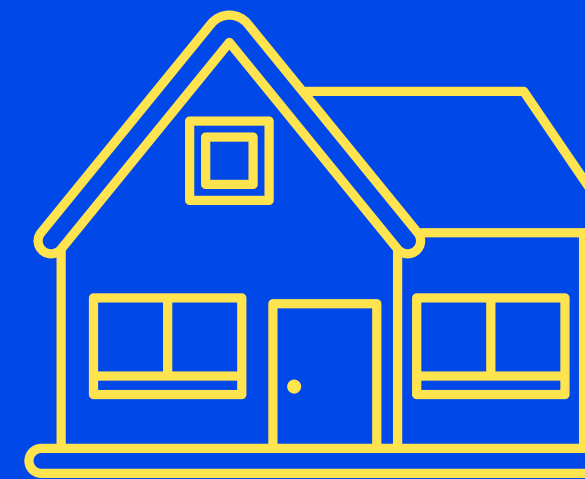


What is the Future of Housing in Your Community?

*UPDATING PLANNING & ZONING TO SUPPORT
LOCAL HOUSING NEEDS*

*Deborah L. Myerson, AICP
August 30, 2023*



Presenter

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What is the Future of Housing in Your Community?

August 30, 2023

OVERVIEW



A Look at National Housing Trends

Data & Demographics



Housing Primer

*Availability, Affordability,
and Accessibility*



Housing Policy & Practice

*Impacts of Planning
& Zoning*



Policy Updates & Financial Incentives

Expand Housing Options

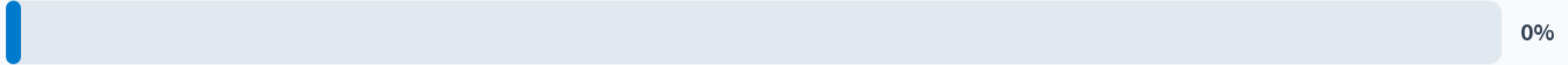


A Look at National Housing Trends

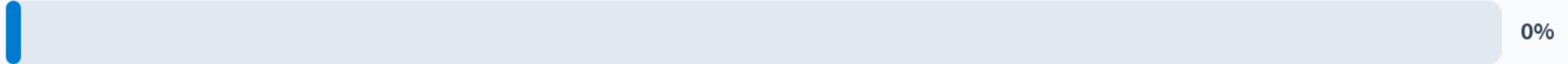
Data & Demographics

What is your housing knowledge?

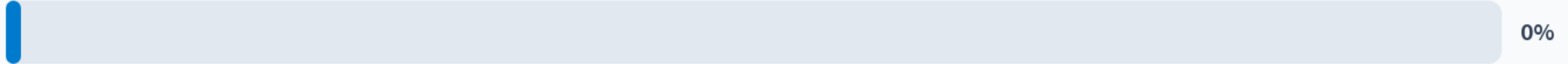
(A) Entry level: I have rented or purchased a home.



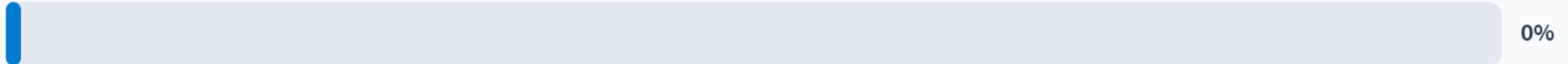
(B) Intermediate: I understand local government's role in land use, housing, and zoning.



(C) Advanced: I am familiar with local, state, and federal housing policies and how they affect each other.

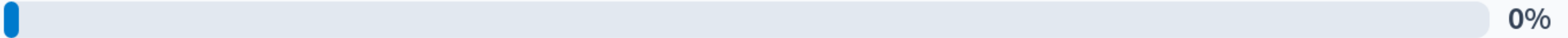


(D) Expert: I am knowledgeable about how housing policy relates with other policy areas, such as affordable housing development, community and economic development, energy, fair housing, and homelessness.

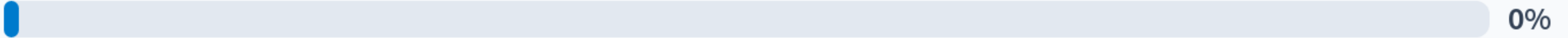


What is the state of housing in your community?

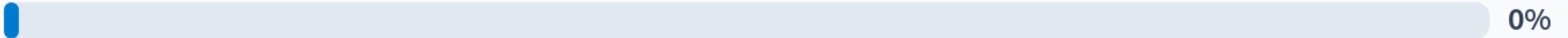
Median home sales prices are still high, even with rising interest rates



Renters are struggling with high rents



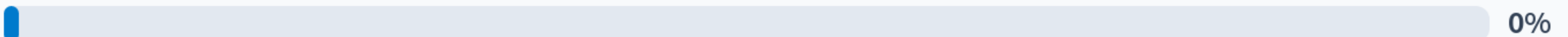
Housing inventory is low: not many choices for homebuyers



None of the above



I'm not sure



2023 HOUSING HIGHLIGHTS

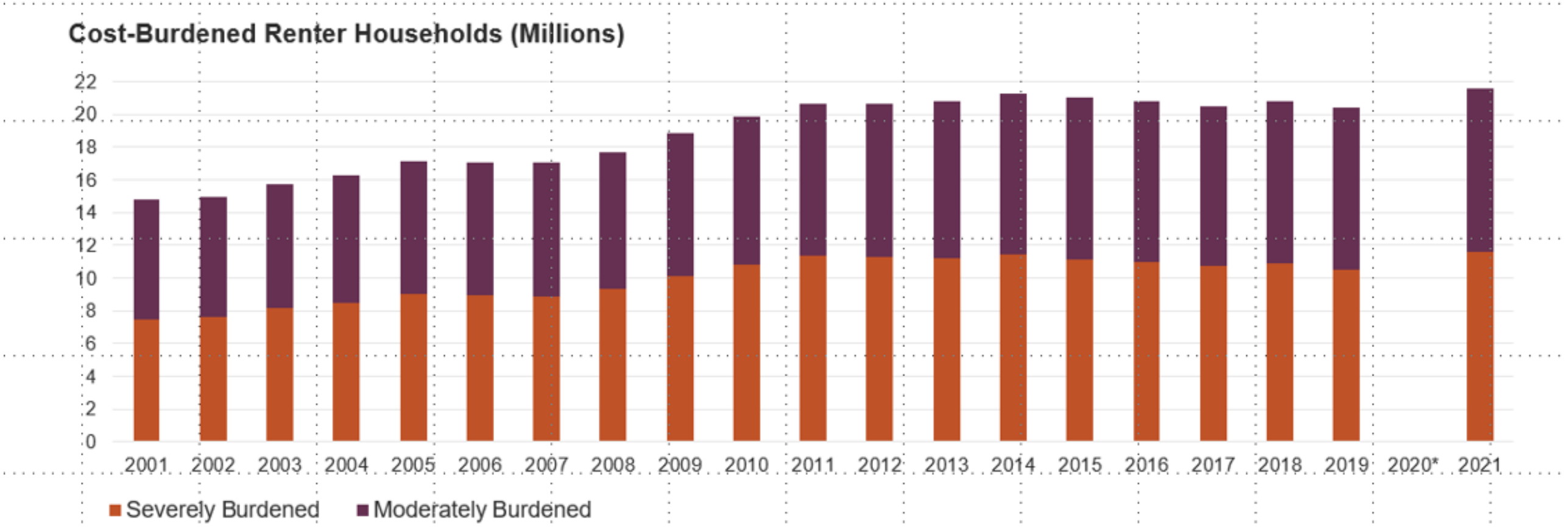
- Markets Cool but Housing Costs Remain High
- Higher Costs Push Homeownership Out of Reach
- Single-Family Construction Slows, While Multifamily Construction Thrives
- Cost Burdens Reach Record Levels
- Mobility Shifting Housing Demand

THE STATE OF THE NATION'S HOUSING 20 23



TREND: RENTER COST BURDENS REACH RECORD LEVELS

Figure 4: Number of Cost-Burdened Renters Reached an All-Time High in 2021



Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

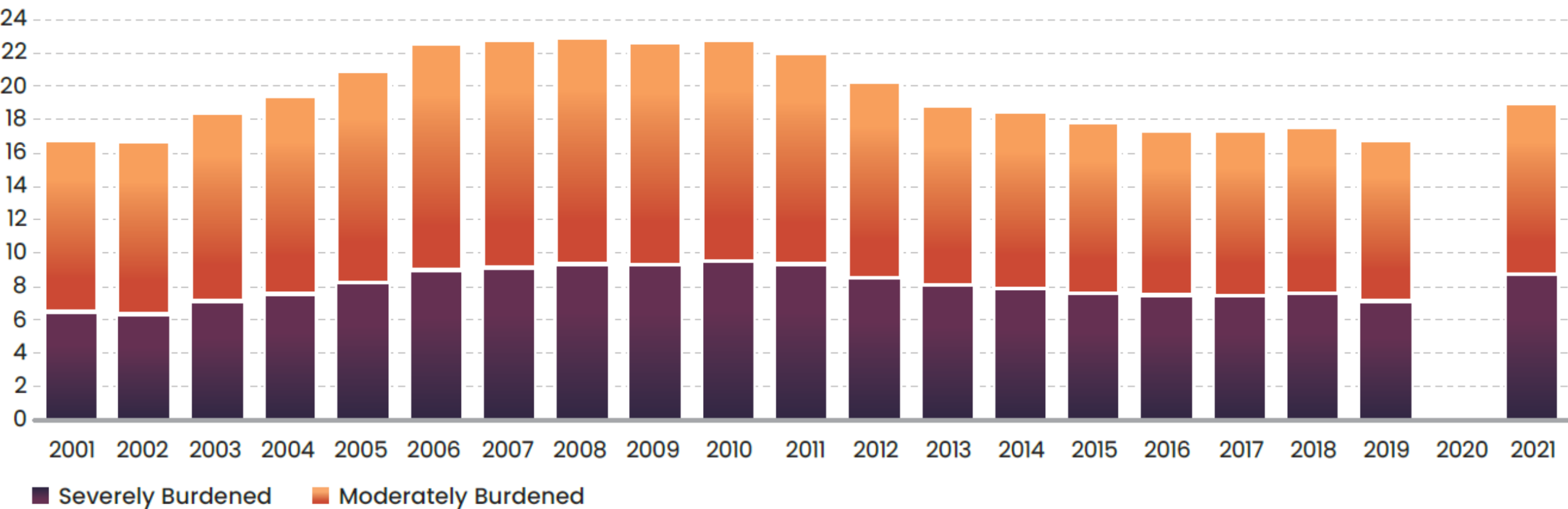
Notes: Moderately (severely) cost-burdened households spend more than 30% (more than 50%) of income on housing. Estimates for 2020 are omitted due to data collection issues experienced during the pandemic.
Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

TREND: HOMEOWNERS ALSO FACE SIGNIFICANT COST BURDENS

Figure 18

Number of Cost-Burdened Homeowners Rose Sharply in 2021, a First Since the Mid-2000s

Cost-Burdened Homeowner Households (Millions)



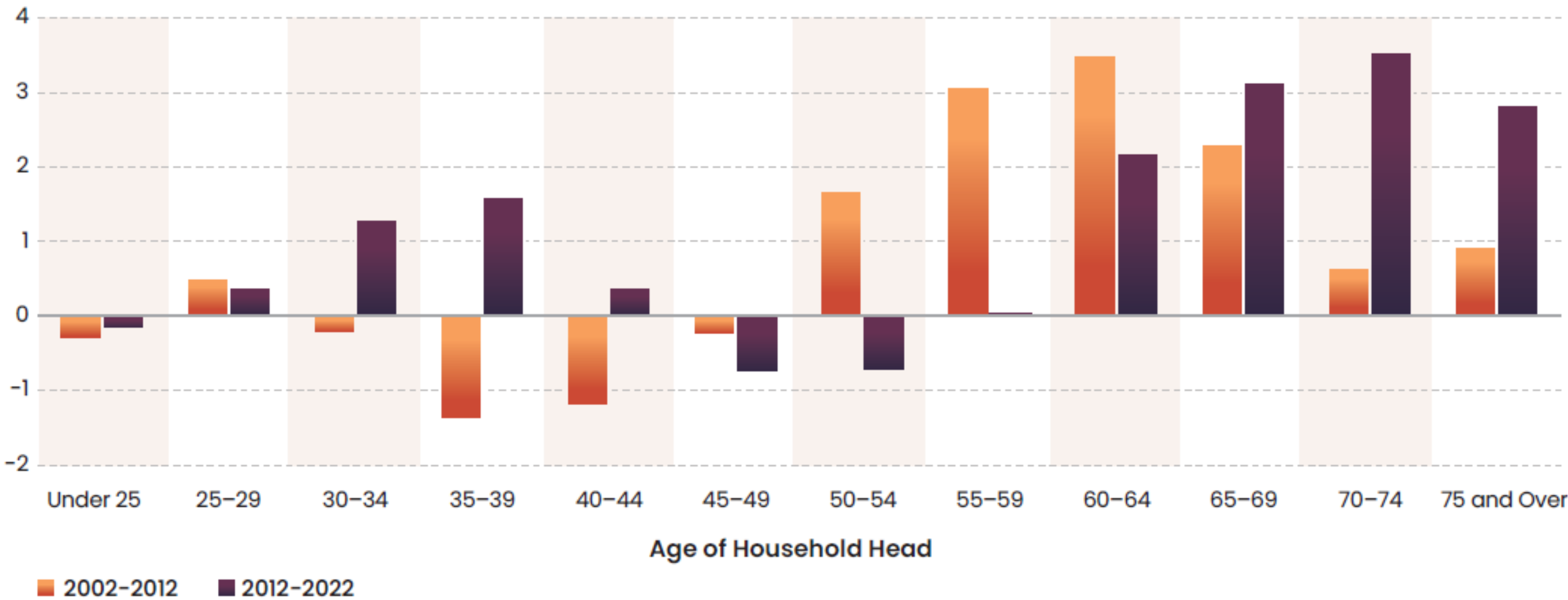
Source: JCHS
tabulations of US
Census Bureau,
American Community
Survey 1-Year
Estimates.

TREND: US HOUSEHOLDS GROWING OLDER

Figure 16

Older Adults Are Increasingly Driving Household Growth

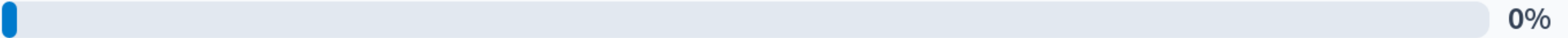
Change in Households (Millions)



Source: JCHS
tabulations of US
Census Bureau,
Housing Vacancy
Surveys.

Which is a trend in the U.S. housing market?

1. A household with two parents and two kids is no longer the dominant household structure.



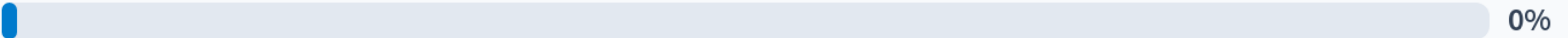
2. Multigenerational households have become more common



3. The baby boomer generation expects to “age in place”



4. Housing production hasn’t kept up with changes in demand

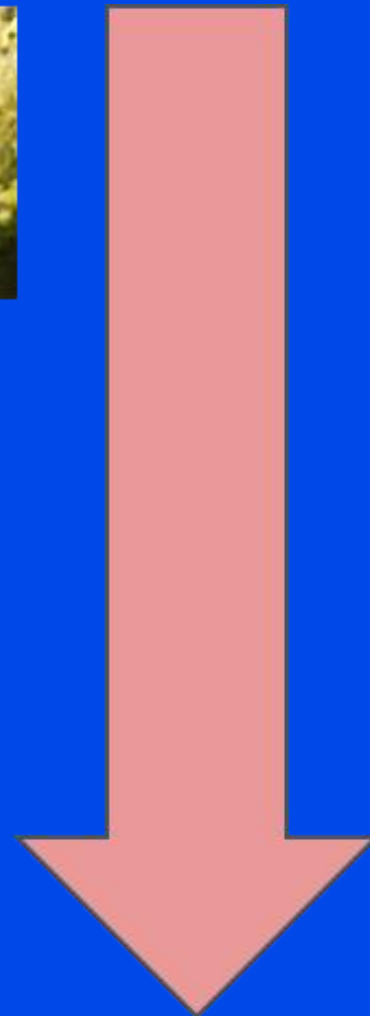


5. All of the above

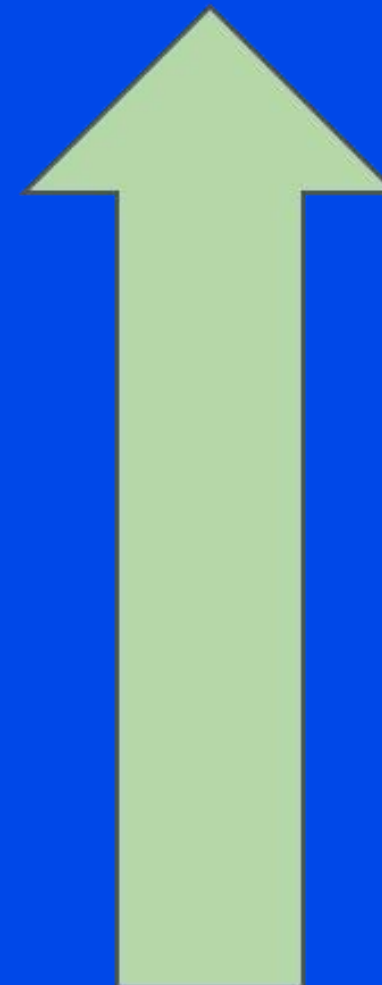


MISMATCH: HOUSING SUPPLY ? & DEMOGRAPHIC CHANGES

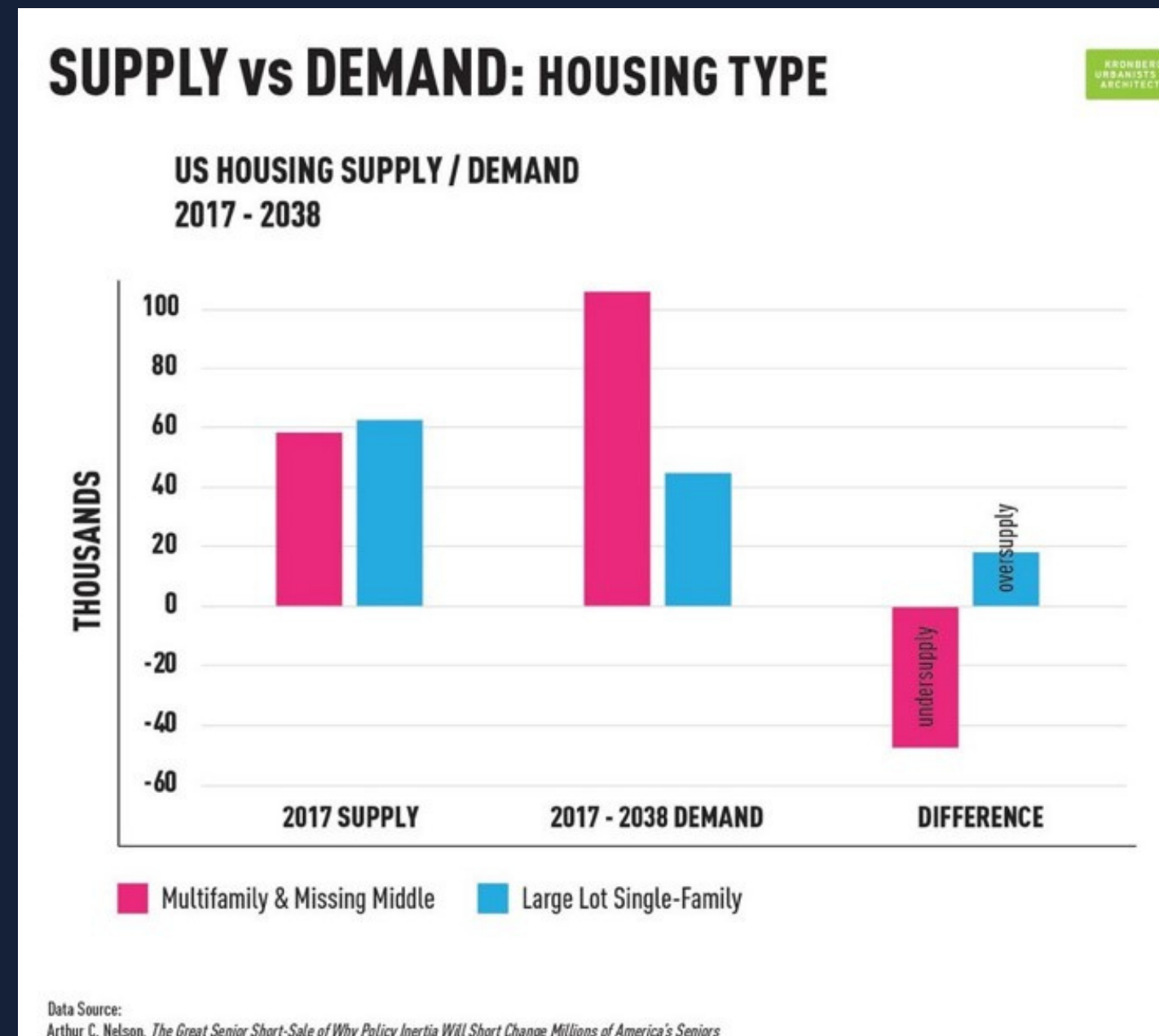
"Nuclear Family" Households



*Multigenerational &
aging in place*



COMING SOON: A GENERATIONAL HOUSING BUBBLE?



BY THE MID-2030'S

- 76 million baby boomers aging out of large single-family homes
- Fewer households in younger generations prefer these housing types--even if they can afford them



Housing Primer

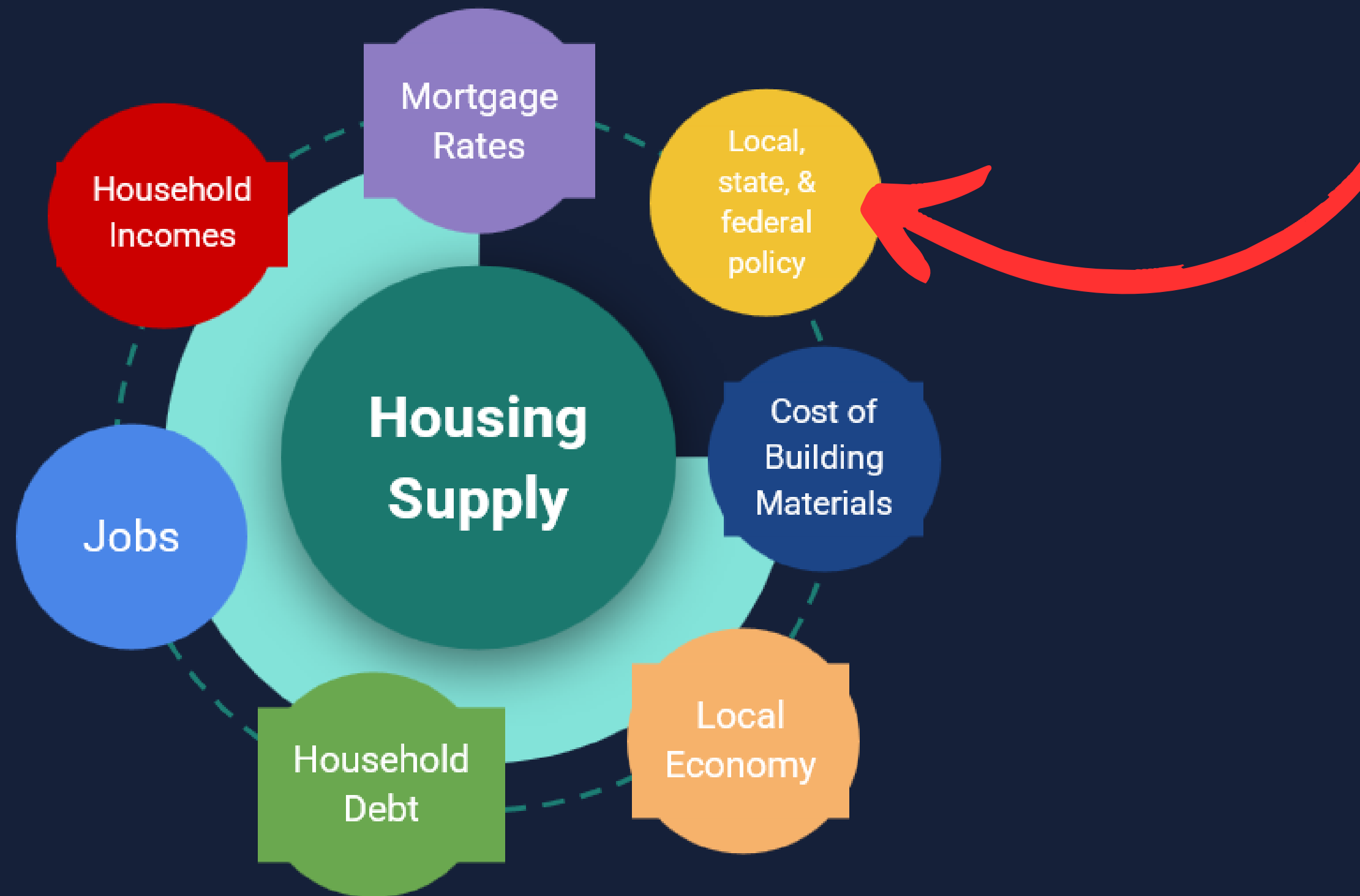
*Availability, Affordability,
& Accessibility*

AVAILABILITY

- An ample supply of physical units to house every household
- Both rental and owner-occupied options
- Not just single-family detached housing, but wide variety of housing types to meet the needs of different households.



WHAT AFFECTS HOUSING SUPPLY?



AFFORDABILITY

- Ample supply supports more affordability
- Scarcity makes housing more of a commodity
- Policy that supports an adequate and varied housing supply stabilizes prices by allowing a well-functioning development sector to create new housing to meet demand.



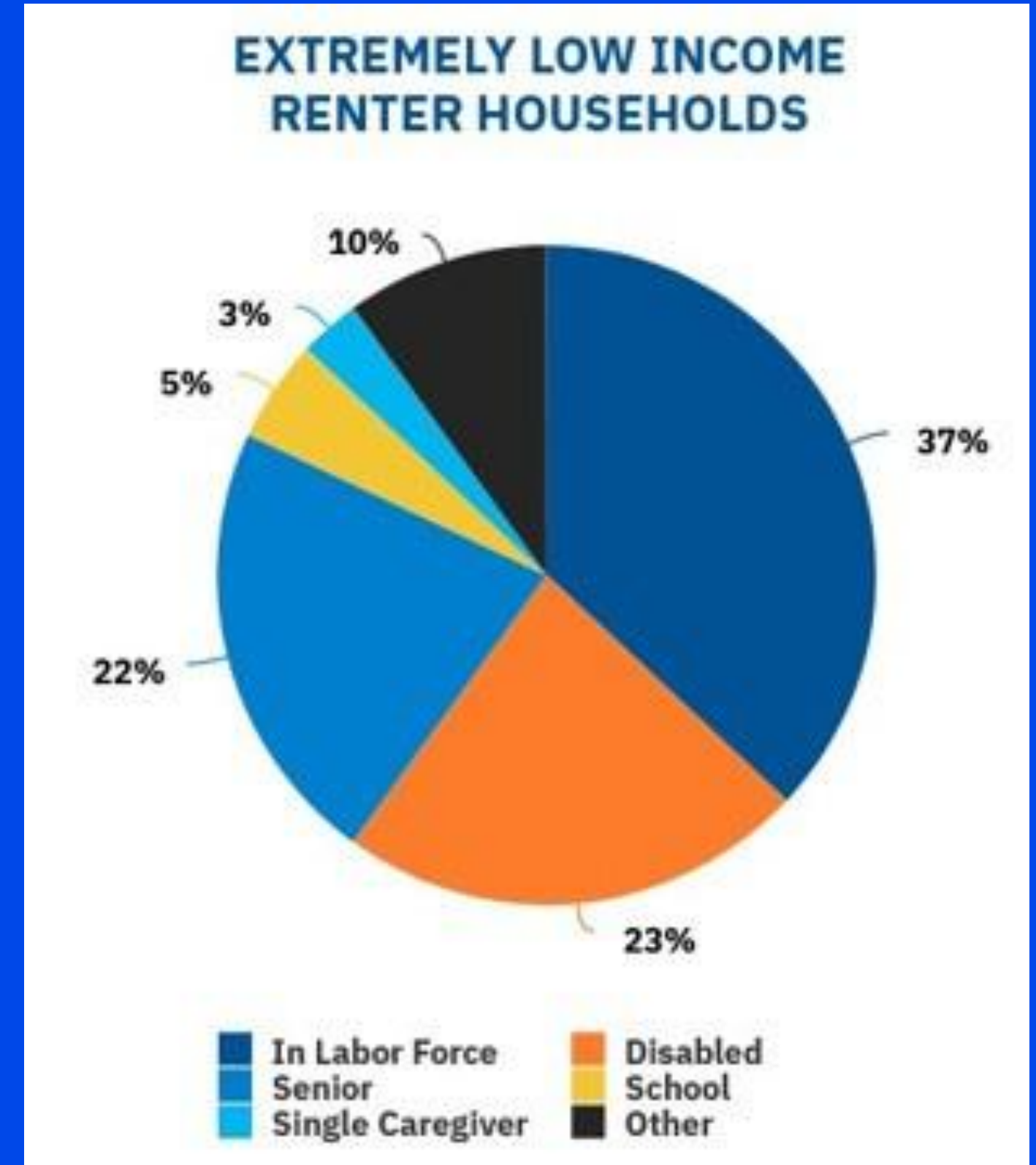
WHAT IS AFFORDABLE HOUSING?

- Housing costs are considered affordable when the household pays **30% or less** of their gross income on total housing, including utilities.
- The phrase "**affordable housing**" is also colloquially used as a general term to refer to housing subsidy for low-income individuals.
- When households spend more than 30% for their home and utilities, they are called "**cost-burdened**." If they spend more than 50% of their income on housing, they are "**extremely cost burdened**."



SNAPSHOT: RENTERS IN INDIANA

- Across Indiana, there is a shortage of rental homes affordable and available to extremely low income households
- Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations like evictions.



ACCESSIBILITY

- Both physical and social accessibility
- Preserving access for vulnerable or marginalized groups, such as seniors and people with disabilities
- Housing location & transportation costs





Housing Policy & Practice

Impacts of Planning & Zoning

HOUSING POLICY FRAMEWORK



A stylized, abstract map graphic on the left side of the slide. It features a network of white lines representing streets on a tan background. Green shapes represent parks or undeveloped land. A prominent green circle is located on the left side, and a blue, winding path or river cuts through the lower portion of the map.

The Impact of Planning & Zoning

- Zoning rules determine more than simply land use.
- Land use laws determine where we can find housing and who has access to them.
- Zoning's early 20th century origin has roots in racially segregating neighborhoods
- Fair housing legislation outlawed overt housing discrimination by the late 20th century.
- Today, exclusionary zoning policies maintain residential segregation

WHAT ARE THE EXCLUSIONARY IMPACTS OF ZONING POLICIES?

Sample Zoning Policies

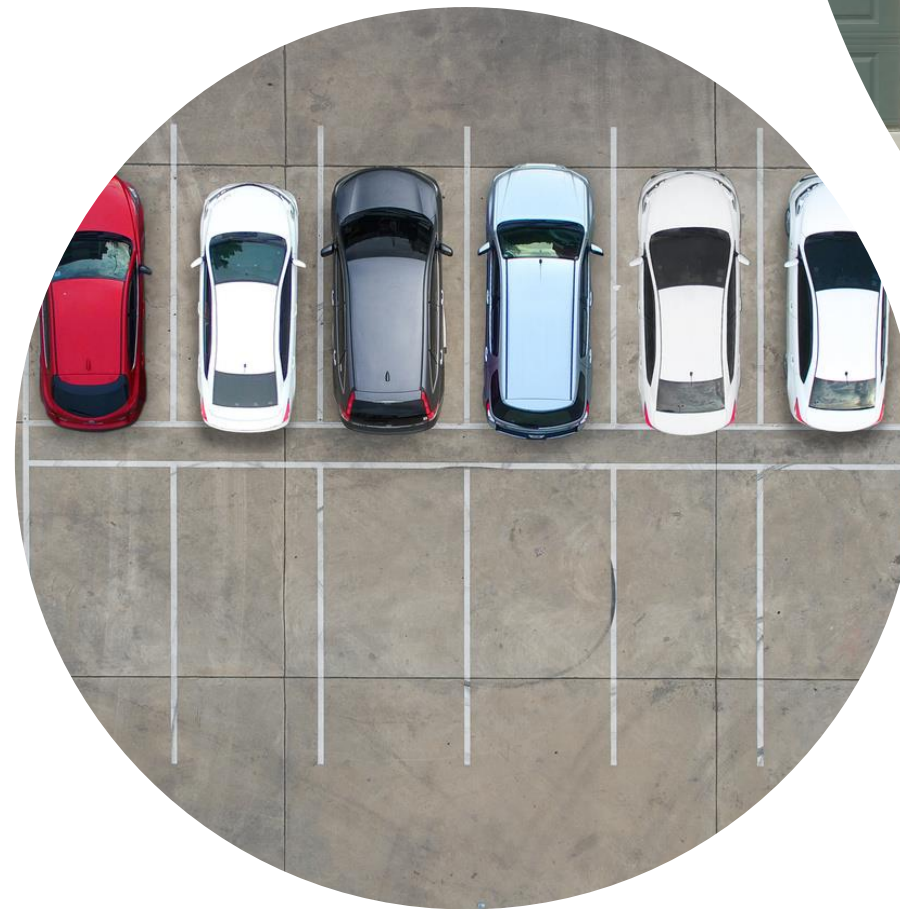
- Minimum setbacks
- Only single-family homes permitted
- Prohibition of multifamily housing
- Large minimum lot sizes
- Single residence per lot

Exclusionary Impacts

- Raise housing costs
- Reduce lower-cost or higher-density housing options
- Limit racial and economic diversity
- Limit equal access to opportunities and amenities such as jobs, high-quality schools, and safe environments.

DEVELOPMENT COSTS & BARRIERS

- Unpredictable development process
- Regulations that emphasize only single-family development or large multifamily development
- Limits on residential density
- Excessive parking requirements





Policy Updates & Financial Incentives

Expand Housing Options

REDUCE DEVELOPMENT COSTS & BARRIERS

- Improve the predictability of the approval process
- Encourage zoning that supports "missing middle housing"
- Update zoning changes to allow for higher residential density and lower-cost housing options
- Reduce parking requirements



MISSING MIDDLE HOUSING



OPPORTUNITIES FOR PLANNING & ZONING REFORM

- Increase by-right options & reduce discretionary approvals
- Eliminate single-family-only zoning
- Promote missing middle housing
- Allow ADUs
- Abolish parking minimums
- Zone for adaptive reuse



FINANCIAL INCENTIVES TO EXPAND HOUSING OPTIONS

- Density bonuses
- Flexible development regulations
- Fee waivers or reductions
- Parking reductions



Thank you

Q & A



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