,741	5,769	5,769	5,673	6,025	5,278
	%of total	4.5%	4.5%	4.5%	4.5%	4.8%	4.2%
Young Married	25-34yrs	23,724	18,799	18,799	17,078	15,938	15,465
	%of total	18.6%	14.7%	14.7%	13.4%	12.6%	12.4%
Middle Age	35-49yrs	31,602	35,434	35,434	30,158	25,899	23,525
	%of total	24.8%	27.7%	27.7%	23.7%	20.5%	18.8%
Mature	50-65yrs	14,738	17,419	17,419	24,910	29,730	30,160
	%of total	11.6%	13.6%	13.6%	19.6%	23.6%	24.1%
Retire	GT 65yrs	16,447	16,044	16,043	15,225	16,953	20,582
	% of total	12.9%	12.5%	12.5%	12.0%	13.4%	16.4%

SOURCE: Gove Associates Inc., Upjohn Institute

**Alternative Scenario**

Building on its unique strengths, the City may have the ability to break away from the status quo and the future that it foretells. Based upon the data gathered during this study, the following alternative scenario for the City’s housing market is reachable if the City implements an effective housing market strategic plan. Such a plan would draw on the following unique characteristics and established roles that the City plays in the Tri-County Area :

1. **Lofts and Condominiums.** The conversion of second-story loft apartments and condominiums development in and around the downtown and “Old Town” areas could attract young adults into the City. The same is true for the redevelopment of former industrial and warehouse sites into condominiums. These housing options are highly attractive to young professionals, who may or may not be married, but who definitely do not have children. Currently, these individuals are living in apartment

## SECTION VI \_\_\_\_\_ Conclusions and Recommendations

complexes throughout the Tri-County Area. The market for lofts and condominiums overlap, with lofts, in general, being more affordable, attracting a younger and more transitory population, such as young professional and students attending Cooley Law School or LCC.

2. **Retain Young Families.** Currently the City's housing stock is highly concentrated in small, single-family houses that serve as great "starter" homes. Unfortunately, as young families begin to have both children and a better income, they tend to look elsewhere and often this search leads them to choosing a suburban location. **Building a productive partnership with the public schools and the area's financial institutions, the City should establish incentives that encourage young families to "fix up and not move out."**
3. **Preserve Historical Neighborhoods.** The City has lost many of its historical houses; however, it still has several outstanding neighborhoods of historical importance that should be saved and which offer unique living environments that cannot be duplicated anywhere else in the Tri-County Area. These areas should continue to be maintained and protected as they may provide attractive locations for middle-to-upper income households interested in living in historical houses.
4. **Ease the transfer of dwelling units between generations.** The City houses many elderly residents who have successfully raised their families and are now living in dwellings that may be too large and difficult to maintain. However, since a large portion of the assets of these "empty nesters" is tied up in their houses, they may be hesitant to move to smaller, more suitable dwellings. **A program that would ease the transition of these homes to the market would increase the number of homes available to younger families.**
5. **Assist households who are economically disadvantaged.** The City will continue to house many of the Tri-County's households who are economically disadvantaged. The affordability of the City's housing stock will, alone, ensure that the City will continue to play this vital role in the area. It is not a role that the City should shirk. **In fact, the City, through its various community development programs and excellent partnerships with neighborhood housing assistance programs, has helped numerous families in achieving financial independence and home ownership.** Once they have made the difficult transition to home ownership, these households become the backbones of many of the City's inner-City neighborhoods

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and play a strong and positive role in protecting and enhancing these neighborhoods’ quality of life.

Table VI-2 provides estimates of the potential for each of these populations. Based on the demographics of the Tri-County area, there are strong markets for each of these opportunities.

The table shows the number of individuals currently living in the City of Lansing and in the Tri-County Area, who due to their social and economic characteristics are likely candidates for the five types of housing options listing above. For example, there are an estimated 4,333 households currently living in the City who may find a condominium living environment attractive. These individuals are middle-aged, single or married without children and are in the middle-to-upper income category. More than 15,000 are residing outside the City, and in total, these households account for 11.8 percent of the Tri-County Area’s total number of households. Similarly, there are 2,568 senior-headed households who may be interested in a program that would enable them to move to a more attractive dwelling. More than 11,000 young single professionals currently living outside the City of Lansing may find downtown lofts attractive.

**A key target group for the City is young families with children who may be in the market for a larger house.** The retention of these families is a key component of a housing market strategy. Currently more than 22,200 young families reside in the City.

**TABLE VI-2 - POTENTIAL NUMBER OF “TARGET” HOUSEHOLDS BY HOUSING TYPE**

	Current Number of Households living:	
	in Lansing	Outside of Lansing
Condominiums Buyers	4,333	15,326
<i>Single or married without children, middle to upper income professionals, 35 to 54 years</i>		
Intergenerational Transfers	2,568	*
<i>Retirees, low to moderate income, homeowners</i>		
Historical District Dwellers	3,482	3,694
<i>Married with growth children, middle to upper income professionals, 45 to 54 years old</i>		
Loft renters	8,061	11,029
<i>Young singles, no children, students and or new professional, low-to-middle income</i>		
Young, Growing Families	22,234	19,562
<i>Young families with children, middle income, looking for more room</i>		
Low-to-Moderate Families	13,138	*
<i>Young families and single moms with children, low-to-middle income</i>		
*Not targeted population for movement into City		

SOURCE: Claritas

## **SECTION VI \_\_\_\_\_ Conclusions and Recommendations**

### **An Alternative Future**

A successful housing market strategy, that is built upon the City's residential strengths and which provides incentives for families to live in the City, would not only increase the City's population but also property values and retail/commercial areas. A successful strategy would:

- Encourage the development of loft apartments in and around downtown,
- Encourage additional condominium development,
- Encourage the rehabilitation of historical homes near the downtown and in established neighborhoods for single family residence,
- Retain families who seriously considered moving to suburban locations,
- Create an environment that would stimulate new single-family home construction.

In Table VI-3, an alternative "growth" forecast is offered for the City based upon the following obtainable goals:

1. **The construction of 10 new condominium units per year to 2015.** In addition, the alternative forecast is above and beyond the 150 residential units planned in the Prudden Wheel Condominiums.
2. **The conversion of 5 lofts in the downtown, Old Town, and other central City commercial areas in the City per year to 2015.**
3. **The rehabilitation of 5 large historical houses per year in and outside of the current historical district for single family dwellings.** This is in addition to the City's and nonprofit organization's successful efforts to rehabilitating older houses each year.
4. **The retention of 1,000 families who would have moved out of the City to a suburban location without a significant improvement to the City's quality of life.** It should be noted the retention of these 1,000 families would have only a modest impact on the City's population since they would have sold their homes to other younger families. The only difference would be family size and income. However, the retention of these families will provide a positive impact on schools due to the retention of school-age children.
5. **The construction of 92 new single-family homes per year to 2015.** This would double the City's pace set from 1990 to 1999.

## **SECTION VI \_\_\_\_\_ Conclusions and Recommendations**

If successful, this comprehensive effort would attract nearly 630 more residents into the City population in the year 2000. Under this alternative by 2015, the City's population would be an estimated 134,453 or 7.4 percent more than it would be otherwise under the Status Quo scenario. The gain in the City's population would be due to both a greater number of individuals moving into the City, as well as more births, since a high percentage of the women moving into the City would be between the ages of 24 and 39 years. As shown in Table VI-4, the net difference in the two population forecasts suggest that the alternative forecast would make a greater demand on the Lansing Public Schools. This can only be expected since the forecast, in part, rests upon improving perception and performance of the Lansing Public Schools during the forecast period. In addition, the alternative forecast would support greater retail/commercial activity in the City.

For this more robust forecast to be a reality, the implementation of the following short-term housing strategy is recommended.

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TABLE VI-3 - ALTERNATIVE GROWTH SCENARIO

	1990	1995	2000	2005	2010	2015
Total:	127,321	127,870	128,497	130,326	132,494	134,453
0-4	11,881	10,682	10,772	10,829	10,317	9,475
5-9	9,925	9,957	10,071	9,816	10,049	9,597
10-14	8,524	8,573	8,705	8,812	9,044	9,702
15-19	4,739	5,193	5,290	6,700	5,939	6,074
20-24	5,741	5,769	5,772	5,688	6,503	6,352
25-29	10,000	9,221	9,234	8,347	8,139	8,237
30-34	13,724	9,578	9,618	8,996	8,140	8,021
35-39	12,881	13,124	13,184	9,353	8,858	8,022
40-44	10,501	12,336	12,385	9,714	9,098	8,640
45-49	8,220	9,974	10,004	11,785	9,345	8,772
50-54	5,820	7,821	7,821	12,513	11,132	8,937
55-59	4,601	5,381	5,381	7,478	12,213	10,527
60-64	4,317	4,217	4,217	5,069	6,764	11,473
65-69	4,316	3,841	3,841	4,078	4,585	6,654
70-74	3,888	3,691	3,691	3,235	3,705	4,344
75-79	3,124	2,976	2,976	2,709	3,001	3,929
80-84	2,341	2,459	2,459	2,168	2,335	2,984
85+	2,778	3,076	3,076	3,034	3,326	2,713

SOURCE: Gove Associates Inc. and Upjohn Institute

TABLE VI-4 - NET CHANGE IN POPULATION UNDER THE ALTERNATIVE SCENARIO

	2000	2005	2010	2015
Total	628	3,290	6,355	9,264
0-4	90	190	210	230
5-9	114	330	494	479
10-14	132	660	1,205	1,595
15-19	97	485	1,116	1,629
20-24	3	15	477	1,074
25-29	13	65	79	518
30-34	40	200	262	275
35-39	60	300	490	548
40-44	49	245	529	710
45-49	0	150	382	651
50-54	0	100	240	461
55-59	0	50	94	227
60-64	0	0	45	88
65-69	0	0	0	42
70-74	0	0	0	0
75-79	0	0	0	0
80-84	0	0	0	0
85+	0	0	0	0

SOURCE: Gove Associates Inc. and Upjohn Institute

## **SECTION VI \_\_\_\_\_ Conclusions and Recommendations**

### **POLICY RECOMMENDATIONS**

This report's set of policy recommendations are divided into short-term strategies that can improve the housing market of the City without calling forth significant changes in the existing housing stock and long-term recommendations that indeed call for major changes in the City's current housing mix.

#### **Short-Term Strategies Building on the Traditional Roles of Core Cities**

Historically, older core cities such as Lansing play established, well-known roles in the "household life cycle." Indeed, the data gathered in this report confirm that Lansing's "place" in the household life cycle may be highly limited to the traditional role of supplying starter homes, temporary way stations for young professionals and a permanent address for low-to-moderate income families and seniors financially unable to explore other housing options. **The challenge facing the City of Lansing is to expand its role to all segments of the household life cycle.** It is not our recommendation that the City should abandon its existing roles but build upon them.

#### **Keeping the Starter Home Family**

Lansing offers an attractive "incubator environment" for young families. The City offers a wide selection of small houses that rank high in resale value. Moreover, owners and renters alike highlight the City's affordable housing stock. Unfortunately, as the young family's income increases and their children reach school age, they are pulled - larger homes in more architecturally attractive locations- and pushed - by school concerns, low property tax rates and too small of houses- to suburban locations.

#### **FIRST CHALLENGE: HOW TO MAKE LANSING THE HOUSING CHOICE FOR ITS RESIDENTS' NEXT HOME**

**Objective: To persuade residents to turn their first home into their next residence by remodeling or putting on an addition.**

#### *Strategies*

1. *Continue to support neighborhood action plans that enhance the quality of life of the neighborhood residents*, such as those found in the Green Oaks, Seven Block and West Genesee neighborhoods. Improved streets, lighting and sidewalks can



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enhance quality of life in neighborhoods and encourage current residents to invest “in place” instead of elsewhere. A competitive grant program to fund small neighborhoods - directed public improvements should be established.

2. *Support and enhance the capability of the City’s neighborhood organizations.* As our analysis shows many of the City’s neighborhoods face serious negative neighborhood effects that reduce the market value of existing homes. Simply moving a house from one neighborhood to another in the City can reduce its market value by up to 47 percent. Active neighborhood organizations that succeed in cultivating a sense of pride and ownership in the neighborhoods can help to revitalize neighborhoods and enhance their attractiveness. To be a success neighborhood organizations must be able to go beyond the coordination of neighborhood watch programs to sponsor and facilitate:

- Streetscape programs.
- Block group activities.
- Neighborhood leadership development.
- Marketing seminars that instruct residents to be better able to promote their neighborhood to friends and potential new home buyers.

Volunteers can and do much of the work associated with these and other efforts; however, hard work cannot do it alone. The City should explore ways to support further financial and technical support for active neighborhood organizations. City staff can assist in working with neighborhood leaders in the preparation of a neighborhood action and then work to form funding partnerships to finance these plans. Neighborhood businesses, banks, foundations should be encouraged to participate and in such instances the City may consider offering a challenge match.

3. *Create a City income tax credit for home improvement expenditures by homeowners.* While state law prohibits cities from offering property tax abatement for residential expansion - like they can for industrial expansion - the City should explore the possibility of instituting an income tax credit. Under such a plan, a percentage of the expenditures made for house improvements by homeowners, as documented by a building permit, could be applied as a tax credit on their income tax over a five-year period. This would require the City to work with the state legislature to allow for such a credit, either in a limited number of older cities that meet specific criteria or for all communities that levy an income tax.

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An existing state law, the Mathieu-Gast Home Improvement Act, does prohibit the cost of normal repairs and maintenance on a home from being considered by an assessor in his/her determination of the true cash value of the property until the property is sold.

**Objective: Make Another House in Lansing the Clear Choice for the Next Home.**

### *Strategies*

1. **Create an Individual Housing Purchasing Saving Account Program for households that will be partially matched by the City.** The purchase of a new home is the largest purchase most all families make; it requires careful planning and years of savings. Through the establishment of an Individual Saving Account Program, where individual savings are earmarked for home purchases and partially matched by the City, would provide needed financial assistance to interested home buyers and give the City's residential housing market a competitive edge over surrounding area. The City would invest one dollar for every four saved by the household. The saving account could only be used in the purchase of a house in the City. Moreover the program would be available to household living outside the City but interested in moving inside the City's boundaries
2. **Build on the success of CLASS-Commission of Lansing School's Success - and explore ways for the, school district and the city to work together to improve public education in the City.** It was never the intent of this study to serve as an evaluation of the Lansing Public School District. As shown in the report, the Lansing Public Schools face a serious challenge in that many its students come from low-to-moderate income families, which has been statistically shown to be a significant negative factor to academic performance as measured by the MEAP test, Transitory households, where children are being forced to move from school building to school building, are forcing the school to adopt a district-wide curriculum strategy that limits the flexibility of teachers. The school district's worthwhile effort to have each high school provide a comprehensive course offering runs counter to the magnet school approach that is favored by many parents.

CLASS is an excellent example of a city-school-business partnership and is the outcome of a Blue Ribbon Panel established by the Mayor of the City of Lansing. CLASS reported impressive outcome of its efforts in the 1998 -99 school year including:

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- Recruiting 1,100 academic volunteers
  - Introducing the Galaxy Science/Language Arts program for K-5 grades
  - Establishing new partnerships with area businesses and organizations
  - Gathering \$728,200 in community support
- 
- Instituting the CLASS ACT student retention program at Everett High School. The program had promising results with 19 of the 23 identified at-risk students staying in school

The challenges facing this effort are twofold: 1) assist students who may fall behind at school and become at risk of not completing high school and 2) help transform the Lansing Public school as a magnet that can attract middle and upper income household back into the city. The two challenges, while compatible are distinct from each other and call for difference strategies. Children from highly vulnerable low-income, single-parent households require difference grams and assistance from the school system than children raised in middle to upper income households.

3. *Set up and highly promote a residential-based, non-mean tested scholarship program available for the top 25 students each year in Lansing schools to attend any college of their choice.* The City, partnering with area foundations, should strive to establish a scholarship program. If each scholarship were worth \$10,000 for each of the four years, then it would require a \$12.5 million investment of eight percent. This would be an attractive incentive to many families with children.
4. *Encourage the rehabilitation of the City's older historical homes by establishing a separate building code enforcement policy for historic houses.* Individuals attempting to update an existing house without destroying the outward historical presentation of the home often come up against building code requirements. In instances where these code mandates are required for public safety issues, there should be no exceptions allowed. However, too often the code violations concern non-safety issues. A separate code, such as the Uniform Building Code for building preservation, for the remodeling and rehabilitating of the City's older homes could eliminate regulatory barriers that could be stopping families from moving into Lansing neighborhoods.
5. *Ease the transfer of dwelling units between generations.* Elderly residents, who have lived in the same house for a long period of time and may be having difficulty

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in maintaining their homes, could lack the necessary information to properly decide if selling their home is in their best interest. The City, Schools, through adult education, and Tri- County Council on Aging provide information on available residential options open to these long-term residents and a primer on how to sell your home. Through this effort, the City may be able to ease the transition of these homes to the market and increase the number of homes available to younger families.

6. ***Encourage and promote company sponsored home ownership programs.*** Sparrow Hospital and the Lansing Board of Water and Light already offer home ownership assistance for their employees. Other employers should be encouraged to follow suit by offering down payment assistance for any of their workers who choose to live a targeted distressed neighborhood. Such programs promote both a more stable work force for the employer and neighborhood goodwill.
7. ***Provide a mechanism to make infill development more acceptable to the community.*** Often, remaining undeveloped land is highly prized by City residents, particularly those living adjacent to such land. There are relatively large parcels in Lansing that are developable, but may never be developed if surrounding residents strenuously object to the loss of open space. At the same time, an important component of making Lansing more competitive in the residential market is the development of new (particularly upper scale) housing. It is highly likely that there will be conflicting interests that will arise as new development is proposed.

In order to address those conflicts and competing interests, the City should require developers of larger land holdings to produce a **development impact study**. Such a study would identify the economic (including cost/benefit analysis), social and physical impacts upon the surrounding area and be considered by City officials as the primary basis for their decision.

8. ***Encourage the use of federal and state incentives for the improvement of historic buildings.*** Under new state legislation, tax incentives can be taken for up to 25 percent of the eligible costs of improvements to properties located in locally established historic districts.

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### Attracting the Professional “Campers”

Many young professionals without children seek a more urban lifestyle and are attracted to core City locations, nationwide. Young professionals tend to seek out downtown lofts, warehouse districts, and older historical neighborhoods. In Lansing, the 600 to 700 students attending Cooley Law School each quarter as well as young state government workers can be grouped into those categories. The City’s Central Business District and the “Old Town” have substantial potential for these individuals. Currently, there are fewer than five residential lofts in Lansing downtown and six planned on the 100 block of South Washington.

However, with marriage these young professionals could seek a more traditional lifestyle and turn their focus to unique, upscale residential areas. The City of Lansing is at a strong disadvantage due to its limited number of historical housing and modest housing stock to meet this demand.

#### **SECOND CHALLENGE: ATTRACTING AND KEEPING THE PROFESSIONAL CAMPER.**

**Objective: To promote, expand and improve Lansing’s “Urbanism”**

#### *Strategies:*

1. *Develop the CBD as an “urban residential environment”* by developing loft apartments above the downtown retail outlets and promoting the construction of condominiums in areas near downtown that are not historically significant. With a growing residential community in and around the downtown area, as well as in the Old Town area, the number of retailers in both commercial areas will only expand.
2. *Save existing historical housing around the CBD for residential use.* A combination of historical preservation funds/tax credits and City development funds should be used to save and restore Lansing’s remaining historical residences. In addition, the City should consider adopting a separate building code, such as the UBC Code for Preservation, for existing residential buildings that are more flexible except on safety code compliance.

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### **Helping the Salt of the Earth**

Many of the City's residents are hard-working individuals stuck in low-wage jobs. In many situations, they may be struggling from the consequences of poor decisions made in the past, such as not finishing high school, or unwittingly building a bad credit history. Others may be suffering illnesses and/or physical disabilities or may be victims of racial discrimination. Home ownership can play a vital role in assisting these households to achieve a better quality of life for themselves and their children. In fact, according to officials at the Lansing Public Schools, one of the great challenges facing teachers is meeting the needs of children from families who are constantly moving from one rental unit to another.

In addition to encouraging home ownership, efforts should be made to ensure that all Lansing residents reside in safe buildings that are located in safe neighborhoods. Building code enforcement and police working in the community go hand-in-hand in making Lansing a residence of choice and not just a residence of last resort.

Finally, the special emergency needs of families for shelter cannot be ignored. In particular, the provision of safe and affordable housing is a vital first step for women striving to rebuild their lives and those of their children after escaping harmful domestic environments or recovering from substance abuse.

In addition, there are a number of programs provided by various agencies in the City intended to shelter homeless or prevent low income people from becoming homeless. Those include emergency overnight shelters with a capacity of 180 beds, daytime shelters and after hour referral with a voucher or direct pay program to motels/hotels. There are also four transitional housing facilities able to accommodate 52 people. There are also 115 units with space for about 200 disabled individuals and adult foster care homes provide space for another 130 persons.

These programs for the homeless and those at risk of homelessness also provide various social services, including substance abuse treatment and counseling, child care, health care, educational and job training assistance, adult literacy educational services, personal hygiene, emergency services outreach activities, case management and general counseling.

The current trend is increasing homelessness, with cutbacks in state funded welfare and assistance payments and diminishing opportunities for housing that is affordable to people

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with limited incomes. Homelessness affects the overall quality of life in the city and consequently indirectly impacts the status of Lansing as a residence of choice. The provision of reasonable, affordable housing for limited income residents will in turn help to sustain the viability of Lansing as a community for those who can afford to purchase or rent higher quality housing.

Overall, these programs for the homeless and those at risk of becoming homeless provide a wide range of services for both physical and social needs. The city needs to ensure that those who are truly in need of shelter are able to secure it and are able to avail themselves of those social programs that will assist them to obtain permanent housing and employment in accordance with their skill levels. These programs are in effect, a “safety valve” for those in need and should continue to be applied with increased effectiveness and efficiency.

**Objective: Make home ownership a reality for low-to-moderate income households.**

### *Strategies:*

1. *Continue to support home ownership programs* including: home-buying assistance programs, down payment assistance, and provision of low-interest loans. The City is very active in these areas and is fortunate to have several excellent nonprofit housing agencies working to provide homeowner opportunities for low-to-moderate income households. In addition, the lack of personal finance management is a common barrier facing many individuals seeking to purchase a home. Lansing Public Schools should be encouraged to enhance its current instruction on personal finance management on the secondary and primary levels and in its adult education offerings.
2. *Continue to financially support rehabilitation loans and other support programs for low-to-moderate homeowners.* A broken water heater or a leaky roof can threaten home ownership for a low-to-moderate income family. Emergency loans funded through the City’s Community Development Block Grant fund can make the difference between ownership and mortgage default. **Moreover, to improve the environment of the neighborhood, rehabilitation loans should be allowed to be used for streetscape improvements, even if they are not structurally necessary.**
3. *Coordinate the City’s efforts of policing within the community with its building code enforcement.* Crack houses and other dwellings where illegal activities are

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being conducted should be identified and subject to strict code enforcement compliance.

4. *Continue to allow for home-based business opportunities.* Income growth is key in providing healthy neighborhoods. For a small minority of low-to-moderate income residents, home-based businesses can provide supplemental income for their households. These businesses should continue to be allowed in residential area as long as they do not generate unwanted travel or noise.

### **Long Term Strategies Changing the Face of Lansing**

In the long-term, the City should strive to redevelop its residential mix to meet the needs of today and tomorrow's households of all income levels. However, given the ample availability of greenfield sites for residential development in the surrounding townships, it is unlikely that private developers will take the risk of redeveloping Lansing's neighborhoods without City-sponsored incentive programs. The challenge facing the City of Lansing is to create an environment where private developers are attracted to explore the construction of new upper-end residential units in the City.

Several actions can be taken in the long-term that would enhance the City's environment for residential construction of new, market-price houses and the rehabilitation of its existing housing stock.

1. **The enactment of a statewide property tax abatement program that would reduce or eliminate the property taxes assessed on the value of additions of existing owner-occupied structures by eligible homeowners.** The tax abatement program would be available for only structures of a specific age and value and, if possible, only to homes in the core cities of urban areas. Such an abatement would be a strong incentive for homeowners to consider building an addition instead of moving. The program should not place limits on the householder's incomes and should be an extension of the Mathieu-Gast Act referred to on page VI-12, but limited to older urban core areas.
2. **The conversion of abandoned commercial structures and vacant upper stories of existing commercial establishments to loft apartments should remain a top priority of the City's housing strategy.** Lofts highlight the uniqueness of urban



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living that is available only in older cities. To be successful, loft conversions must be tied to the creation of an attractive urban setting that provides unique retail/commercial activities as well as public amenities. The conversion of abandoned commercial buildings in a deteriorating commercial area, for example, has a very low probability of success on its own. It is strongly recommended that the City limits its efforts to convert vacant structures to loft apartments within target areas such as the downtown and Old Town or as a part of a large development project and avoid efforts to develop scatter sites lofts which are likely to fail.

3. **The quality of the Lansing Public Schools will remain a major factor in the City's effort to become a residence of choice for moderate to upper income households.** Magnet schools have been found to be successful in other communities in keeping families from voting with their feet regarding the education of their children. Magnet schools tend to have a special curricular theme such as a math and science center and to concentrate in providing an academically challenging environment based on that theme. They are accessible to students residing anywhere in the district but most have academic standards that limit admission. Studies have shown that magnet schools have been partially successful in reducing "white flight" from inner City school districts and in nurturing better interracial social interactions.<sup>1</sup>

Magnet schools can be expensive to operate and their success can come at the expense of the district's other schools as they tend to attract the district's better students, raising deep concerns among magnet school critics. Moreover, they are not the cure-all in keeping the middle and upper income families in the City as summarized by Varady and Raffel,

...magnet schools...can be a feasible approach to improving the attractiveness of City schools. The most difficult issue relating to magnets is the question of equity, especially in selecting which pupils will be assigned to magnet schools, but this is not a zero-sum question. The additional cost of magnet schools is also a hindrance, especially in difficult economic times. Still middle-class parents recognize the educational value of magnet schools, and may well be attracted to areas served by magnets... However, magnet schools will not be enough to produce home buyer

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<sup>1</sup>Christine Rossell, *The Carrot or the Stick for School Desegregation Policy: Magnet Schools or Forced Busing*, Philadelphia: Temple University Press, 1990.

## **SECTION VI \_\_\_\_\_ Conclusions and Recommendations**

return to the City. In the long run, they must part of a broader strategy to revitalize areas of a City.<sup>2</sup>

In addition to giving consideration to the creation of a magnet school(s), it is recommended that the City and school district take a hard look at the problem of transitory students who are bounced around, school to school, due to their parent(s) or guardian(s) constantly being forced to move from place to place. The current policy solution is district-wide course adoption that encourages instruction uniformity across the district. Such a solution discourages flexibility in the classroom and does nothing about the lack of social interaction the students experience as they bounce from school to school. One possible solution would be to attempt to keep the students in the same school building as long as their parents reside in the district. This would require an expensive transportation system that cannot be supported solely by the school.

4. **Promote upscale planned resident developments (PRD).** The City should restrict or highly encourage only high-end development plans for their limited acreage of available vacant parcels. Such plans can and should consider mixed-income housing opportunities; however, the key element should be the construction of a high quality residential environment that rivals that found outside the City in the Tri-County area.
5. **The City should strive toward consolidating tax foreclosed properties into economically viable units of 20 or more acres that can be redeveloped into premium residential developments.** Such large scale land consolidation will allow for developers to establish a comprehensive residential environment that would be more attractive to prospective home buyers than scattered site opportunities.
6. **Partner with the Capitol Area Transit Authority to design transit village redevelopment areas** which re-engineers historical neighborhood designs and promotes public transportation.
7. **Continue to never miss an opportunity to promote the image of Lansing as the residence of choice for all of its residents.**

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<sup>2</sup>David P. Varady and Jeffrey A. Raffel Selling Cities: Attracting Home buyers Through School and Housing Programs, Albany, N. Y.:State University of New York Press, 1995.

## **Appendix A - Software Package**



**Subinspect : Form**

Address: 1016 W BARNES AVE

Parcel Number: 33-01-20-477-012

Date	insptr	Units	Vacant	Renovate	Comments	Score
Walls		Roof		Doors		Windows
Gutters		Garage		Landscape		Chimney
						Porch
						Junk
4/15/98	KL	1	No	No		[6] Needs Maintenance (60%)
[0] No defects		[0] No defects		[0] No defects		[0] No defects
[0] No defects		[2] Peeling, chipped paint on walls or		[0] Neat, with grass or other landscaping		[4] Gravel or dirt with ruts
						[0] No exterior junk visible from street
<b>Modify</b>						

Record: 1 of 1

Inspect | New Residence | Modify Inspection

Inspect Date: 4/21/99

**RESIDENCE INFORMATION**

Street: BARNES AVE    Listed Number: 1016    +    -

Vacant:  No  Yes    Renovate:  No  Yes    Units: 1    Inspector: Kathryn Lynch

**RESIDENCE CONDITION**

Walls: No defects    Chimney: No defects    Landscape: Neat, with grass or

Roof: No defects    Porch: No defects    Driveway: Pavement / asphalt

Doors: No defects    Gutters: No defects    Junk: No exterior junk vis

Windows: No defects    Garage: No defects or no    Score: Standard (good)

Comments:

End Session    Reset All    Add Record

Record: 1954 of 44450



**Appendix B - Housing Provider Survey Results**





Name: Timothy Strasz Assistant Vice President  
Organization: Lansing Neighborhood Housing Corp.  
Date: May 14, 1999

What is the primary mission of your organization?

To providing financing for non-profit organizations to rehab/purchasing acquisitions in low-to-moderate income neighborhoods. In addition, LNHC sponsors home buying fairs. Banks loan the funds to non-profits for 5 ½ percent and provide grants.

Example: LNHC provides loans to Habitat for Humanity that covers rehab costs for its projects. It also financed St. Stephens non-profit housing and health fair. It also supports housing fairs to promote home ownership.

Where has your organization concentrated its efforts within the City?

Targeted low-to-moderate income neighborhoods as defined by the 1990 Census.

What geographic areas within the City need the most attention in terms of housing?

Census Tracts 5, 6, and 7. He notes that neighborhood associations have potential political weight.

He also mentioned the Northtown area, C.T. 65 (Habitat for Humanity), Baker Street (Project Teamwork), and River Point.

What aspect of the housing market needs the most attention?

Encourage home ownership which improves the neighborhoods. Work on the small group of problem landlords who rent to low-to-moderate income individuals. These units are substandard and lack maintenance. Need to evaluate code enforcement policies to intervene in these properties.

What are the major obstacles in providing adequate housing/shelter to your customers?

Historical preservation regulations make the rehab of older housing financially out-of-reach for low-to-moderate income households. In addition, there can be very costly regulation delays and the bidding process of the City can be time consuming.

What actions should be taken to address the housing problems in these areas?

For historical preservation we must do a better job in identifying historical homes. Do houses, not neighborhoods. The problem is that the attractiveness of truly historical homes is diminished by the inability to rehab deteriorating housing. He fears that historical preservation efforts are meant to keep low-to-moderate income households out.

How would you describe your relationship with other non-profit organizations? Please give examples.

Good. Michigan National Bank helps fund Project Teamwork. Lenders support Greater Lansing Housing Coalition and Ferris Development.

Do you believe that other non-profit housing organizations share your vision for Lansing?

In general, yes.

How are your housing activities funded?

Eight banks make up the LNHC. Banks participation ranges from credit-loan to corporation/investment.

What changes could be instituted to increase home ownership in the City?

A problem is that individuals who are qualified for loans do not want to live in the city due poor perceptions of the schools and, to a lesser extent, crime. The perceived quality of the Lansing Public Schools is a major weakness.

If the City found \$1 million in "free" funds that could be spent on housing, how should they use it?

1) Provide operational support to the non-profits. 2) Provide infrastructure in some neighborhoods. Duplication of some of the non-profits exists; however, the current structure is ok, and it would be very difficult to get the non-profits to merge.

Beyond funding what other changes could the City make to enhance the operation of your organization?

Bidding process can be improved. Provide operational funding of non-profits. Delay in building inspection should be avoided. Overall, the city is doing a good job, but there are "catches" in the system that can delay inspections.

Additional Comments

Look at the Home Mortgage Disclosure Report at the web site of the Comptroller of the Currency or the Federal Reserve. The Internet site should have information on the CRA as well.

List of the most active non-profits:	Total
Greater Lansing Housing Coalition	50
Project Teamwork	48
Ferris Development	approx 20
Franklin Street Community Housing Coop.	
Habitat for Humanity	
St. Stephen Community Non-profit Housing Corporation	
Other organizations: Emergency and homeless	
Loaves and Fishes	
City Mission	
Harvest House	

Name: Amy Salisbury  
Organization: LISC  
Date: 5/14/99

What is the primary mission of your organization?

LISC assists community development through the supporting of non-profit organizations with the focus of revitalizing neighborhoods and grassroots efforts.

Interested in mixed income projects.

Where has your organization concentrated its efforts within the City?

Restricted to low-to-moderate income neighborhoods and focused on the West Side near CBD and on the near Northside. Also working with community micro fund which funds owner occupied/renter and supports efforts to subsidized rehab. for residents making below 80 percent of the area's median income

What geographic areas within the City need the most attention in terms of housing?

Northtown neighborhood, Crystal Ray Community, Baker Street.

What aspect of the housing market needs the most attention?

Landlords are keeping non-code compliance housing vacant instead of fixing them up. Suggests that the City should hound these owners by being sure that the vacant house is up to standards.

She suggests looking at the PILOT program where in payment of lieu of taxes replace builders' property taxes if they provide affordable housing. Also, she talked about the Low Income Housing Tax Credit, but she worries how maintenance is funded after the project is completed.

What are the major obstacles in providing adequate housing/shelter to your customers?

1) Perception of the Lansing schools.  
2) Lack of financial programs to assist low-to-moderate income home buyers.  
3) Housing stock. Older houses do not have the features wanted by today's buyers, e.g. bathrooms, neighborhood parks, and schools. She believes households move when their children reach middle school age.

What actions should be taken to address the housing problems in these areas?

1) Must improve the perception of the Lansing Public Schools.  
2) Create programs to attract higher to moderate income families into older neighborhoods.  
3) Enhance commercial/retail corridors: S. Washington, W. Saginaw - St. Lawrence to Pine and Main Street.

How would you describe your relationship with other non-profit organizations? Please give examples.

LISC funds some of the largest ones. Provide guidance and share experience of other areas.

Do you believe that other non-profit housing organizations share your vision for Lansing?

Yes, LICS sponsors monthly meeting attended by 10 to 12 non-profits where they share issues and concerns. CDC used to be territorial and often fought each other.

How are your housing activities funded?

Ford Foundation, private banks/local/private. She mentioned that it is unfortunate that General Motors does not do neighborhood non-profit projects.

What changes could be instituted to increase home ownership in the City?

- 1) More education for households on how to buy a house and budgeting.
- 2) "Walk to Home" programs (see below).

If the City found \$1 million in "free" funds that could be spent on housing, how should they use it?

Take a targeted neighborhood and purchase vacant/abandoned housing structures.

Beyond funding, what other changes could the City make to enhance the operation of your organization?

No complaints. The City seems open to new programs.

#### Additional Comments

Very important point: Perception of low-to-moderate income households is negative. In fact, most low-to-moderate income households are working families holding lousy jobs and would be good neighbors.

She stressed the importance of strict code enforcement of housing that has been vacant.

NOTE: this raises a very interesting property rights issue - the owner's property rights allow him/her to keep the unit vacant regardless of the negative neighborhood impact.

She is working at the state level to get a bill on quick take procedures.

Suggests talking to Housing Resource Center emergency grant program.

The City has a rehab program for low-to-moderate income home owners to rehab their houses.

Main Street Initiative: Amy Collett 485-4283. This is very important as this seems to be one of the older and struggling retail areas in the city.

*Market rate new housing units at Turner and North Lansing 40 units, \$100,000* First non-subsidized housing in the city.

CDC project where CBDG/Home Funds/MSHDA in the CHOC/CHASE.

Employers: Walk-to-Home \$5,000 grant for down payment, no-interest forgivable loans if the employee stays in the house for 5 years. Limited to targeted neighborhoods. Participating employers: Sparrow, Ingham County, Lansing Board of Water and Light, City of Lansing. Sparrow has given out \$50,000 on 12 houses in the past 2 months. Problem with this effort is that it is feasible for only larger employers because of overhead. LISC is looking into setting up a employers' pool for smaller businesses.

Name: Bob Wielenga  
Organization: PROJECT TEAMWORK  
Date: 5/14/99

What is the primary mission of your organization?

To assist first time home owners in buying their home. The household must be at or below 80 percent of median income. The program is simple: Project Teamwork has a line of credit at a local bank and they buy "junk" or donated properties. They have five construction teams that have specialists on staff to make estimates on rehabing the house and put the house up for sale at the cost of rehab: \$50,000 or so. The prospective buyer gets pre-approved for a loan and agrees to buy the house. With the purchase agreement in hand, Project Teamwork rehabs the house and reimburses the bank with sale proceeds.

PROJECT TEAMWORK depends on over 1,000 volunteers and works with high school tech programs and corporations. It does not have sweat equity requirements.

They also run a Christian budgeting program. The mortgages are through FHA, VA, and regular banks.

They have not looked at tax sales as yet.

20 houses per year.

Where has your organization concentrated its efforts within the City?

Officially, the targeted area centers around Baker St. I-496, MLK, Clemens and Mt. Hope. Each of the non-profits seem to have targeted neighborhoods. But Project Teamwork will take any house anywhere in the city.

What geographic areas within the City need the most attention in terms of housing?

Baker Street - Mt. Hope, Railroad, Washington areas. Fabulous acres. There are "no wrong side of the tracks in Lansing only bad pockets."

What aspect of the housing market needs the most attention?

Encouraging new home owners. Project Teamwork stays with the new homeowner for a year. He argues that children do better when their parents own and household confidence levels are up. However, home owners also depend on the quality of surrounding renters.

What are the major obstacles in providing adequate housing/shelter to your customers?

Because of PROJECT TEAMWORK's efforts in the Baker Street area, spectators are increasing the price of junk making it more difficult for PROJECT TEAMWORK to buy the property and rehab it for a price that low-to-moderate income households can afford.

What actions should be taken to address the housing problems in these areas?

Encourage home ownership and rehab junk.

How would you describe your relationship with other non-profit organizations? Please give examples?

Good, he attends the monthly meeting at LISC. Finds the meeting full of goodwill and information. Believes that networking is important.

Do you believe that other non-profit housing organizations share your vision for Lansing?

There is a commonality among the non-profits.

How are your housing activities funded?

See question 1.

What changes could be instituted to increase home ownership in the City?

Return to the values of the 1950s and 1960s where fewer families rented apartments. Renting has a bad name; now, it is too common and accepted.

If the City found \$1 million in "free" funds that could be spent on housing, how should they use it?

No answer.

Beyond funding, what other changes could the City make to enhance the operation of your organization?

The City has been good to work with. Has successfully worked to lower building permit process. Worries about historical districts' regulations.

Additional Comments

Name: Roger Newcomb  
Organization: Ferris Development  
Date: 5/21/99

What is the primary mission of your organization?

Provide safe, clean and affordable housing in the state of Michigan. Customers must be no more than 80 percent of medium income. 100% of their activities in the City of Lansing. Ferris Development is not a lender. Customers must qualify for a conventional mortgage. The organization has a \$3 million budget.

The organization acquires, rehabs, sells or leases single/multi-family housing. Also, the organization builds new and sells or leases single/multi-family housing.

Production: This year: 16 units - 2 new and 14 rehab.  
Next year 20 units - 14 single family rehabs, 4 new, 2 new duplexes

Where has your organization concentrated its efforts within the City?

Eastside

What geographic areas with the City need the most attention in terms of housing?

Oak Park, Sparrow Estates, and Northtown.

What aspect of the housing market needs the most attention?

In these three areas of the City, the standard quality of the housing supply must be maintained. The downward trend in the ratio of owner-to-renter must be abated and reversed. Homeowner brings stability, less transit neighborhoods, helps with curb appeal, individual pride and a better environment for raising children.

What are the major obstacles in providing adequate housing/shelter to your customers?

1)Down payment assistance, 2)Cleaning up credit history and 3)Improving the income-to-debt ratio.

He mentions the "Walk-to-Home" program with Sparrow and the Board of Water and Light. MSDHA down payment program and the \$75,000 city CDBG funds.

Another problem is the large number of substandard housing units. The economy is strong right now and is key, in general, for all groups because of strong investment returns. He argues that returns to investment is robust right now.

What actions should be taken to address the housing problems in these areas?

In regards to the bad credit issues - money management courses should be taught in school, and elementary school would not be too early. Second, adults do not know where to turn to seek assistance with their money matters and are too unwilling to discuss money issues. A strong need exists for marketing of current programs.

How would you describe your relationship with other non-profit organizations? Please give examples.

Very good. The monthly meetings at LISC are useful. The environment is not as competitive as it was several years ago when the individual programs competed in terms of programs and territories.

Two or three years ago, the five existing housing non-profits sat down and worked out an agreement of territory due to HUD.

Do you believe that other non-profit housing organizations share your vision for Lansing?

Yes.

How are your housing activities funded?

Grants, home funds, MSHDA, LNHC and a good relationship with Dart Bank.

What changes could be instituted to increase home ownership in the City?

Information - What is needed is a campaign that focuses on promoting and marketing the City's housing market. This program would be very useful for the CDCs to market and sell their houses. Also, focus on the historical preservation opportunities in the community.

If the City found \$1 million in "free" funds that could be spent on housing, how should they use it?

Develop the River front area - build housing - upper end housing - with a river view. The key here is the positive spillover effects such a project would have on the surrounding neighborhood.

Beyond funding, what other changes could the City make to enhance the operation of your organization?

The city has been very supportive to their efforts, and he believes that the city's planning and neighborhood dept. is the best in the state.

Additional Comments.

Regarding the schools - rumors suggest that the schools are plagued by low test scores, but it is changing and has become the first priority of the city.

Final comment: the advantage of the city is that you can move into a neighborhood and not just a subdivision.



Name: Rose Norwood  
Organization: Housing Resource Center (no longer operating)  
Date: May 14, 1999

What is the primary mission of your organization?

The goal of Housing Resource Center is to assist in assuring decent, safe and sanitary housing for the area's residents. Programs have been designed to increase self-sufficiency of renters and home owners in their lifelong housing experience, as well as provide a "safety net" of programs for emergency housing needs

Where has your organization concentrated its efforts within the City?

The focus of the organization's efforts is to meet the housing needs of the very low-income households: 50 to 60 percent of median. It is customer driven and not restricted to any one neighborhood but serves the entire tri-county area.

What geographic areas within the City need the most attention in terms of housing?

No answer.

What aspect of the housing market needs the most attention?

The area lacks affordable housing for low-income households.

What are the major obstacles in providing adequate housing/shelter to your customers?

In many of the neighborhoods the housing stock is very old and is in need of repair. Therefore, expanding the sources for rehab funds is very important. Equally important, is the need to provide support services for households including financial budgeting and planning assistance. Finally, current FHA regulations make it difficult for many households to buy a home.

What actions should be taken to address the housing problems in these areas?

In the short-term, provide education and training on housing budgeting and social skills. In addition, many households need additional job skill training.

In the long-term, work on the development of a better urban design for the city and create better paying jobs.

How would you describe your relationship with other non-profit organizations? Please give examples.

Very good. Attends the LISC monthly meeting. Furthermore, the agency collaborates on providing continuous care for homeless households. They have been working on the development of a common in-take form for individuals and households seeking housing and assistance.

Do you believe that other non-profit housing organizations share your vision for Lansing?

Some do, and some don't. She worries that there exist conflicts between place development and person/household assistance. For instance, a neighborhood can improve but at the expense of pricing many of the current residents out of their dwellings.

How are your housing activities funded?

Government grants, United Way.

What changes could be instituted to increase home ownership in the City?

Down payment assistance, funds for rehabs,

If the City found \$1 million in "free" funds that could be spent on housing, how should they use it?

Improve its current housing stock, and provide further support for jobs skills development and support services.

Beyond funding, what other changes could the City make to enhance the operation of your organization?

Technical support for grant applications

Additional Comments.

Name: Jennifer Grau  
Organization: Habitat for Humanity  
Date: May 5, 1999 with follow-up phone conversation.

What is the primary mission of your organization?

Build decent, simple, and affordable housing. Target market is households earning 50 percent of the poverty level.

Where has your organization concentrated its efforts within the City?

The organization's efforts are not limited to any location within the city or the county.

What geographic areas with the City need the most attention in terms of housing?

She provides a brief description of the housing stock in the city. The north section of the city has a good stock of houses that can not be reproduced and that have historical value. Indeed, she believes that the City's northern neighborhoods offer the type of housing that would be attractive to "urban frontiers." The housing stock in the southern portion of the city was built primarily after World War II and is reproducible. In fact, she is worried that the south side of the City may be a future problem because the overall quality of the housing is not very good.

What aspect of the housing market needs the most attention?

Curb appeal. The neighborhood should look inviting to a future residents. It must look safe and be well-maintained.

What are the major obstacles in providing adequate housing/shelter to your customers?

Providing financing assistance to households with low and very low income levels.  
Lack of code enforcement on properties owned by neglectful landlords.

What actions should be taken to address the housing problems in these areas?

The city should take a careful look at reforming its building codes to allow for the rehab of older homes. In fact there should be two codes: one for new construction and another for the rehab of older houses.

How would you describe your relationship with other non-profit organizations? Please give examples.

Very good. Habitat for Humanity has worked jointly on projects with Project Teamwork and participates at the monthly meeting held by LISC.

Do you believe that other non-profit housing organizations share your vision for Lansing?

Yes.

How are your housing activities funded?

Fund raising, donations, and sweat equity of the future owner. (500 hours min.) Note: the sweat equity requirement has been found to be strongly correlated with low delinquent rates.

What changes could be instituted to increase home ownership in the City?

The city should adopt a uniform building code that allows for the rehab of older houses.  
Actively recruit home owners who currently live in the suburbs.

If the City found \$1 million in "free" funds that could be spent on housing, how should they use it?

Provide financial support to community group activities who would determine what they want to do.  
Use it to improve curb appeal by offering grants.

Beyond funding, what other changes could the City make to enhance the operation of your organization?

Additional Comments.

Name: Martina Johnson  
Organization: St. Stephens Community Non-Profit Housing Corporation  
Date: June, 28 1999

What is the primary mission of your organization?

Provide affordable housing to low-to-moderate income households in the neighborhood.

Where has your organization concentrated its efforts within the City?

The Northwest section of the City. Martin Luther King to Saginaw to Willow to the western city limits.

What geographic areas with the City need the most attention in terms of housing?

Most of the Northern section of the City, east of Martin Luther King and West of U.S. 27.

What aspect of the housing market needs the most attention?

Credit counseling for home buyers. Identified the Ferris Development as offering a good program.

What are the major obstacles in providing adequate housing/shelter to your customers?

Funding for rehab projects. Construction costs are rising, especially wallboard prices.

What actions should be taken to address the housing problems in these areas?

Develop an inventory of the neighborhoods to determine the volume of rehab needed.

How would you describe your relationship with other non-profit organizations? Please give examples.

Very good. She has developed a very good working relationship with Ferris Development.

Do you believe that other non-profit housing organizations share your vision for Lansing?

Yes.

How are your housing activities funded?

City of Lansing and bank loans for rehab projects.

What changes could be instituted to increase home ownership in the City?

Did not have an answer.

If the City found \$1 million in "free" funds that could be spent on housing, how should they use it?

Divide it between the non-profits for rehab projects.

Beyond funding, what other changes could the City make to enhance the operation of your organization?

Did not have any further comments except to say that city has been very supportive.

Additional Comments.

Name: Dawn Flynn  
Organization: Franklin Street Community Housing Cooperative  
Date: June 28, 1999

What is the primary mission of your organization?

Provide affordable housing to low-to-moderate income individuals in the neighborhood.

Where has your organization concentrated its efforts within the City?

North Lansing: Martin Luther King, Saginaw, Turner, Filley, Pennsylvania.

What geographic areas within the City need the most attention in terms of housing?

The city's older neighborhoods

What aspect of the housing market needs the most attention?

Financing for low-income households and home maintenance counseling.

What are the major obstacles in providing adequate housing/shelter to your customers?

Cost of purchasing and the cost of rehab. In an ironic sense, the organization is being hurt by the neighborhoods' success in that it is beginning to be more difficult to obtain and acquire housing.

What actions should be taken to address the housing problems in these areas?

If the city wants less rental and more homeowners, then the city will have to subsidize the rehab process.

How would you describe your relationship with other non-profit organizations? Please give examples.

Good. She has developed a good working relationship with Ferris Development and the Greater Lansing Housing Coalition.

Do you believe that other non-profit housing organizations share your vision for Lansing?

Yes, however, her neighborhood is more concerned than most about low-income housing instead of moderate-income housing

How are your housing activities funded?

City's revolving loan fund, LISC, MSHDA and area banks.

What changes could be instituted to increase home ownership in the City?

Help persons who are high risks to get loans at reasonable interest rates and to provide home buying and home maintenance counseling.

If the City found \$1 million in "free" funds that could be spent on housing, how should they use it?

Subsidize CDC to purchase "tagged" abandoned housing and develop a loan pool for low-income home buyers.

Beyond funding, what other changes could the City make to enhance the operation of your organization?

In general, the city is doing a pretty good job.

Additional Comments

For many low-income households, rental housing is still needed.



Name: Steve Nikkel  
Organization: Lansing Community Microenterprise Fund  
Date: June 23, 1999

What is the primary mission of your organization?

To provide technical assistance and loans to small micro businesses that are often based in the home.

Where has your organization concentrated its efforts within the City?

The organization serves the needs of small business owners, city-wide. But the organization works with low-to-moderate income households and individuals.

What geographic areas within the City need the most attention in terms of housing?

South of the Freeway in the Baker Street area.

What aspect of the housing market needs the most attention?

The integration of income diversity. The ability to combine two lots into one large housing site could attract more high-income residents into the city's older neighborhoods. In addition affordability remains an issue for low-to-moderate income households. .

What are the major obstacles in providing adequate housing/shelter to your customers?

Zoning issues are one of the major obstacles facing home-based business owners. While retail activities should not be based at home-sites, other service activities that do not draw heavy foot or car traffic should be allowed. For potential home buyers bad credit histories are a major barrier. Repairing credit is a time-consuming process and proves to be difficult for many persons.

What actions should be taken to address the housing problems in these areas?

A small revolving loan fund could be established to assist the development of home-based businesses.

How would you describe your relationship with other non-profit organizations? Please give examples.

Mutual supportive.

Do you believe that other non-profit housing organizations share your vision for Lansing?

No, the organization's focus of small business creation is unique.

How are your housing activities funded?

Community Development Block Grant, LISC, and other sources.

What changes could be instituted to increase home ownership in the City?

Tax breaks for the construction of affordable housing units. Enhance the city's downtown by attracting more restaurants and evening activities targeted at young professionals.

If the City found \$1 million in "free" funds that could be spent on housing, how should they use it?

Help CDCs and financially support better home owner training and classes in economics.

Beyond funding what other changes could the City make to enhance the operation of your organization?

The city should re-examine its zoning law and enforcement in regards to home-based businesses. Home-based businesses can play a very important role in achieving economic sustainability in the neighborhood. Indeed, home-based business can enhance the neighborhood wealth and help keep income in the neighborhood longer.

Additional Comments.

The city could lower its small business license fees.

Name: Almus M. Thorp  
Organization: Greater Lansing Housing Coalition  
Date: May 21, 1999

What is the primary mission of your organization?

To provide quality, affordable housing to low-to-moderate income households and revitalize neighborhoods.

Where has your organization concentrated its efforts within the City?

West end of Lansing.

What geographic areas within the City need the most attention in terms of housing?

Northtown and Baker Street, lower eastside just below Kalamazoo Street, east of Pennsylvania and the far southwest where there are too many 2-bedroom, concrete slab housing units.

What aspect of the housing market needs the most attention?

1) Financing in general and maintenance, and 2) many potential low-to-moderate income households have poor credit histories that can stop them from being home owners.

What are the major obstacles in providing adequate housing/shelter to your customers?

Inability to get a mortgage due to the lack of funds. Poor credit histories of potential home buyers, and finally, the lack of a good information network.

What actions should be taken to address the housing problems in these areas?

Consistent code enforcement. Too often, code inspectors disagree as to what is required to make code on rehabilitated structures. Efforts should be made to have a good mix of affordable housing and a mix of income households in the neighborhoods.

How would you describe your relationship with other non-profit organizations? Please give examples.

Increasing cordiality. There was a level of mistrust in the past. LISC should be credited for its role as host to monthly meeting.

Do you believe that other non-profit housing organizations share your vision for Lansing?

Yes.

How are your housing activities funded?

MSHDA, Home dollars, CBDG, and various grants and loans.

What changes could be instituted to increase home ownership in the City?

Better schools or, at least, a better perception of the Lansing Public Schools. The student-teacher ratio in the schools is too high.

If the City found \$1 million in "free" funds that could be spent on housing, how should they use it?

Should be used in setting up a home owner rehab loan funds. The creation of a good ad campaign promoting and identifying what is available. Finally, down payment assistance to low-to-moderate income households.

Beyond funding, what other changes could the City make to enhance the operation of your organization?

1. The city does an excellent job and has developed good relationships with non-profit organizations.
2. The city should work to have code enforcement be more consistent and aggressive.
3. The city should work with banks; it is too passive on development issues.

Additional Comments

Real Estate Developers: 6 respondents

1. How many developments have you completed in city?

-0 = 2

-1 = 1

-3 = 1

-4 = 2

A. What would encourage you to do one / more?

-Lower Crime / better schools esp. junior & high schools

-Schools in Lansing perceived poor

-Land availability

-Stronger market

-Nothing

B. What kind of projects?

-1 affordable home, 1 condo, 1 multi family, 1 downtown rehab/renewal

-1 home from ground up, 3 rehabs

-2 senior apts, 1 townhouse

-Apts.

2. Price range of Development?

-\$400-700/unit per month

-\$120,000-300,000 = 5

3. Is there an area you would not develop in?

-Southwest

-South side

-No = 2

-Northwest

-Only a few locations I would put a development

4. What can the City do to make the City a more attractive residential location?

-Reduce Crime,

-Improve perception of schools esp. Jr & High School = 2,

-Eliminate the 1% income tax,

-More aggressive in zoning buffering between res. and com./ind. locations,

-Maintenance to homes,

-Infrastructure Improvements,

-Clean up Neighborhoods

5. What can be done to make Lansing a residence of choice for upper income household?

-Reduce or remove Income Tax

-Schools system needs help& improved image = 5

-Continue what they are doing they are on the right track

-Need to increase the amount of housing which is suitable for and increase the number of locations which are desirable for upper income households.

-Don't know, make downtown like Ann Arbor with shopping and cafes' etc.

-Crime rate to high

6. \$1,000,000 Question

-Take a nice location near downtown & River clean it out and make it open for development of housing for empty nesters

-Rehab existing housing stock through low interest loans

-Improve property in specific areas with rehab loans

- Historic preservation
- Use it for subsidizing low income / entry level / first time home owners
- To difficult to develop new homes at the current market rate to make any difference, so need to use it for rehab
- Use it to hire a development company to put something together and implement the plan
- Clean up neighborhood & SF neighborhoods to spin off into other areas =2
- Clean up neighborhoods-bybulldozingg the entire neighborhoods and start new or major rehab

7. Is there a market for Condo Conversion

- Yes- New condos near downtown = 2
- Don't know =2
- I think so-East side where older folks live in two story homes w/bathrooms on 2nd floor so maybe barrier free condos on the east side for the older segment of Lansing
- No- Housing is cheap and the available locations for conversion are limited

Additional Comments

- Lack of tap fees for H2O and Sewer hookup a BIG plus and should be kept
- need some housing downtown, & a grocery store & retail downtown, Schools perceived bad although they may not be
- Encourage better maintenance on existing housing, need some sort of encouragement, "try the carrot approach not the big stick approach"
- Love the new mayor and is working out great and is putting the City back on track

Real Estate Appraiser: 6 respondents

1. What proportion of your appraisals are in City?

- 75%
- 20-25%
- Don't Know
- 50%
- 40%
- 30%

2. What are the common shortcomings you encounter when appraising a home in the City?

- Exterior maintenance painting
- Neighborhood environment
- Home condition- no upkeep
- Bad neighborhood to much noise, crime, & lack of respect for neighbors
- Lack of assessment technology at assessors office
- None = 2

3. What changes can the City do to institute or alleviate these problem?

- Increase inspections
- Don't Know
- More patrols of specific neighborhoods, enforce laws at night
- Install PAL system
- Implement computerized system in Assessors Office similar to what E. Lansing has, for phone service. =2
- Professional Appraiser on staff at the Assessors Office

4. As an appraiser, what area of the City has the with most problems with housing stock?

- Refused to answer
- Value- older downtown, already being addressed by organizations
- SW of Jolley & Waverly area not showing appreciation
- No one area, scattered clusters/pockets
- Don't Know
- Repair older sections where rentals are frequent

5. \$1,000,000 question

- Incentives to buy in older parts of town, to buy and fix up to code
- Neighborhood grants to improve homes
- Encourage home ownership= up keep
- 1st target certain neighborhoods all at once for a long term, start downtown and go block to block & target and educate individual homeowners on care of homes.
- Redevelop SW of Jolley & Waverly area not showing appreciation
- Rehab older neighborhood "central downtown" = 2

Additional Comments

- Community policing is very helpful
- Notices improvements over past few years and going in the right direction
- City doing good on Westside & Old Town and the efforts should continue throughout the City

Realtors: 6 respondents

1. Sales listing area?

- about 1/2 mile radius of Capital
- Greater Lansing Area = 5

2. In the past 5 years what proportion of homes you have sold are in City

- 95 %
- Don't Know
- 60%
- 20-25 %
- 25 %
- 45-65%

3. Type and price range is most popular in City

- Type and price less important than quality \$ 40-150-000
- All depends on buyer
- \$90,000 or less, SF
- Average \$90,000
- \$50-70,000
- \$60,000 +

Is this different from suburbs?

- Yes- lower in the City = 2
- Yes- higher in the suburbs = 3

4. What area of the City is easiest to sell a home?

- Moores River Drive area; more active neighborhood association well maintained homes, west side the hottest market now homes were built in the 1920s
- Area E. of Pennsylvania St. & south of Potter, and between Mt. Hope and Pennsylvania St., because of the upkeep of the homes
- South east, nice subdivisions, lower crime than south west

- North east side; proximity to the University & US 127 & city limits, area has new development
  - No specific area all based on the price of the home
  - East Side
5. What area is most difficult to sell a home?
- South side, where small 1000 sq. ft. homes are not up to code = 2
  - North of Willow; no upkeep
  - SW near Waverly: lower income area perception of high crime in SW
  - Area near the Olds Factory; because of the Factory
  - None based on the price and the level of Crime
6. What can the City do to make the City a more attractive residential location?
- Reduce the high % of rental properties=too many junk cars, too much trash
  - Don't Know
  - Cleaner Streets in all neighborhoods, street repairs; stricter codes on junk; ordinance to not store junk in front or side yards, it should be kept in the back or gone altogether; enforce Ord. & not allow portable daycare signs in residential areas.
  - Schools have less than a desirable reputation. = 2
  - Control crime, increase the safety for Middle & High schools.
7. What can be done to make Lansing a residence of choice for upper income household?
- Creation of historic districts in neighborhoods where tax incentives can be used along with the extra income upper income households have for rehab of the homes.
  - Improve schools esp. high schools =2
  - Reduce or eliminate 1% income tax
  - City has no room to grow & develop new homes within the City limits, so they go out
  - Ensure families that children can get a good education all the way through school system, elementary schools good, very bad middle & high school
  - Cleanup neighborhoods
8. What are the barriers that tenants face in moving toward home ownership?
- Lack of downpayment = 5
  - Poor credit history = 3
  - Lack of a steady job
  - Lack of knowledge
9. What are effective / innovative strategies in selling homes and how well do they work?
- Home tours good, garden tours great
  - Advertise in Home Mag. or multi-listing service =2
  - Home tours and housing fairs don't work well in the city, marketing in general to blue collar workers is good, TV & Radio
  - General open house, internet technology
  - Personal contacts-sell homes ; customers return to buy their next home
  - Newspaper
10. Common terms of sale?
- FHA = 6
  - Conventional = 5
  - PMI Conventional
  - VA



11. \$1,000,000 question

- Reduce traffic speeds in neighborhoods
- Eliminate one-way streets
- Help finance homes- offer repair programs to aid low income owners & buyers to pay for repairs
- Distribute funds out of specific areas and give help to area outside to encourage more home ownership
- Use it to allow people to renovate homes in need
- Study on improvements in education system
- Give certain areas tax breaks to improve homes and allow home ownership
- Don't know

12. Is there a market for condo conversions?

- Yes; General apartment complexes-he needs to do research to specify location
- Yes; Nothing to convert all big buildings gone torn down in the past
- Don't know
- Yes; the entire city
- No; supply of condo's sufficient
- Yes; Downtown

13. Key problem areas?

- Schools- 6
- Crime- 3
- Property maintenance- 1
- Mixed Use- 1
- Other

Additional Comments

- Zoning changes should follow the master plan
- Empty nesters a huge market which is ignored
- 3,300 homes have been removed for parking since the 1960s in the neighborhoods
- Must comply with the plan and stop rezoning for offices
- Stop talking about low/mod income no one likes to be called low/moderate income

Mortgage Institutions: 6 respondents

1. What percent of mortgage applications within the City are approved?

- 99%
- 50%
- 90%
- High
- 75-80%
- 90-95%

2. What are the biggest problems when approving mortgages for homes in the City?

- None
- Bad credit = 4
- Low income
- No down payment

3. Are there certain areas of the City where these problems are manifested more frequently?
  - No = 2
  - Not sure never studied it that closely
  - No; it is based on individual qualifications
  - No not in his experience
  - No not necessarily
  
4. What changes that could be instituted to increase home ownership?
  - Additional special programs to assist lower income people become homeowners
  - Down payment assistance = 3
  - Applicants need steady work history
  - Better credit
  - The city needs a program to help provide grants & low interest loans & down payment assistance
  - Not sure about the City
  
5. Is a CRA report available?
  - Yes =2
  - No =4
  
6. \$1,000,000 question
  - Rehab of older homes throughout the entire City = 2
  - Upgrade Infrastructure, sidewalks etc. =2
  - For purchase of homes in difficult neighborhoods for owner occupancy
  - Help people buy homes, then make them work off a portion of the money- this will give them a sense of ownership & they will take care of it
    - Ex. If you make a kid work for his/her bike then her/she will take care of it, if you just give it to them then they will not take care of it.
  - Go through non-profit foundations to assist 1st time home buyers with purchases of new homes or maintenance of their existing home
  - Target areas for clean up all over including housing - streets, etc. would be a good start
  - 1st time Homeowner assistance

Additional Comments  
-NONE

Property Management Companies: 4 respondents

1. What type of unity does your company manage?
  - Multi-family, townhouse, senior apts
  - SF homes
  - 9 apts. in 4 different structures to rent to families and individuals
  - 1 building with 12 units
  
2. What are the obstacles in managing rental properties in Lansing?
  - Qualified tenants =2
  - Qualified tenants in terms of credit history and Income
  - Tenants paying on time
  - Ensure that tenants do not destroy units =2

3. Average occupancy rate?

- 95-100%
- 90%
- 100%
- 85-90%

4. Average Rent?

- Including both tax credit to market rate \$450-1000
- \$500-600
- \$350-550
- \$415-425

5. \$1,000,000 question

- Clean up certain areas in central & south & north Lansing to encourage development
- Don't know
- Remove some of the shacks or dumps & put up new structures
- Rental inspection program good and should be maintained
- Educate tenants to be more respectful of their homes

Additional comments

- Interest rates low drive renters to be owners

Builders/ Rehabilitation 4 respondents

1. How many projects have you completed in the City?

- Zero; his clients don't ask him to develop / build in the city; He would do one if he was asked by client
- Over the last 15 years 25; all SF homes
- 4 single family
- 30 - 6 new structures in last year

2. Is there a market for condo conversions?

- He does not know, he does not build in Lansing
- Not significant
- Yes; growing market of older residents who would be suitable for them
- Yes, This company actually did some condo conversions

3. What price range do you develop?

- \$150-250,000
- \$160,000 +
- \$150,000 +
- \$ 90,000 -+

4. Is there an are you would NOT put a development?

- If someone asked him to build in the City he would consider it, but his clients want out of the City, so he builds in the suburbs
- Probably not downtown area or south of Mt. Hope
- No
- South and South West - for financial success reasons

5. What can the City do to make the City a more attractive residential location?

- Improve the infrastructure = 4
- improve the reputation of the schools =2
- New infill homes

- Space for neighborhood associations to meet and funds for newsletters to be distributed
- Tax Credits for residential restoration

6. What can be done to make Lansing a residence of choice for Upper Income Household?

- Improve neighborhoods
- Make land available in areas which would be attractive to upper income households =2
- Market is driven by perception, the perception is High crime and poor schools =2
- Space for neighborhood associations to meet and funds for newsletters to be distributed
- Tax Credits for residential restoration
- Infrastructure/ street and curb repairs

7. \$1,000,000 question

- Rehab & maintain the old homes with historic district potential
- A paid director for the historical society to keep the historic homes issues moving
- Funds for home restoration for low/ mod income home owners

Additional comments

- Would like to see Lansing improve the home ownership rate & encourage residents to live in the City
- Need to draw tourists in to downtown, promote museums, put a plan together for the Ottawa street Power station.

COMMONLY ASKED QUESTIONS

What can the City do to make the City a more attractive residential location?

Developer

- Reduce Crime,
- Improve perception of schools esp. Jr & High School = 2
- Eliminate the 1% income tax
- More aggressive in zoning buffering between Res. and Com/Ind locations,
- Maintenance to homes
- Infrastructure Improvements
- Cleanup Neighborhoods

Realtor

- Reduce the high % of rental properties =too many junk cars, too much trash
- Don't Know
- Cleaner Streets in all neighborhoods, street repairs; stricter codes on junk; ordinance to not store junk in front or side yards, it should be kept in the back or gone altogether; enforce Ord. & not allow portable day care signs in residential areas
- No good instant answer, Schools zones have less than a desirable reputation
- Control crime, increase the safety of Middle & high schools

Builders

- Improve the infrastructure = 4
- improve the reputation of the schools
- New infill homes
- Offer a meeting place for neighborhood associations and financial assistance for neighborhoods associations to put out News letters.
- Get state funds funneled for city distribution for tax credits for residential restoration

Is There a Market for Condo Conversion

Developers

- Yes- New condos near downtown = 2
- Don't know =2
- I think so-East side where older folks live in Two story homes w/bathrooms on 2nd floor so maybe barrier free condos on the East side for the older segment of Lansing
- No - Housing is cheap and the available locations for conversion are limited

Realtors

- Yes; General apartment complexes-he needs to do research to specify location
- Yes; Nothing to convert all big buildings gone torn down in the past
- Don't Know
- Yes; the entire city
- No; supply of condos sufficient

Builders

- Yes; growing market of older residents who would be suitable for them
- Yes in the downtown area, their company actually has done some condo conversions

What can be done to make Lansing a residence of choice for Upper Income Household?

Developers

- Reduce or remove Income Tax
- Schools system needs help& improved image = 5
- Continue what they are doing they are on the right track
- Need to increase the amount of housing which is suitable for and increase the number of locations which are desirable for Upper income households.
- Don't know - make downtown like Ann Arbor with shopping and cafes, etc.
- Crime rate to high

Realtors

- Creation of historic districts in neighborhoods where tax incentives can be used along with the extra income upper income households have for rehab
- Improve schools esp. high schools
- Schools need improvements
- City has no room to grow & develop, new homes within the City limits so they go out
- Ensure families that children can get a good education all the way through school system, elementary s schools good, very bad middle & high school

Builders

- Improve neighborhoods
- Make land available in areas which would be attractive to upper income households =2
- Market is driven by perception, the perception is High crime and poor schools =2
- Infrastructure improvements- no more partial paving and repair curbs and streets.
- Offer a meeting place for neighborhood associations and financial assistance for neighborhoods associations to put out News letters.
- Get state funds funneled for city distribution for tax credits for residential restoration

\$1,000,000 Question

Developers

- Take a nice location near downtown & River clean it out and make it open for development of housing for empty nesters
- Rehab existing housing stock through low interest loans
- Improve property in specific areas with rehab loans
- Historic preservation
- Use it for subsidizing low income / entry level/ first time home owners
- To difficult to develop new homes at the current market rate to make any difference, so need to use it for rehab
- Use it to hire a development company to put something together and implement the plan
- Cleanup neighborhood & SF neighborhoods to spin off into other areas =2
- Cleanup neighborhoods-by bulldozing the entire neighborhoods and start new or major rehab.

Appraisers

- Incentives to buy in older parts of town, to buy and fix up to code
- Neighborhood grants to improve homes
- Encourage home ownership= up keep
- 1st target certain neighborhoods all at once for a long term, start downtown and go block to block & target and educate individual homeowners on care of homes.
- Redevelop SW of Jolley & Waverly area not showing appreciation
- Rehab older neighborhood "central downtown" =2

Realtors

- Reduce traffic speeds in neighborhoods
- Eliminate 1 way streets
- Help finance homes- offer repair programs to aid low income owners & buyers to pay for repairs
- Distribute funds out of specific areas and give help to area outside to encourage more home ownership
- Use it to allow people to renovate homes in need
- Study on improvements in education system
- Give certain areas tax breaks to improve homes and allow home ownership

Mortgage Institutions

- Rehab of older homes throughout the entire City
- Upgrade Infrastructure, sidewalks etc. =2
- For purchase of homes in difficult neighborhoods for owner occupancy
- Help people buy homes, then make them work off a portion of the money- this will give them a sense of ownership & they will take care of it  
Ex. If you make a kid work for his/her bike then her/she will take care of it, if you just give it to them then they will not take care of it.
- Go through nonprofit foundations to assist 1st time home buyers with purchases of new homes or maintenance of their existing home
- Target areas for clean up all over including housing - streets, etc. would be a good start

Property Management Companies

- Cleanup certain areas in central & south & north Lansing to encourage development
- Don't know
- Remove some of the shacks or dumps & put up new structures
- Rental inspection program good and should be maintained
- Educate tenants to be more respectful of their homes

Builders

- Rehab and maintain the old homes with historic district potential
- Hire a paid director of the Historical Society to keep the historic home rehab and identification issues moving
- Funnel funds for restoration of homes to low - mod. Income home owners
- Need staffing for local history room at the Lansing / County library and space for research to be done

Additional Comments

Developers

- Lack of tap fees for H2O and Sewer hookup a BIG plus and should be kept
- need some housing downtown, & a grocery store & retail downtown, Schools perceived bad although they may not be.
- Encourage better maintenance on existing housing, need some sort of encouragement, "try the carrot approach not the big stick approach"
- Love the new mayor and is working out great and is putting the city back on track

Appraisers

- Community policing is very helpful
- Notices Improvements over past few years and in right direction
- City doing good on westside & old town and the efforts should continue throughout the city

Realtors

- Zoning changes should follow the master plan
- Empty nesters a huge market which is ignored
- 3,300 homes have been removed for parking since the 1960's in the neighborhoods
- Must comply with the plan and stop rezoning for offices
- Stop talking about low/mod income no one likes to be called low/moderate income

Mortgage Institutions

- NONE

Property Management Companies

- Interest rates low drive renters to be owners

Builders

- Would like to see Lansing improve the home ownership rate & encourage residents to live in the City
- Need shopping downtown- need a tourist draw into the downtown, Promote the Museums, Come up with a development plan for restoration and development of tourist oriented used for the Ottawa Street Power Station

City of Lansing Housing Providers Survey

Respondents

Real Estate Appraisers

Beth L. Graham Appraiser  
Albert Appraisal Services  
Richter Appraisal Company  
Ross Appraisal Services  
Abood Realty Company  
Jerry Lazar Appraisal

Real Estate Developers

Pearl Development Company  
Fairfax Management Inc.  
Dave Muylle Developer  
McCardel Development and Management Inc.  
Oakwood Companies  
Mulder Company

Realtors

Kellogg Real Estate  
Royal Real Estate  
Luken Real Estate  
O'Leary Real Estate  
Remax Home Professionals  
Porter Real Estate

Mortgage Institutions

Vandyk Mortgage Corporation  
State Employees Credit Union  
Michigan Money Managers  
Mason State Bank  
Capital City Mortgage Co.  
NBD Mortgage

Property Management Companies

Oakwood Companies  
PK Housing & Management  
Arista Management  
Stebbins Development Co.

Builders / Rehabilitation

Oneida Home Builders  
Kuhlman Inc.  
Adcock Builders  
City Vision Inc.



## **Appendix C - Household Survey Results**



## HOUSEHOLD SURVEY

To obtain citizen viewpoints on housing in Lansing, the Kercher Center for Social Research at Western Michigan Univ. conducted a telephone survey of 518 households between May 20 and June 8, 1999 using a randomly generated computer dialing system designed to cover all the geographic areas of the City according to 5 digit zip codes.

Over half of the respondents were between the ages of 20 and 40, with 6 out of 10 being female and almost 7 out of 10 being homeowners. Almost 34% of households have only one adult living in the house, and 55% have two adults. Only 39% have children living in the house.

According to the survey respondents,

Over 50% have lived at their present address five years or less

Almost 2/3 moved to their present dwelling from another dwelling in the City

44% expect to be living at the same address in five years

Almost 3/4 of homeowners expect the market value of their property to increase over the next three years with 40% expecting it to increase by more than 5%

55% of renters are considering buying a home within the next three years and 47% of those are looking in their local neighborhood or another area of the City.

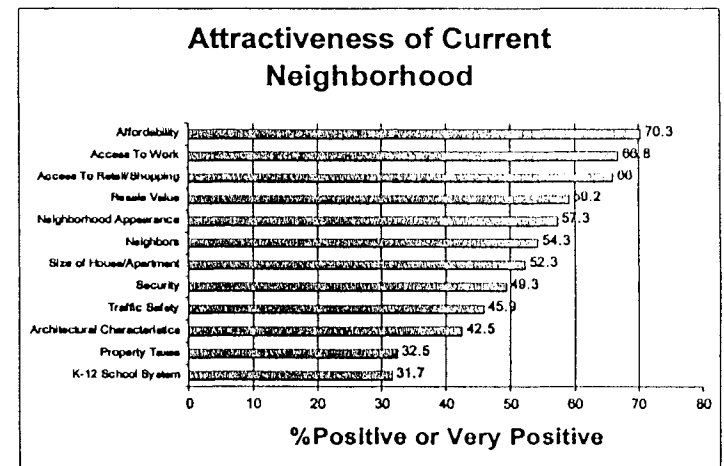
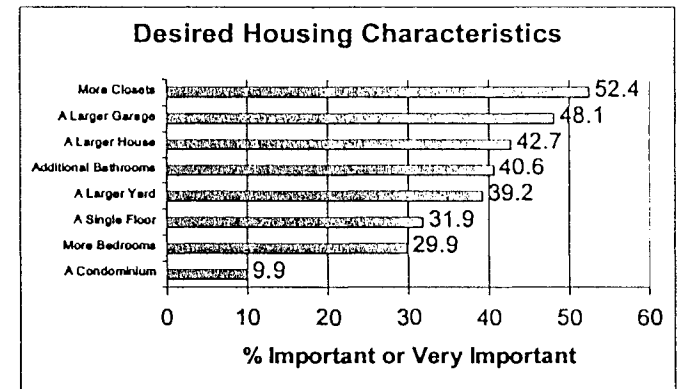
About 80% of households have an adult working outside the home, with 49% taking less than 10 minutes to travel to work and 44% taking between 11 and 30 minutes.

The most desirable characteristics in a new home were: a) more closets, b) a larger garage, c) a larger house

The greatest assets keeping residents in their neighborhoods are: a) affordability, b) access to work, c) access to shopping

The greatest negative qualities driving people to consider moving are: a) the school system, b) property taxes, c) size of dwelling unit, d) traffic safety

The survey indicated several strengths the City possesses as a place in which to live. Over half of the respondents indicate their **neighbors** are a positive asset, with almost 60% sighting neighborhood appearance as a benefit. **Security** and **affordability**, along with **access** to shopping and to work are characteristics that make the City attractive to those who live here. That is all reflected in the perception of City residents that their homes have a relatively good **resale value**. These are all strengths that the City can build upon.



## Introduction

The 1999 City of Lansing Housing Survey was undertaken by the Kercher Center for Social Research (KCSR) at Western Michigan University to obtain citizen viewpoints on housing issues. The survey utilized a random-digit dialing telephone approach within the City of Lansing telephone exchanges. This approach has been preferred because it generally produces a higher response rate and more representative data than mail protocols.

The sample, specified to represent telephone households in the City of Lansing, was purchased from Survey Sampling, Inc. That company is a leading supplier of social science telephone samples and provides numbers from which non-working and business exchanges have been removed. The survey was conducted at the KCSR's computer-assisted telephone interviewing facility. With this equipment, the interviewer dialed the telephone number that had been generated. After the respondent agreed to participate, the interviewer read the questions from the computer screen and entered the respondent's answers directly into the computer. Skip patterns and contingency questions were automatically invoked based on the answers provided. When the interviews were completed, the data from the various interviewer's disks were accumulated into a single file and translated for analysis in a statistical software program. Then, they were carefully checked for accuracy and analyzed.

The survey instrument was drafted by George Erickcek of the Upjohn Institute for Employment Research and Nick Evers of Gove Associates with input from representatives of the City of Lansing, modified by the KCSR to meet accepted standards of interviewing practice, and approved by the City. The instrument was programmed into the CATI system by KCSR staff and pretested on May 19, 1999. No problems with the instrument were identified and the 30 cases

completed during the pretest were therefore included in the full county survey. Interviewing resumed on May 20 and continued until June 8, 1999. Calls were made on week nights from 5 until 9 p.m. and on Saturday from 10 a.m. until 2 p.m. In total, interviewing yielded 518 completed interviews with 865 refusals and terminations for a response rate of 38%. This rate is in line with other recent telephone interviewing projects both locally and nationwide.

The 1990 Census reports an adult (18 and over) population for the City of Lansing of approximately 92,407. A sample of 518 is sufficient to represent the adult population of the City at a 95 percent confidence interval with a level of precision of plus or minus four and a half points. Sampling and interviewing was done proportionally by the adult population in zip codes within the City.

KCSR staff prepared frequency distributions for each item on the survey. These are displayed in Appendix A alongside a copy of the survey instrument.

## Results

### Characteristics of the Sample

Table 1 presents the distributions of respondents for zip codes in the City of Lansing.

Table 1. Zip Codes

	n	%
48906	98	19.0
48910	159	30.9
48911	146	28.3
48912	64	12.4
48915	38	7.4
48933	10	1.9

Table 2 shows the distribution of respondent demographic characteristics. As is the

Table 2. Demographic Characteristics of Sample

	n	%	1990 Census %
Age categories			
Under 20 yrs	7	1.4	3.6
20 to 29 yrs	101	19.6	27.8
30 to 39 yrs	126	24.5	26.4
40 to 49 yrs	115	22.3	15.1
50 to 59 yrs	77	15.0	9.4
60 to 69 yrs	39	7.6	9.0
70 yrs and older	46	8.9	8.8
[don't know/refused]	4	0.8	
Ethnic categories (includes pop. <18)			
Caucasian	383	74.4	73.9
African-American	82	15.9	18.6
Hispanic	15	2.9	
Asian-American	1	0.2	1.7
American-Indian	10	1.9	1.0
Alaskan Native	0	0.0	0.0
International/Non-US Resident	1	0.2	
Pacific Islander	0	0.0	
Multiracial	10	1.9	
Other	2	0.4	
[don't know/refused]	11	2.1	
Household income Not comparable (inflation)			
Less than \$10,000	29	5.6	
\$10,000 - 25,999	104	20.2	
\$26,000 - 45,999	160	31.1	
\$46,000 - 65,999	94	18.3	
\$66,000 - 85,999	41	8.0	
\$86,000 - 120,999	30	5.8	
121,000 to \$170,999	6	1.2	
Over 170,000	4	0.8	
[don't know/refused]	47	9.1	
Gender (determined by voice)			
Male	199	38.6	
Female	314	61.0	
[Not determined]	2	0.4	

tendency in telephone protocols, the sample somewhat under-represents young adults (who may be out of the home more often) and males<sup>1</sup>.

### **Respondent's Residential Situation**

A series of four questions asked the respondent to describe their residential situation. Table 3 shows the frequency of response for each. The first question showed that over half of respondents have lived in their current residence for five or fewer years while about 16% have lived there for more than 20 years. Almost two-thirds reported their last residence (before the current one) as in Lansing, with an additional 24% reporting that residence as within 50 miles of their present location. Given this history of regional stability, it is not surprising that only one in five expect that five years from now they will be living “beyond the Lansing area.” Finally, about 30% of respondents were renters, about 69% were owners, and about 2% did not answer the tenure question. The preponderance of owners is consistent with residential stability but also with the under-representation of young adults noted above.

---

<sup>1</sup>In households with both a male and a female resident, women tend to answer the phone more often and to refuse to participate less often. We attempt to correct for the first issue by asking for the adult member of the household with the most recent birthday.

Table 3. Residential Situation

	n	%
How long have you lived at your present address?		
1 year or less	110	21.9
2-5 years	156	31.1
6-10 years	87	17.3
11-20 years	70	14.0
20 + years	79	15.7
Was your last residence?		
in Lansing	326	63.3
within 50 miles of your current location	125	24.3
beyond 50 miles	59	11.5
[don't know/refused]	5	1.0
* Five years from now do you expect to?		
be living at the same address	226	43.9
be living in a different house but in the City of Lansing	66	12.8
be in the Lansing area but outside of the city	64	12.4
be living beyond the Lansing area.	110	21.4
[don't know/refused]	49	9.5
Do you rent or own?		
rent	152	29.5
own	353	68.5
[don't know/refused]	10	1.9

### Value

The next two questions were asked only of homeowners. The first asked the respondent to estimate whether the home will increase or decrease in value and roughly by how much. Table 4 shows that almost three-fourths of respondents expect an increase with about 40% expecting an increase of more than five percent. Only 2% expect a decline. The next question asked for the



same information retrospectively - that is, how has the value changed in the last three years - and was, of course, asked only of homeowners who had resided in their present home for more than three years. The numbers were very close to the previous indicator.

Table 4. Home Value

	n	%
X During the next three years do you expect the market value of your house to:		
increase more than 5 percent	140	39.7
increase 5 percent or less	119	33.7
stay the same	47	13.3
decline	7	2.0
[don't know/refused]	40	11.3

**{If homeowner for over 3 years}**

Over the past three years do you believe that the market value of your house has:		
increased more than 5 percent	117	45.3
increased 5 percent or less	78	30.2
stayed the same	42	16.3
declined	3	1.2
[don't know/refused]	18	7.0

**House Search**

Two questions were then asked only of renters (Table 5). The first was whether the respondent was considering buying a home in the next three years. Over half responded affirmatively. Those respondents were then asked where they are looking. About 16% said their current local neighborhood, about a third said somewhere else in Lansing, and about 43% said outside of Lansing.

Table 5. Home Search (current renters only)

	n	%
× Are you considering buying a home in the next three years?		
yes	84	55.3
no	64	42.1
[don't know/refused]	4	2.6
<b>{If yes}</b> Where are you looking?		
in your local neighborhood	13	15.5
in Lansing but outside of the neighborhood	27	32.1
outside of Lansing	36	42.9
[don't know/refused]	8	9.5

### Work Issues

Three questions addressed work-related issues thought to effect housing decisions (Table 6). The first asked whether an adult in the household was working outside the home. Almost 80% said yes. Those respondents were asked the length of the work commute for the person with the highest paying job outside the home. About half who responded said 10 minutes or less with most of the remainder saying 11 to 30 minutes. Finally, about 93% reported using a car to get to work.

Table 6. Work Issues

	n	%
Are you and/or another adult in the household currently working outside the home?		
yes	409	79.4
no	103	20.0
[don't know/refused]	3	0.6
<b>{If yes}</b>		
How long does it take for the adult with the highest paying job outside the home to commute to work?		
1-10 minutes	199	48.7
11-30 minutes	179	43.7
31+ minutes	25	6.1
[don't know/refused]	6	1.5
How do they get to work:		
car	380	92.9
bus	4	1.0
car pool	3	0.7
walk/bicycle	18	4.4
other	4	1.0
[don't know/refused]	0	0.0

### Desired Housing Characteristics

Respondents were next asked to imagine they were going to move in the next three to five years. A series of eight questions were designed to let respondents tell us what characteristics would be most desirable in a new home. Table 7 shows the results. Each question had the response set with 5 being "very important" and 1 being "not a factor."

Table 7. Desired Housing Characteristics (%)

	Not a factor		3	4	Very imp.	dk/ refused
	1	2			5	6
a larger house	28.7	7.4	20.0	7.2	35.5	1.2
a larger yard	35.0	6.6	18.3	10.3	28.9	1.0
additional bathrooms	30.1	12.0	16.1	9.7	30.9	1.2
more bedrooms	35.7	10.9	22.3	8.3	21.6	1.2
a larger garage	29.7	5.6	15.3	12.2	35.9	1.2
a condominium	73.2	6.8	8.0	5.0	4.9	2.1
a single floor	38.1	10.7	18.1	7.4	24.5	1.4
more closets	19.4	6.4	20.4	18.6	33.8	1.4

These characteristics show relatively similar distributions with the exception of “condominium” where the vast majority would not consider that as a factor. All other characteristics have roughly a fifth to a third saying both that it is not a factor and that it is a very important factor. The distributions are well balanced in intermediate categories as well with the exceptions of “a larger garage” and “more closets” where more respondents would appear to give at least some weight to that characteristic.

### Current Neighborhood Characteristics

On a scale with 5 being “a tremendous asset that is keeping you in the neighborhood” and 1 being “a negative quality that is making you consider moving out,” respondents were asked to evaluate 12 characteristics of their current neighborhood. Table 8 shows the distribution of responses.

Table 8. Attractiveness of current neighborhood characteristics (%)

	1	2	3	4	5	6(dk/r)
size of house/apartment	12.6	5.8	28.3	18.3	34.0	1.0
neighbors	11.3	7.8	25.0	19.0	35.3	1.6
neighborhood appearance	8.2	6.2	27.4	25.6	31.7	1.0
K-12 school system	24.7	9.1	18.4	10.3	21.4	16.1
property taxes (exclude if renter)	14.0	12.4	35.5	15.7	16.8	5.5
security	10.1	11.8	27.2	21.9	27.4	1.6
affordability	6.0	4.3	16.7	26.6	43.7	2.7
access to retail/shopping	6.6	5.8	19.8	21.7	44.3	1.7
resale value (exclude if renter)	4.4	6.9	22.9	28.9	30.3	6.6
access to work (for those working)	5.8	7.0	19.4	24.3	42.5	1.0
architectural characteristics	9.1	13.6	31.8	19.2	23.3	2.9
traffic safety	12.4	11.3	29.7	18.1	27.8	0.8

The only characteristic which was perceived to be an extremely negative factor by more than 14% of respondents was the schools with almost 25%. In fact, in addition to the schools, only property taxes, security, architectural characteristics, and traffic safety had combined negative ratings (a 1 or 2) from at least 20% of respondents. On the extreme positive (attractive) side, schools were far down the list at 21.4%. The most often cited factors as greatly attractive were affordability and access to shopping and to work with ratings above 40%.

### Household Characteristics

The final set of questions (apart from the demographic questions we have already presented) asked respondents for information about their households. Table 9 displays the results. The first question shows that about a third of households had only one adult, about 55% had two, and the remaining 10% had more. About 39% of responding households had children

**Appendix D - Miscellaneous Population and Income Data**

# Lansing Citywide Housing Market Analysis

## Background

The City of Lansing recognizes that, as a mature developed city, it has to compete with "suburban" locations within the metropolitan area for attracting new residents and new housing. Attracting new households and maintaining quality housing stock is necessary in order for the City to remain vibrant as a center of residential activity.

**In addition to creating an environment that provides adequate, safe, and affordable housing for all of its residents, the mission of the City of Lansing Housing Strategy is to make the City the residential location of choice for all income groups.**

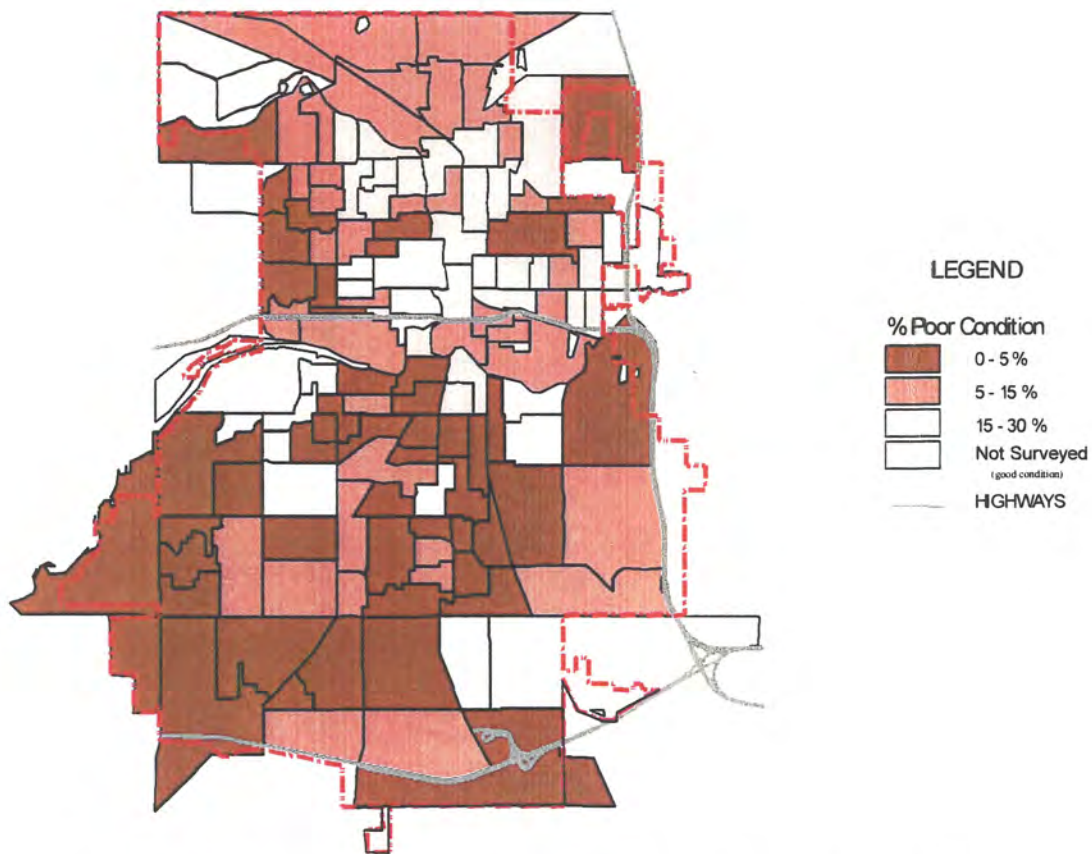
The task before the City is to analyze the City's housing market and regional economy, and develop recommendations as to what the City should do to create a stronger housing market. To accomplish that, this study has four primary purposes:

- A) To identify the area's future **economic growth engines** that may provide sufficient economic opportunities to enhance the City's position as a place to live and work (**overall demand**);
- B) To identify the current and near term population and housing characteristics of the City, including the **condition of the housing stock (overall supply)**;
- C) To identify those **obstacles** that hinder the creation of an environment that will nurture, stimulate, and encourage economic and household growth within the City; and
- D) To generate and embrace programs that will address those obstacles.

The following presentation represents information that has been collected to construct a comprehensive analysis of the conditions that impact the residential character of Lansing.



# Areas of Housing Concerns



One of the major objectives of the Lansing Housing Market Study is to establish a comprehensive data base of all single family and duplex residential properties in the City within older, more established areas. To accomplish that, a “windshield” survey of each parcel in those areas is being conducted to identify the conditions of specified components of the residence. The following conditions for each residence were “scored” in the inventory:

- |                            |                    |          |
|----------------------------|--------------------|----------|
| wall structure and surface | porch and steps    | driveway |
| roof structure             | gutters downspouts | junk     |
| doors and frame            | garage             |          |
| chimney                    | landscaping        |          |

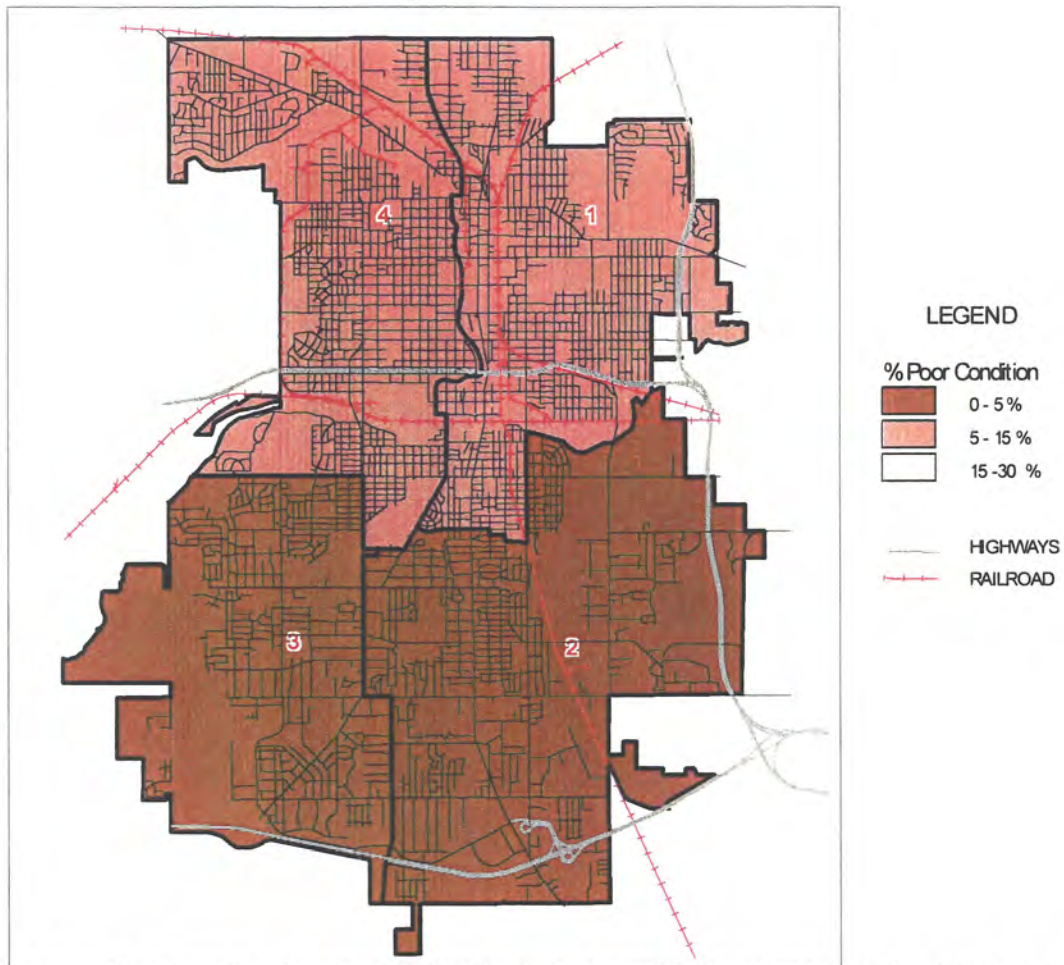
Total scores were then broken out into ranges (e.g., 0-5, 6-12, etc) and classified accordingly. The resultant classifications (ratings) are:

**Standard (good) Needs Maintenance (fair) Deteriorating (poor) Substandard (very poor) Critical**

The Percent Poor Housing Condition Map reflects the relative status of the housing stock by census tract for the City for those residential parcels inventoried to date.



# Areas of Housing Concerns By Ward



One of the major objectives of the Lansing Housing Market Study is to establish a comprehensive data base of all single family and duplex residential properties in the City within older, more established areas. To accomplish that, a “windshield” survey of each parcel in those areas is being conducted to identify the conditions of specified components of the residence. The following conditions for each residence were “scored” in the inventory:

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| chimney                    | landscaping        |          |

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The Percent Poor Housing Condition Map reflects the relative status of the housing stock by census tract for the City for those residential parcels inventoried to date.

## HOUSEHOLD SURVEY

To obtain citizen viewpoints on housing in Lansing, the Kercher Center for Social Research at Western Michigan Univ. conducted a telephone survey of 518 households between May 20 and June 8, 1999 using a randomly generated computer dialing system designed to cover all the geographic areas of the City according to 5 digit zip codes.

Over half of the respondents were between the ages of 20 and 40, with 6 out of 10 being female and almost 7 out of 10 being homeowners. Almost 34% of households have only one adult living in the house, and 55% have two adults. Only 39% have children living in the house.

According to the survey respondents,

Over 50% have lived at their present address five years or less

Almost 2/3 moved to their present dwelling from another dwelling in the City

44% expect to be living at the same address in five years

Almost 3/4 of homeowners expect the market value of their property to increase over the next three years with 40% expecting it to increase by more than 5%

55% of renters are considering buying a home within the next three years and 47% of those are looking in their local neighborhood or another area of the City.

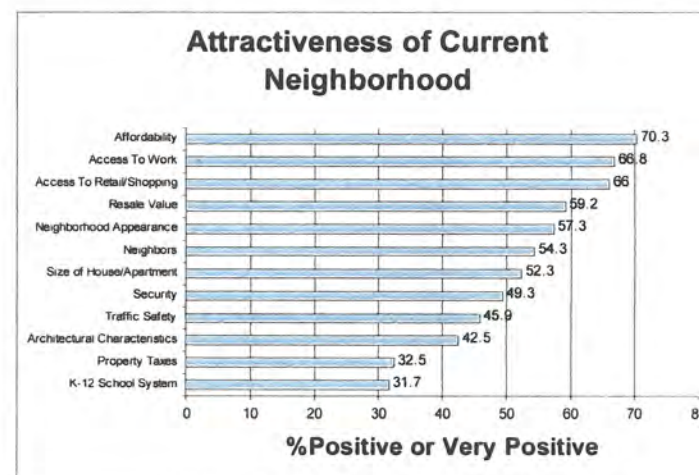
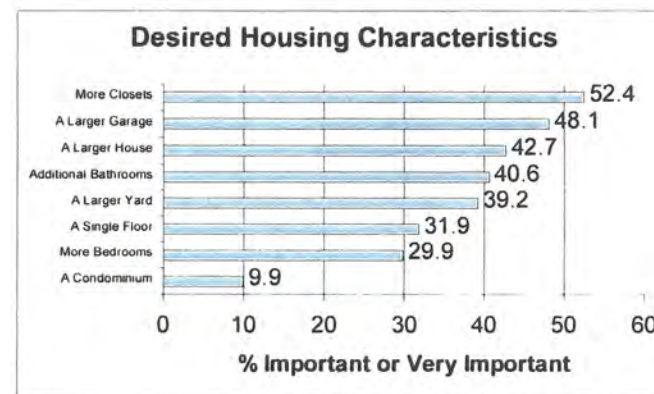
About 80% of households have an adult working outside the home, with 49% taking less than 10 minutes to travel to work and 44% taking between 11 and 30 minutes.

The most desirable characteristics in a new home were: a) more closets, b) a larger garage, c) a larger house

The greatest assets keeping residents in their neighborhoods are: a) affordability, b) access to work, c) access to shopping

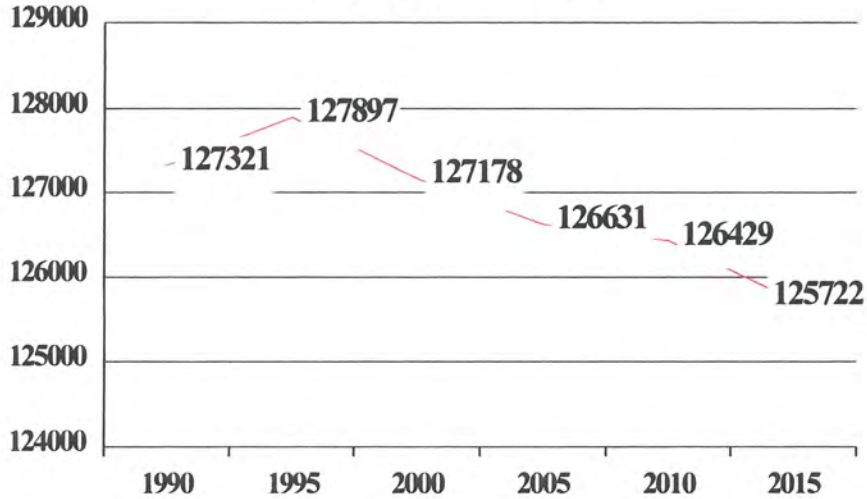
The greatest negative qualities driving people to consider moving are: a) the school system, b) property taxes, c) size of dwelling unit, d) traffic safety

The survey indicated several strengths the City possesses as a place in which to live. Over half of the respondents indicate their **neighbors** are a positive asset, with almost 60 % sighting neighborhood appearance as a benefit **Security** and **affordability**, along with **access** to shopping and to work are characteristics that make the City attractive to those who live here. That is all reflected in the perception of City residents that their homes have a relatively good **resale value**. These are all strengths that the City can build upon.

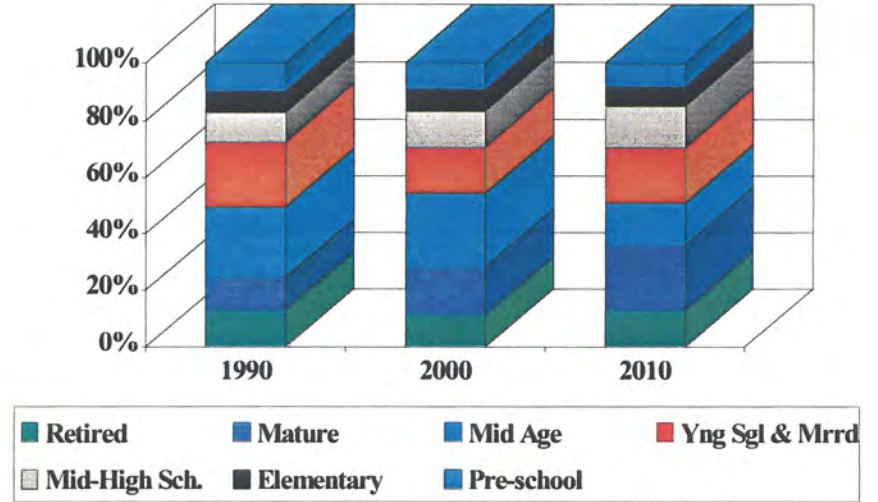


# Population and Employment Forecast

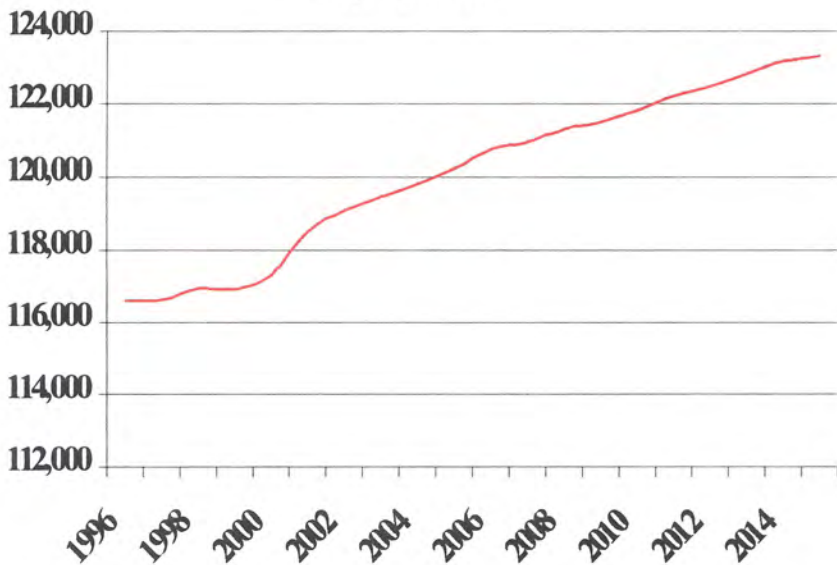
City of Lansing  
Population Forecast



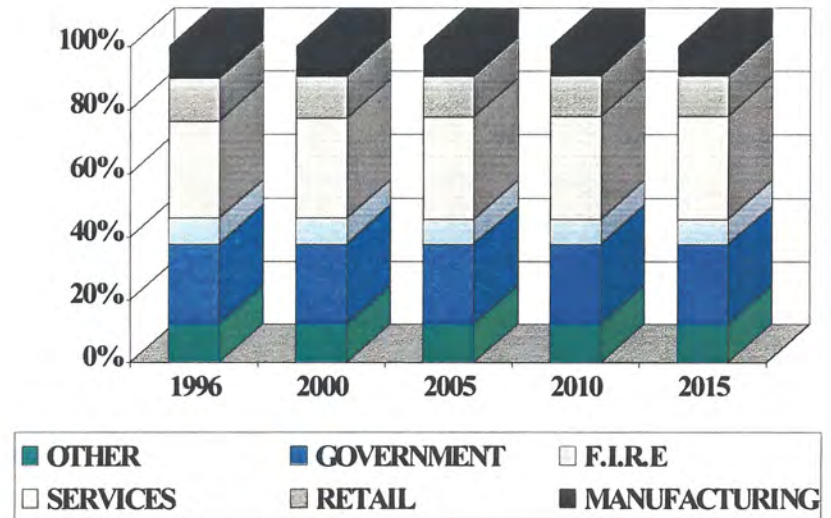
City of Lansing  
Population Forecast-Age Distribution



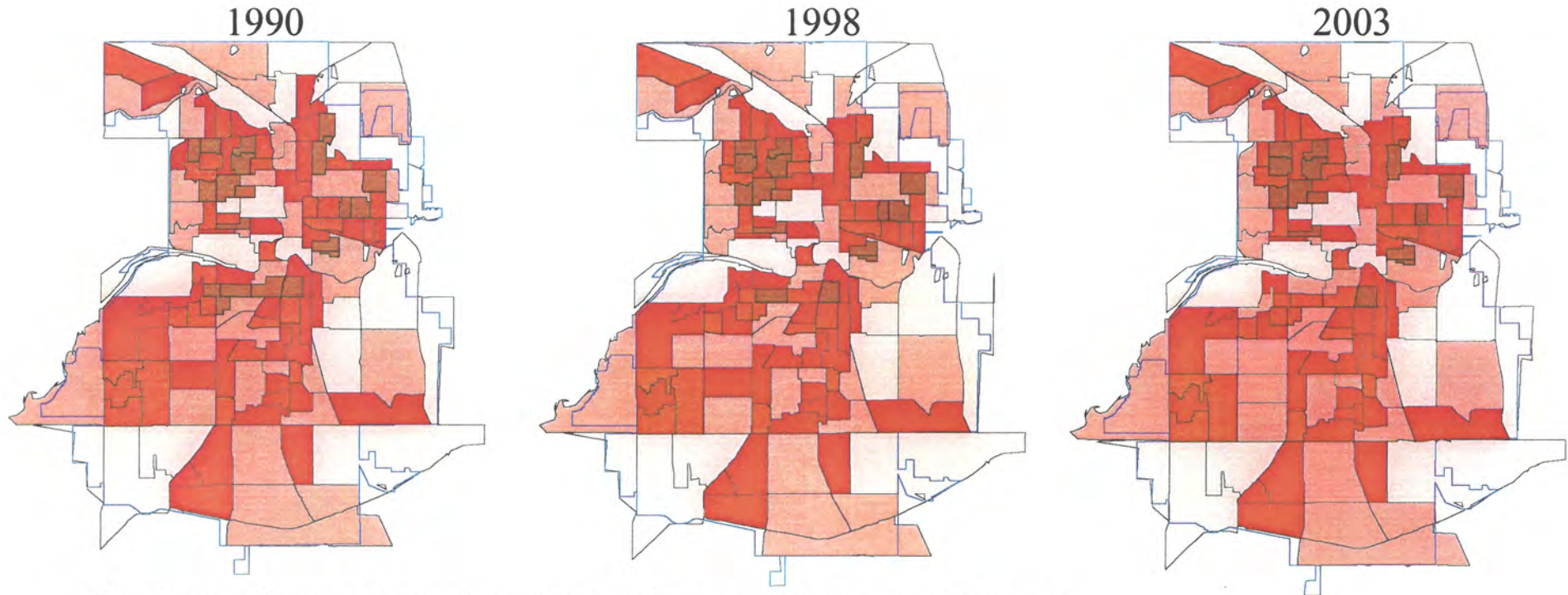
City of Lansing  
Employment



City of Lansing  
Distribution of Employment



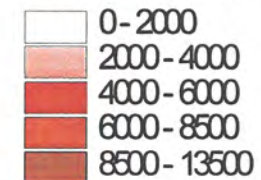
# Population Density: 1990-2003



Population density over time shows where people are moving out and where people are moving in. While the city as a whole has lost population there does not appear to be any major population shifts within the city in the recent past nor is it likely in the near future.

## LEGEND

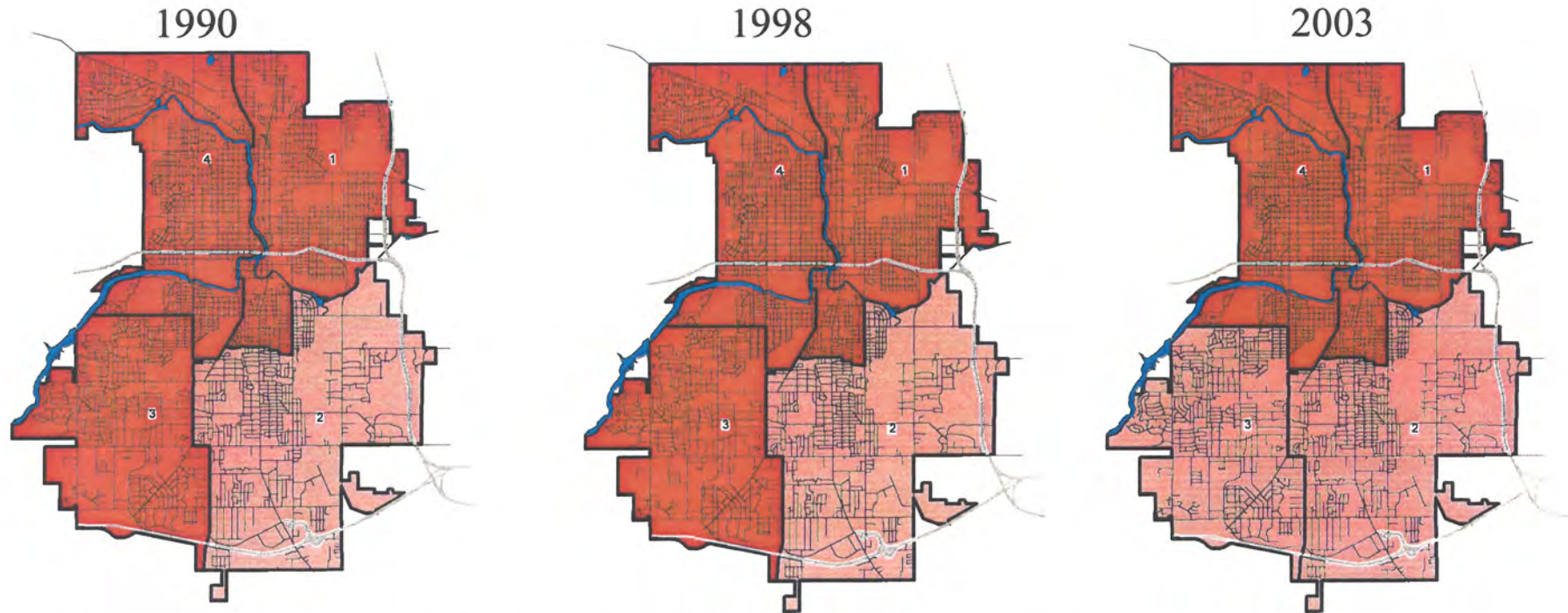
Persons Per Square Mile



Blue outline City Boundary



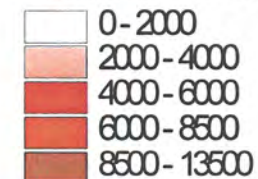
# Population Density by Ward: 1990-2003



Population density by ward shows that over time people are moving out of ward three. While the population may change over time in the three remaining wards, the change does not effect the overall density of the wards.

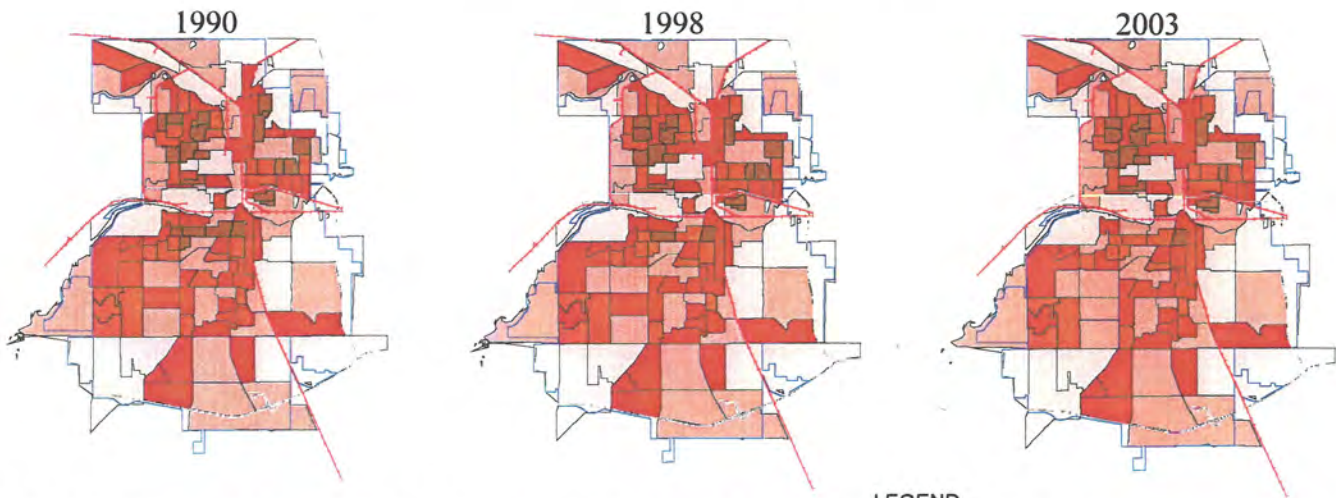
## LEGEND

Persons Per Square Mile



# Income and Population Density

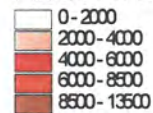
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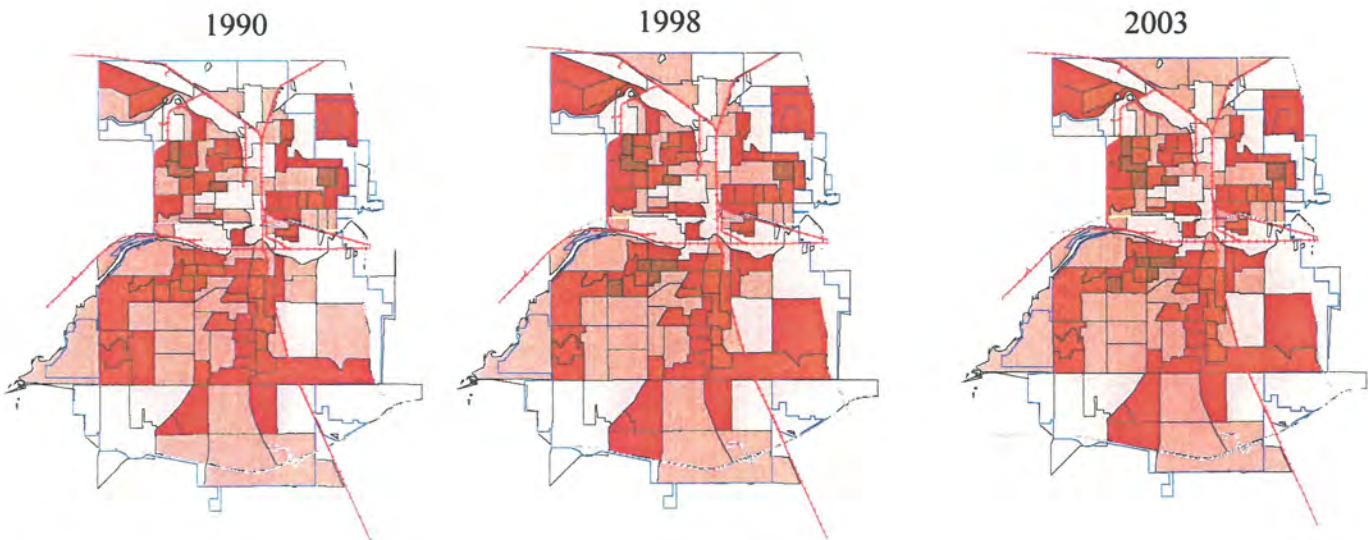
### LEGEND

Persons Per Square Mile



City Boundary

## Income Density: 1990 - 2003



Income Density is an important measure of the sustainability of retail in an area. Retailers can do well in poor neighborhoods as long as there is enough density to compensate for lower average incomes. In Lansing we see the core or the city with very low-income densities which make it hard for retailers to succeed. As time has progressed we have seen subtle and gradual shifts of more income from the center to the edges.

### Legend

1998 Dollars  
Per Square Mile

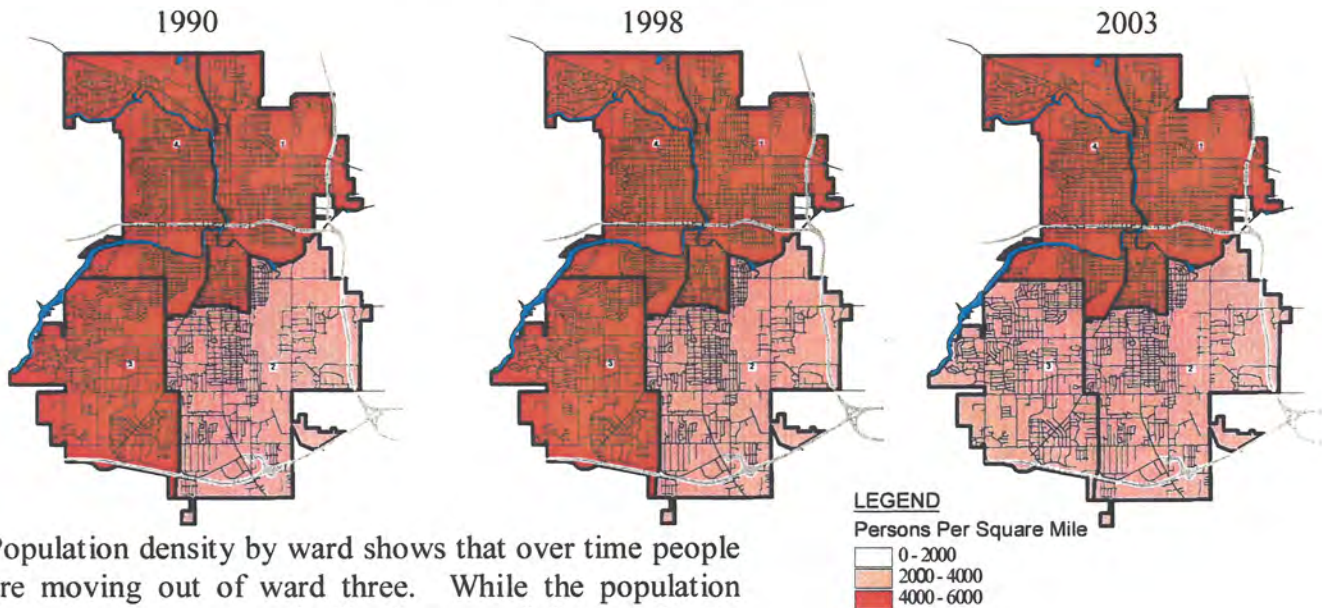


City Boundary



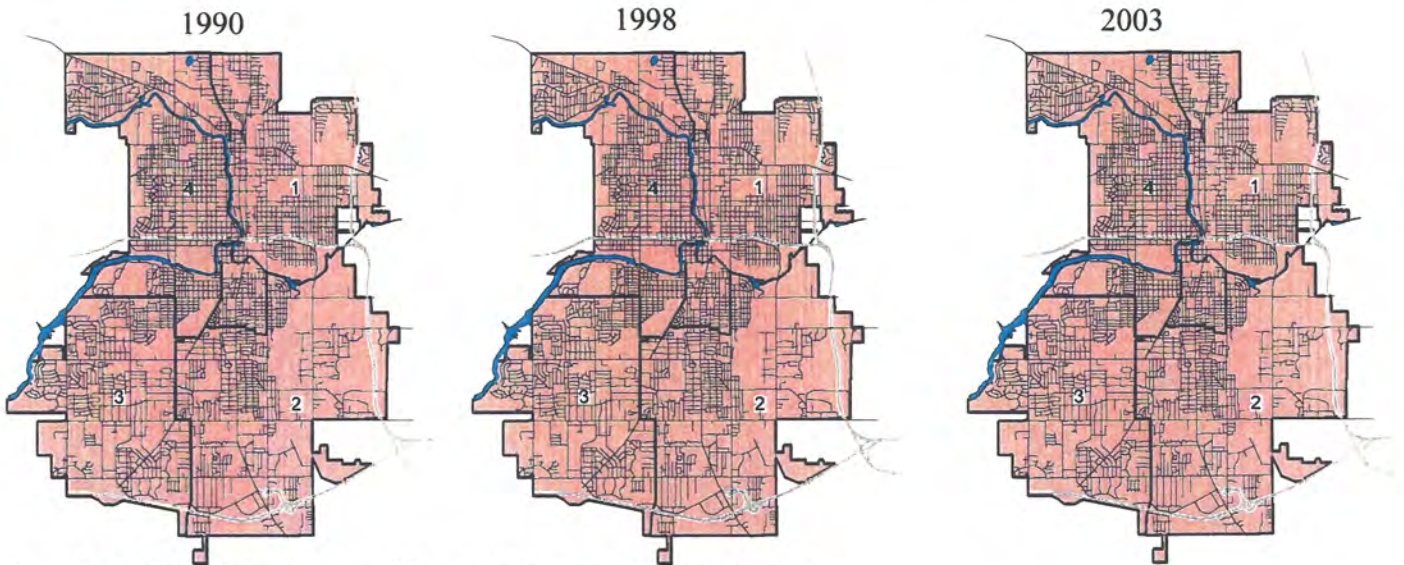
# Income and Population Density by Ward

## Population Density by Ward: 1990-2003



Population density by ward shows that over time people are moving out of ward three. While the population may change over time in the three remaining wards, the change will not effect the overall density of the wards.

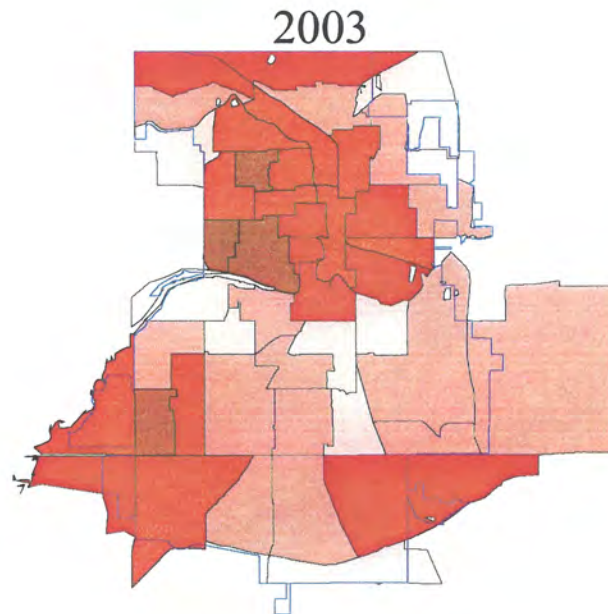
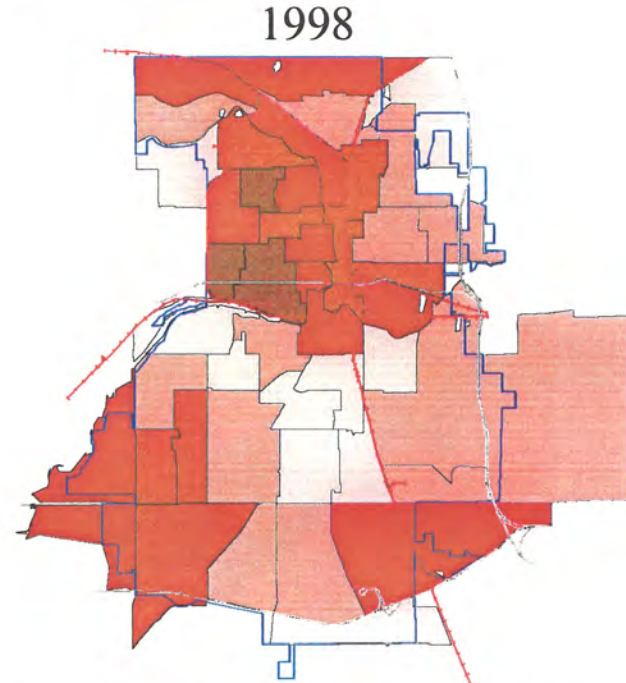
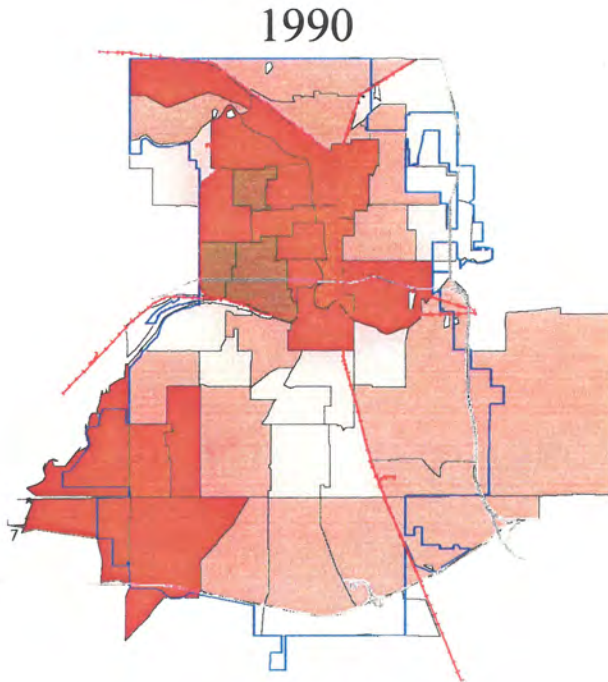
## Income Density by Ward: 1990 - 2003



Income Density is an important measure of the sustainability of retail in an area. Retailers can do well in poor neighborhoods as long as there is enough density to compensate for lower average incomes. In Lansing each ward has both low and high income neighborhoods, when these neighborhoods are averaged out over an entire ward, both the city and the individual wards have the same income density.

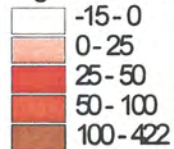



# Population Diversity



## LEGEND

Percent Change of White Population Required for Regional Diversity

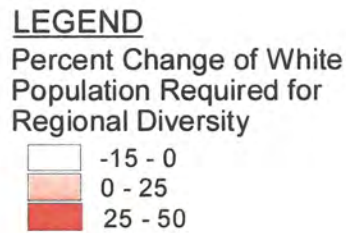
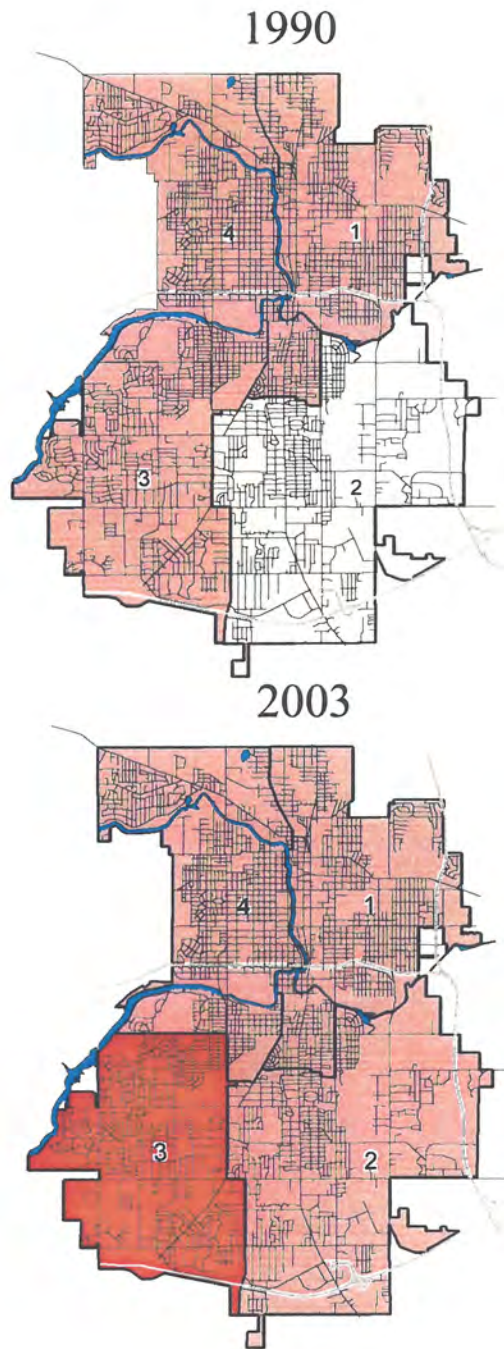


 City Boundary

This index measures what percent of the current white population would have to move in or move out of a census tract to match the average diversity of the region. What these maps show is that there is significant segregation in the City and that segregation is going to continue to worsen in the near future.



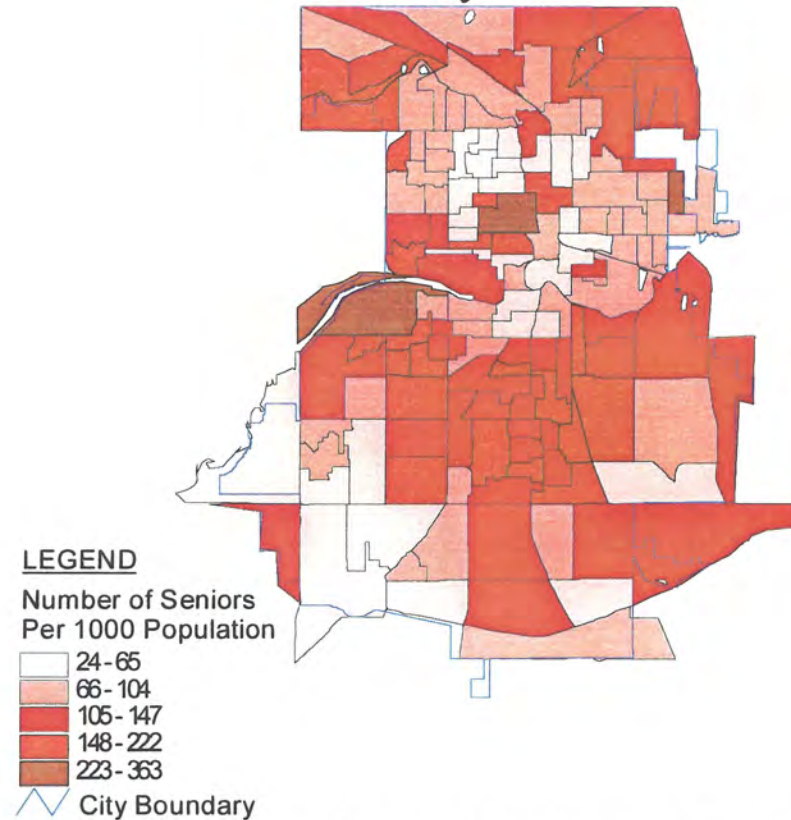
# Population Diversity by Ward



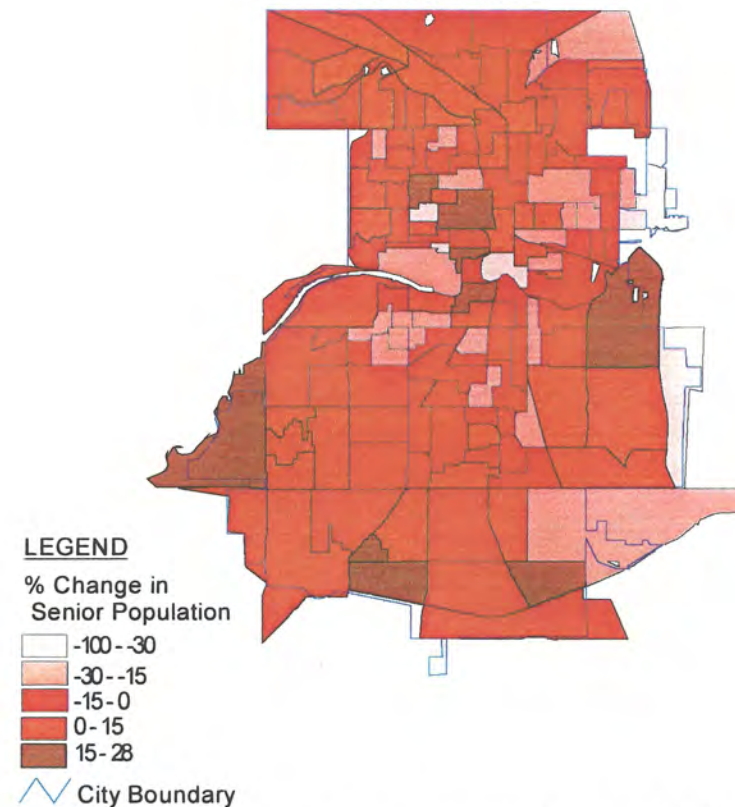
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# Senior Population

## Senior Citizen Population Density 1998



## Senior Population change 1998-2003

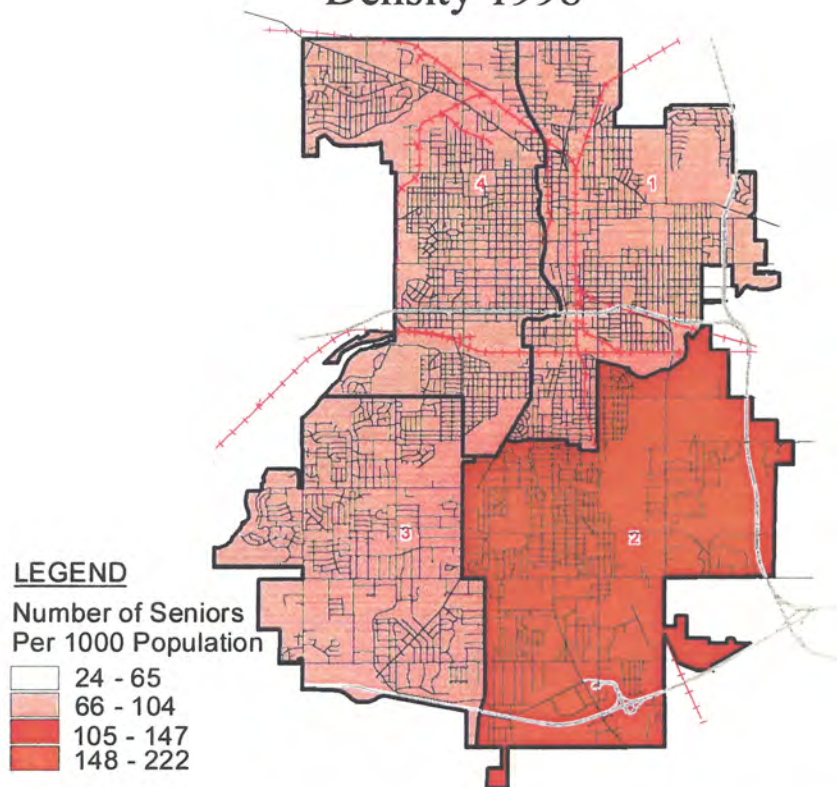


Seniors tend to have different needs and concerns than the rest of the general population. There is a ring around the center of the city and a band in the lower portion of the city that has relatively few seniors. Prediction for the future is that the southern band and the city center will become more concentrated with seniors with no other perceived large shifts in the senior population.

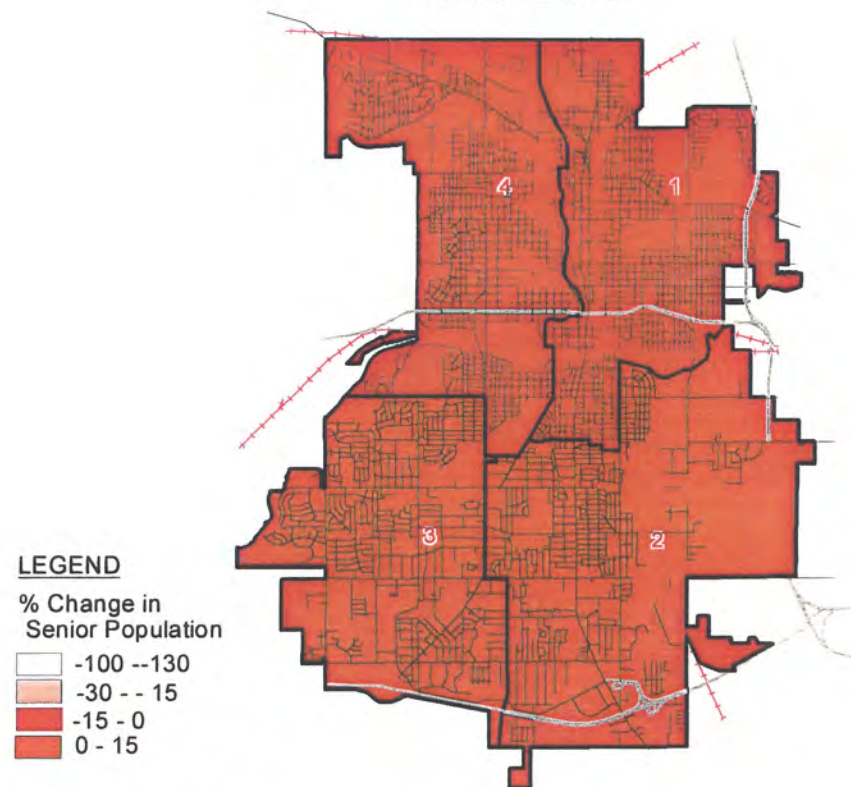


# Senior Population by Ward

## Senior Citizen Population Density 1998

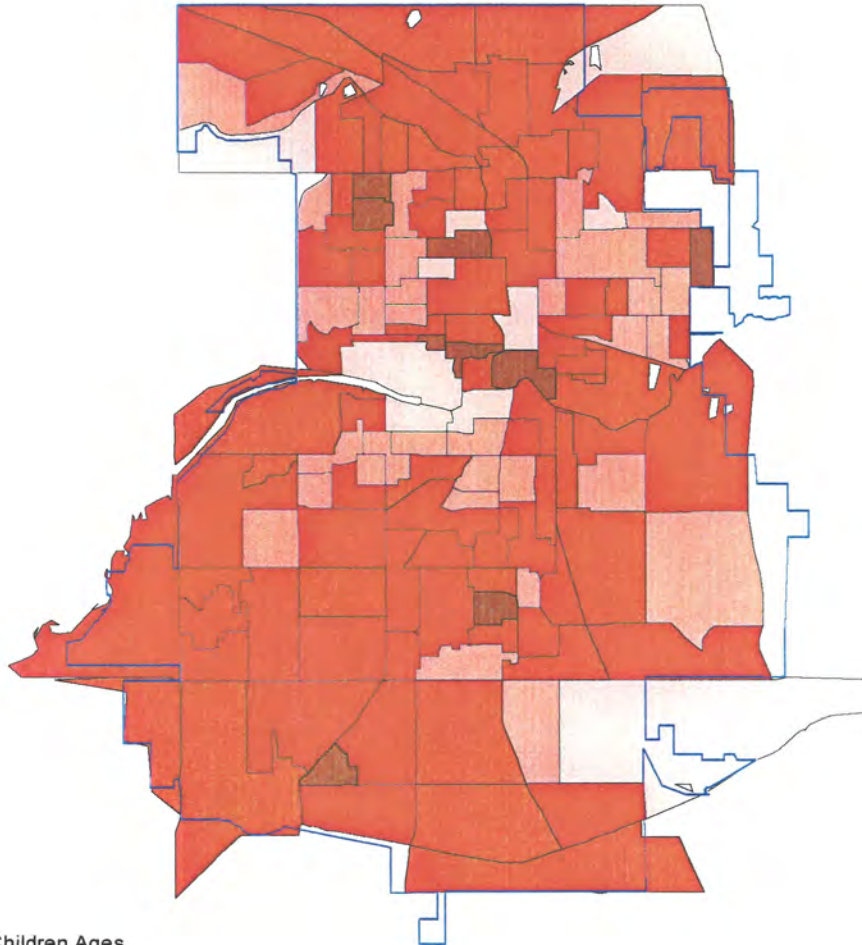


## Senior Population Change 1998-2003



Seniors tend to have different needs and concerns than the rest of the general population. The greatest concentration of seniors are living in ward two. By the year 2003 it is expected that more senior citizens will be living in wards two and three while wards one and four will see a loss in senior citizens living within their boundaries.

# Migration of School Age Population: 1998-2003



## LEGEND

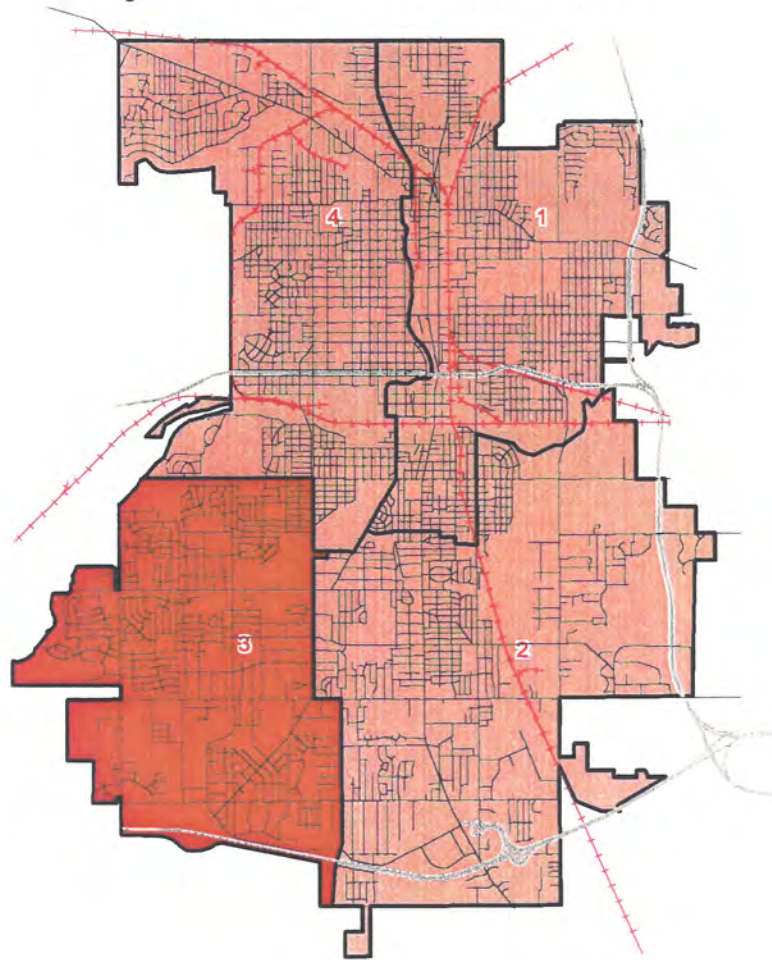
Percent Change of Children Ages  
0-4 in 1998 projected to Migrate  
When Reaching School Age 5-9 in 2003

- 15 - 25
- 10 - 15
- 5 - 10
- 0 - 5
- 0 - - 40 (in- migration)
- City Boundary

Regardless of the actual quality of a school district, the perception of quality has a large impact on moving decisions once children reach school age. This map shows that for most of the city there will be a net loss of school age children age 5-9.

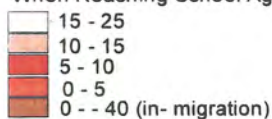


# Migration of School Age Population by Ward: 1998-2003



## LEGEND

Percent Change of Children Ages  
0-4 in 1998 projected to Migrate  
When Reaching School Age 5-9 in 2003

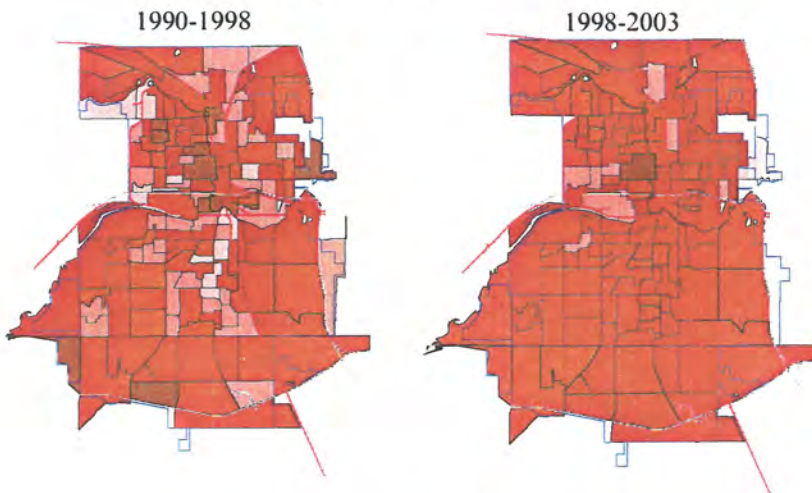


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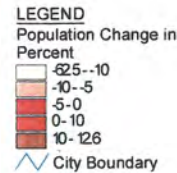


# Population Changes

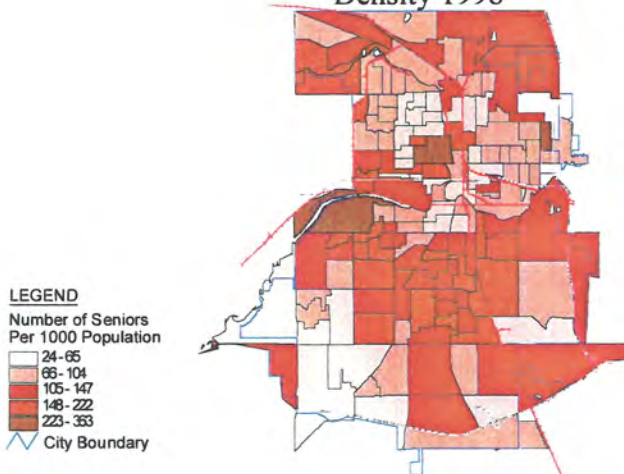
## Population Change



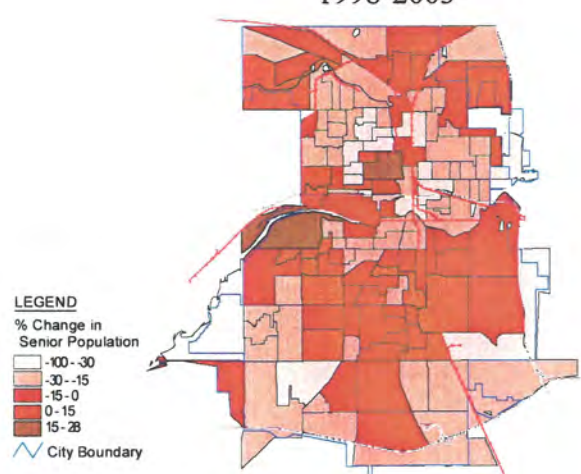
Between 1990 and 1998 a large part of the city lost population, some areas up to 20%. The forecast for the next 5 years does not appear to be as bleak but the trend of population loss continues. If this trend is not reversed the financial burden of running the city will have to be shouldered by fewer people.



## Senior Citizen Population Density 1998

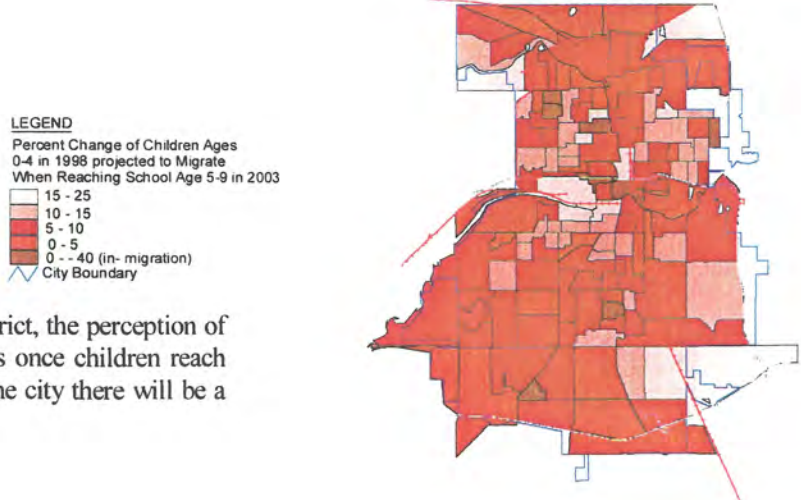


## Senior Population Change 1998-2003



Seniors tend to have different needs and concerns than the rest of the general population. There is a ring around the center of the city and a band in the lower portion of the city that has relatively few seniors. Prediction for the future is that the southern band and the city center will become more concentrated with seniors with no other perceived large shifts in the senior population.

## Migration of School Age Population: 1998-2003



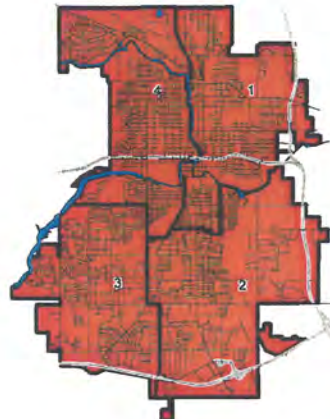
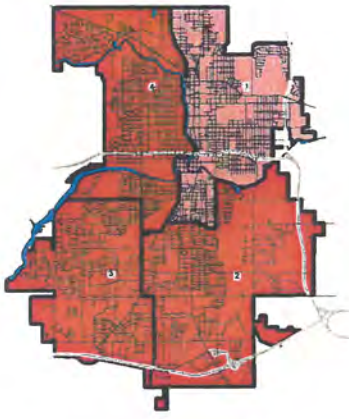
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# Population Changes by Ward

## Population Change

1990-1998

1998-2003

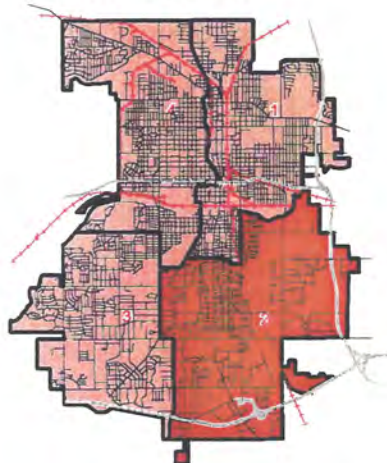


LEGEND  
Population Change in Percent

Lightest Red	-25 - -10
Medium Red	-10 - -5
Dark Red	-5 - 0

Between 1990 and 1998 a large part of the City lost population, some areas up to 20%. The forecast for the next 5 years does not appear to be as bleak but the trend of population loss continues. If this trend is not reversed the financial burden of running the city will have to be shouldered by fewer people.

## Senior Citizen Population Density 1998



LEGEND  
Number of Seniors Per 1000 Population

Lightest Red	24 - 65
Medium Red	66 - 104
Dark Red	105 - 147

## Senior Population Change 1998-2003



LEGEND  
% Change in Senior Population

Lightest Red	-100 - -30
Medium Red	-30 - -15
Dark Red	-15 - 0
Very Dark Red	0 - 15

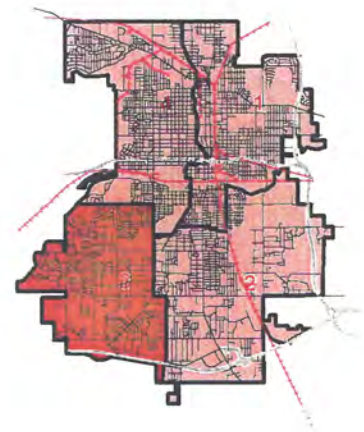
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## Migration of School Age Population: 1998-2003

LEGEND  
Percent Change of Children Ages 0-4 in 1998 projected to Migrate When Reaching School Age 5-9 in 2003

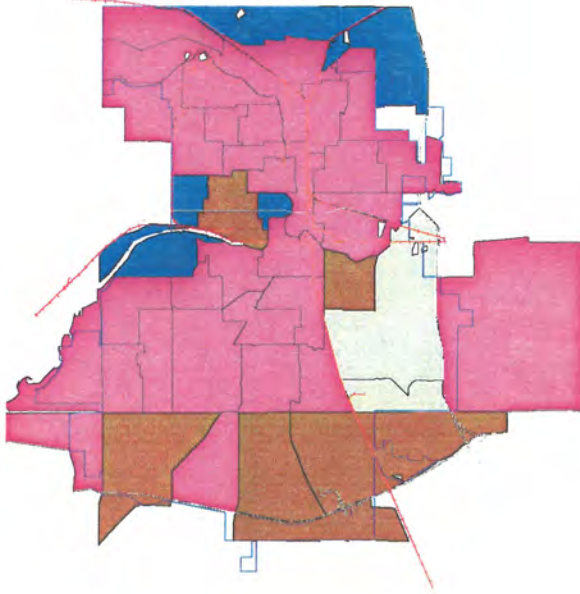
Lightest Red	15 - 25
Medium Red	10 - 15
Dark Red	5 - 10
Very Dark Red	0 - 5

Regardless of the actual quality of a school district, the perception of quality has a large impact on moving decisions once children reach school age. This map shows that for most of the city there will be a net loss of school age children age 5-9.

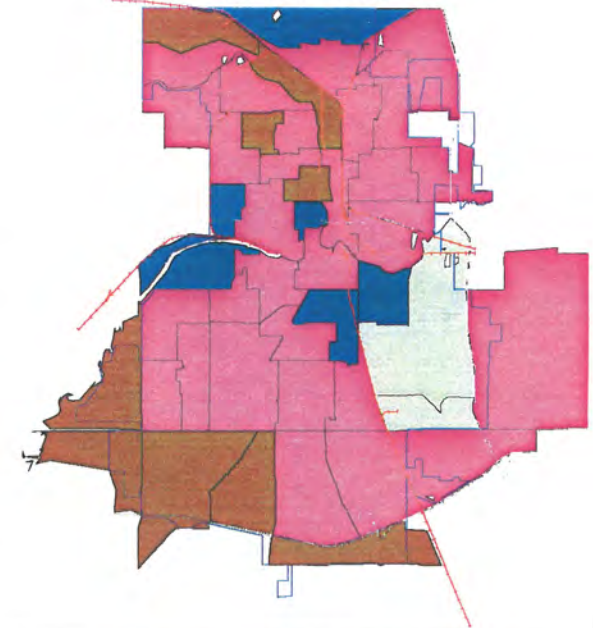


# Population & Income Movement

1980-1990

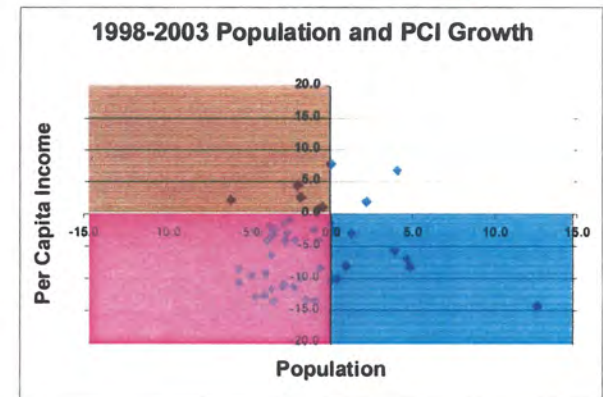
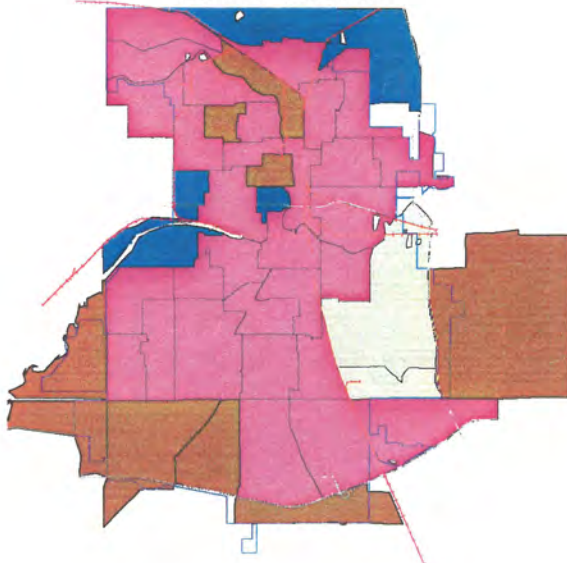


1990-1998



Data on population change in an area is also concerned about the people who are doing the moving. In a worst case scenario not only are people leaving, but the people who are leaving are wealthy compared to those who stay. In the majority of the City's census tracts, population is decreasing and the growth in per capita income is below that of the whole county.

1998-2003



**LEGEND**

Population and Per Capita Income Change

- Positive Population Growth, Per Capita Income Growth Higher Than Ingham County
- Positive Population Growth, Per Capita Income Growth Lower Than Ingham County
- Negative Population Growth, Per Capita Income Growth Higher Than Ingham County
- Negative Population Growth, Per Capita Income Growth Lower Than Ingham County
- City Boundary



SOURCE: U.S. Census; Claritas Data Services

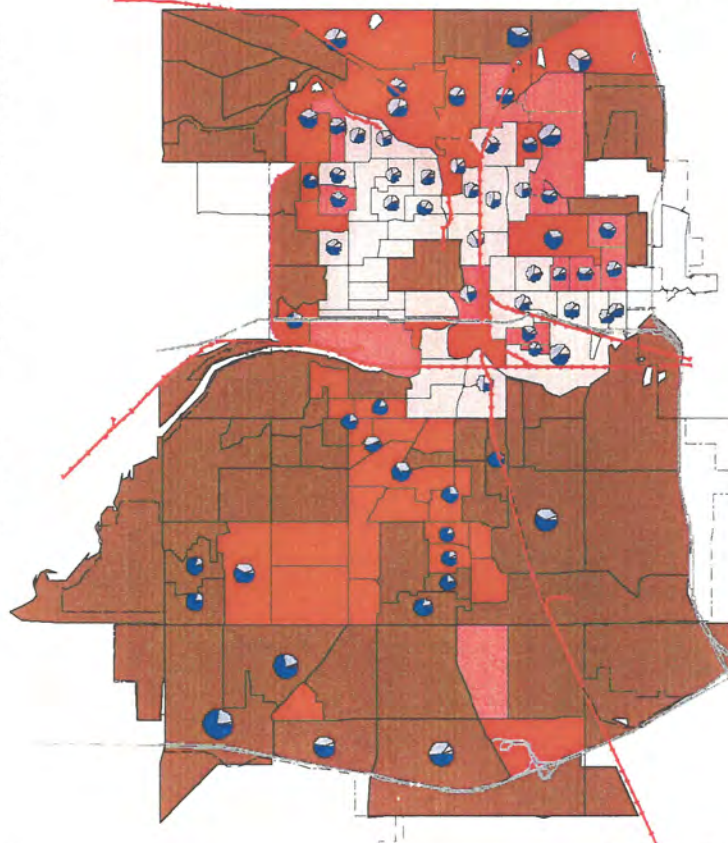


# Rental Property, Housing Condition and Population Change

## Rental Property vs. Housing Condition

Residential rental property is highly clustered in the central region of the City and along major transportation corridors. Areas on the periphery of the City have higher percentages of home ownership. Housing condition (shown as the small "pie charts" on the maps) appears to be dependent upon the percentage of rental housing within an area. Areas with a high percentage of rental housing tend to have poorer housing conditions.

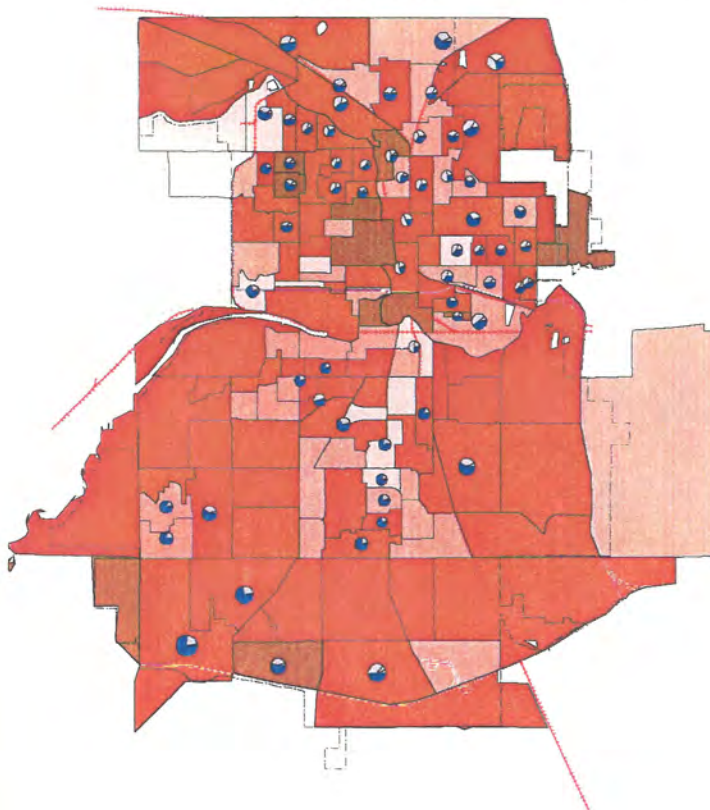
In general, housing conditions are better in areas where population is growing. This may reflect the construction of new homes or the rehabilitation of existing structures.



### LEGEND

- Housing Condition (Pie Charts)
  - Critical
  - V\_poor
  - Poor
  - Fair
  - Good
- % Rent Property
  - 1 - 10%
  - 10 - 20%
  - 20 - 30%
  - 30 - 100%
- CITY LIMITS
- HIGHWAYS
- RAILROAD

## Housing Condition vs. Population Change 1990-1998



### LEGEND

- Housing Condition (Pie Charts)
  - Critical
  - V\_poor
  - Poor
  - Fair
  - Good
- Population Change (1990 - 1998)
  - 20.6 -- -10
  - 10 - -5
  - 5 - 0
  - 0 - 10
  - 10 - 45
- HIGHWAYS
- RAILROAD
- CITY LIMITS

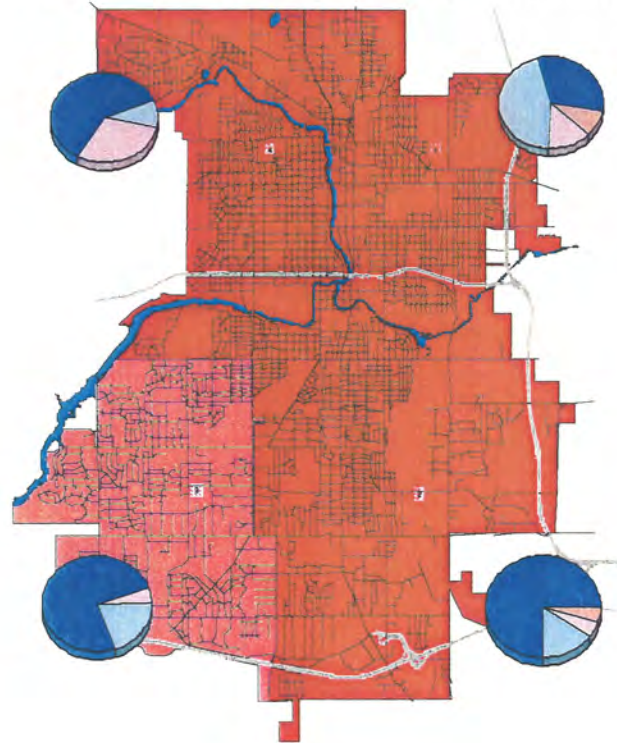


# Rental Property, Housing Condition and Population Change by Ward

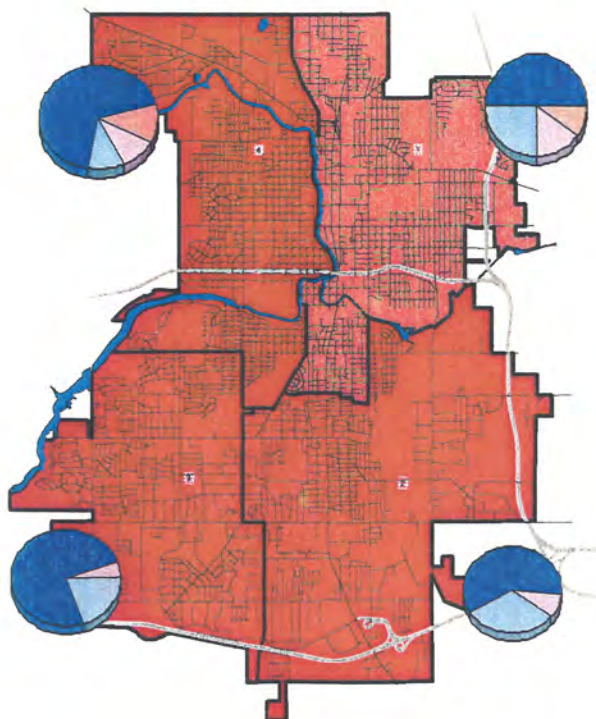
## Rental Property vs. Housing Condition

While the concentration of rental property varies from neighborhood to neighborhood, when averaged for an entire ward the highest concentrations are found in wards one, two, and four. Housing condition (shown as the “pie charts” on the map) may be dependent upon the percentage of rental housing within an area. Wards one and two have a high percentage of rental housing tend to have poorer housing conditions.

In general, housing conditions are better in areas where population is growing. This may reflect the construction of new homes or the rehabilitation of existing structures.



## Housing Condition vs. Population Change 1990-1998



### LEGEND

- Housing Condition (Pie Charts)**
- Critical
- V\_poor
- Poor
- Fair
- Good
- % Rent Property**
- 1 - 10%
- 10 - 20%
- 20 - 30%
- 30 - 100%
- CITY LIMITS
- HIGHWAYS
- RAILROAD

### LEGEND

- Housing Condition (Pie Charts)**
- Critical
- V\_poor
- Poor
- Fair
- Good
- Population Change (1990 - 1998)**
- 20.6 - -10
- 10 - -5
- 5 - 0
- 0 - 10
- 10 - 45
- HIGHWAYS
- RAILROAD
- CITY LIMITS

