



Executive Summary

**LA PORTE  
COUNTY  
INDIANA**

**HOUSING ANALYSIS  
& ACTION AGENDA**

August, 2021



# About the Study

Building from the momentum of the Vibrant Communities effort, this La Porte County Housing Analysis and Action Agenda intends to meet multiple economic development goals for the County and its communities. These include ensuring the correct housing options are available for current and future residents, especially the workforce La Porte is trying to attract and retain. Important investments, including the South Shore Line Double Track project, need to be leveraged to position La Porte County more competitively in the Chicago metropolitan region. Analysis of demographics and migration patterns, housing inventory, and thorough stakeholder engagement provided the foundation for final recommendations.

# Acknowledgments

Significant input and support was provided by:

Unity Foundation of La Porte County  
La Porte County Community & Economic Development  
La Porte County Association of Realtors  
La Porte Economic Advancement Partnership  
Economic Development Corporation Michigan City  
La Porte County Tax Assessor  
La Porte County GIS

# Consultant

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# Key Findings

La Porte County's population has **stagnated** for four decades at ~110,000 people.

Regional population growth has shifted neighboring communities that have subsequently attracted significant housing investment. This has left La Porte County with a low volume of construction activity from which to build momentum from: about 150 units/year since 2012.

A **lack of long-lasting pro growth policies** have made it hard for both nonprofit and for private developers to supply new housing.

**County-wide alignment** of such policies is needed to rectify disjointed infrastructure and service provision.

**New funding tools** and municipal revenues are needed to increase planning, permitting, and oversight capacity.

Many households face significant housing problems, including 56 percent of low-income households. **One in two black households face housing problems** (high costs, no plumbing, or overcrowding).

La Porte County has many **unique amenities** to promote and preserve: an improving regional rail connection to Chicago, Lake Michigan shoreline, numerous inland lakes and recreational areas in a bucolic rural setting.

**Recent and expected improvements** capitalizing on these assets point to a brighter future: private multifamily investments are regularly being announced in addition to commercial/ industrial employment growth.

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## Action Agenda: Recommendations

- 1: Establish a Vision for Housing Growth
- 2: Build a Spectrum of Housing to Unlock Growth
- 3: Establish a Housing Trust Fund
- 4: Support Commercial Centers with Dense, Walkable Housing
- 5: Manage Growth at the Edge
- 6: Continue the Conversation

## RECOMMENDATION



# Establish a Vision for Housing Growth

Establishing and communicating a clear direction for the County's growth is crucial to attracting investment. The private sector needs to see an inviting place to build, supported by added staff capacity and streamlined processes to support investment in La Porte County's communities.

Professionals and the public can then hold their elected officials accountable to meeting this vision. Developers and builders can then confidently invest in La Porte.



### PROPOSED IMPLEMENTERS

Philanthropic and elected leaders,  
LPC Association of Realtors, Builders  
Association of La Porte County



### MEASURE

Adoption of this Vision by public and  
professional bodies

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## FINDING

### **Myths and differing ideas of success have muddled the production of housing in La Porte County's communities.**

Builders and developers face a daunting task in La Porte County compared with neighboring communities. Adopted plans and resulting development regulations are overly complicated and dysfunctional. Elected officials and staff are not always in alignment, and subject to change.

Establish buy-in to the plan across La Porte County by adopting a Vision for Housing:

“We envision La Porte County’s cities, towns and rural communities to be vibrant places with welcoming, growing and diverse housing and neighborhood options to meet the needs of existing and future residents.”

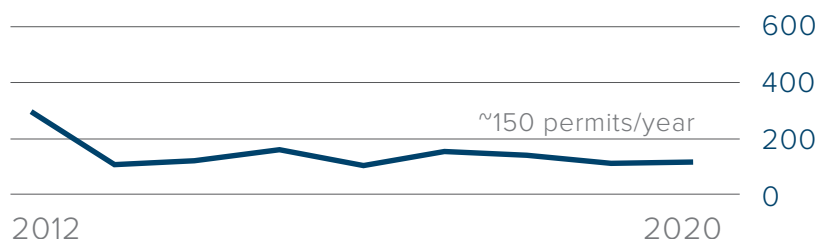
#### FINDING

##### **Housing construction has been anemic.**

The County has not recovered from the Great Recession’s slow down in construction activity.

#### ESTIMATED ANNUAL BUILDING PERMITS

La Porte County



source: US Census



## RECOMMENDATION



# Build a Spectrum of Housing to Unlock Growth

Support the construction of homes to rent and own to meet growth goals set by local municipalities. The development process needs to be streamlined with sufficient staff capacity and knowledgeable elected officials all in alignment with the Vision for Housing.



### PROPOSED IMPLEMENTERS

Nonprofit and for profit home builders and developers, plan commissions, staff planners



### MEASURE

Build or approve 1,000 units in two years to stay on track for 5,700 by 2030

## FINDING

**Numerous indicators reveal a shortage of new housing supply at almost all price points. This prevents new families from moving in and constrains turnover of existing homes.**

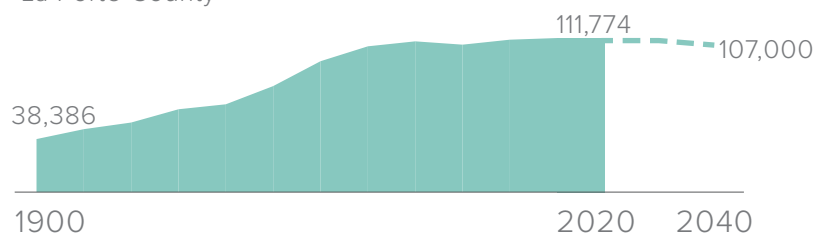
**Recent and projected population counts are flat.**

Post-industrial stagnation has set in.

Note: Projections do not take into account recent economic development efforts including the South Shore Line Double Tracking.

### HISTORICAL AND PROJECTED POPULATION COUNT

La Porte County



source: US Census, STATS Indiana, IBRC



image: Apartment Finder.com



image: M/I Homes



image: Mlive.com

10 year goal: **1,200+ units**

## Build Subsidized, Mixed-Income Housing

Household incomes: <\$44k  
Sales Price: <\$200k  
Rent: <\$1,000

### Problem

Low-Income households lack quality options at affordable prices near economic opportunity. 56% of low-income households have unaffordable housing payments.

### Result

Families and workers cannot build wealth and take care of basic needs.

Landlords can charge high rent as housing stock continues to deteriorate instead of selling to first-time home buyers or investors willing to rehab.

10 year goal: **3,300+ units**

## Build Attainable and Workforce Housing

Household incomes: \$44k - \$66k  
Sales Price: \$200 - \$300k  
Rent: \$1,000 - \$1,400

### Problem

Existing middle-income residents have few options if their housing needs change. The workforce La Porte County needs to attract has few options to move into the county, closer to work.

### Result

Constrained hiring means constrained economic development.

Population numbers may not grow until this need is sufficiently met.

10 year goal: **1,200+ units**

## Build Upper Income Housing

Household incomes: \$66k+  
Sales Price: \$300k+  
Rent: \$1,400+

### Problem

Many older households with means wanting to “move up” into a nicer house cannot. This higher priced housing is in short supply generally, including many newer formats in walkable locations in the heart of La Porte or Michigan City.

### Result

Existing middle priced homes do not enter the market for the next family or investor to renovate. These residents may eventually leave.

## FINDING

**Existing home inventory is now constrained, prices are rising.**

The average home sales price in La Porte County has risen from **\$156,000** in 2015 to **\$223,639** in 2020.

Read more on streamlining the development process:  
[Montgomery County, MD](#)

## HOUSING PROBLEMS BY RACE

La Porte County

**1 in 4**

**White Households face at least one Housing Problem**

**1 in 2**

**Black Households face at least one Housing Problem**

*Housing Problem: Cost Burden (over 30% of income spent on housing, no kitchen or plumbing, more than one occupant per room)*

## RECOMMENDATION



# Establish a Housing Trust Fund

Establish an affordable housing trust fund to support the demolition, construction, and rehab of homes limited to lower and middle income residents, either for-sale or for-rent.

This will not only raise home values and support the contractors involved in renovation, but will also ensure safer conditions for residents who may only have poor choices among negligent landlords.



### PROPOSED IMPLEMENTERS

Elected officials, staff  
planners, nonprofits



### MEASURE

Establish buy-in;  
Conduct Feasibility Study

## FINDING

**The cost to build or renovate much of La Porte County's older housing stock is prohibitive. This development gap limits the ability of nonprofits and other organizations from providing quality, affordable housing for residents of La Porte County.**

**There is a significant development gap stifling rehab and construction of affordable housing.**

This is the gap between the relatively high cost to rehab or build affordable housing compared to the lower rents or sales prices the home can fetch.





# A Trust Fund can fill crucial gaps in the affordable housing toolkit.

A Housing Trust Fund Feasibility Study is the first step, consisting of these major components:



## Case Study: Washington State Housing Trust Fund Washington State

This statewide fund uses recording fees collected at the county level to build and preserve affordable housing for extremely low-income and very low-income households. Two thirds of the funds go straight back to the county, while the remainder stays at the state for administrative and technical support. In 30 years, over 50,000 units have been built or preserved.

*source: Washington State Department of Commerce*



## RECOMMENDATION



# Support Commercial Centers with Dense, Walkable Housing

Provide easier access to jobs and commercial services for more people by allowing denser, walkable developments near existing commercial centers.

This will:

- Lower transportation costs for residents, workers, shoppers, students
- Improve labor access for employers,
- Make retail and services clusters more viable, and
- Unlock infill housing investment where infrastructure already exists



### PROPOSED IMPLEMENTERS

Developers, plan commissioners, staff planners



### MEASURE

Zoning and other regulations promote walkable density;  
Commercial centers become vibrant

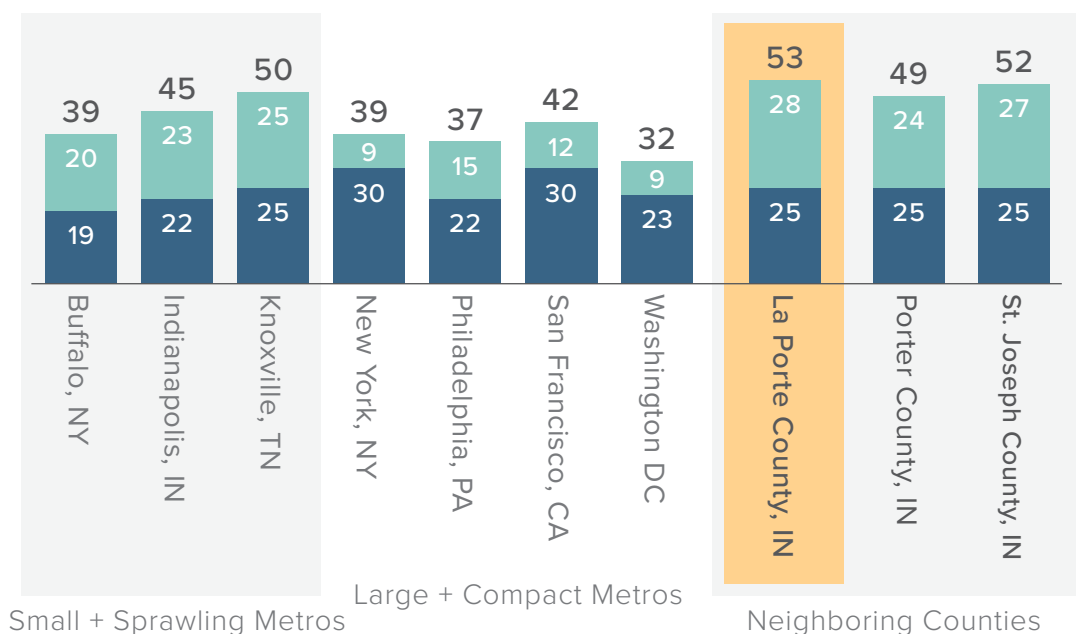
## FINDING

**Most residents have to drive a lot.**

**Typical Transportation Costs as a share of median income** are a function of development style and households' transportation mode.

**Typical Housing Costs as a share of median income** are relatively affordable in La Porte and neighboring Counties. This hides the consequence: few people can walk, bike, or take transit for daily needs.

### HOUSING AND TRANSPORTATION COSTS AS A SHARE OF MEDIAN INCOME, 2020



Explore the H+T Index: [htaindex.cnt.org/](https://htaindex.cnt.org/)

# Commercial centers need to be the center of something: a market to serve.



Source: Northwest Indiana RDA

Commercial and civic centers, including Franklin Street and the 11th Street South Shore Line Station need to be supported with jobs and residents to be successful. This means promoting dense residential infill nearby.

Read more on Smart Growth:

[Smart Growth America](#)

[American Planning Association](#)

[NWI TOD](#)

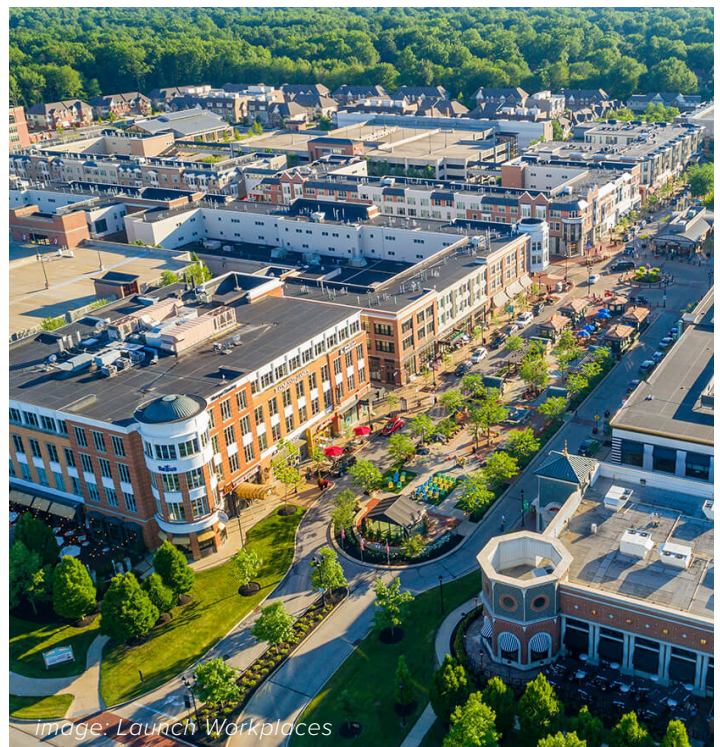
## Case Study: Mixed-Use Malls

### Crocker Park, West Lake, Ohio

The need for walkable housing near commercial centers is illustrated by a new common model for shopping mall development and redevelopment. Most now have integrated multiple housing types into the plan.

This housing, but also class-A office space and a hotel (not pictured) keep shopping centers like Crocker Park vibrant during all times of the day, and far more resilient in the long run. Different uses support the space and share parking with offset peak-use times.

**Right: Apartments and office space above ground floor retail are a historic building type.**



## RECOMMENDATION



# Manage Growth at the Edge

Explore tools such as Urban Service Areas that clearly communicate the intention to annex and provide infrastructure for developers. This can promote preservation of agricultural and natural lands beyond cities and towns to protect La Porte County's natural beauty.

Unmanaged sprawl can undermine effective infrastructure and service delivery, build acrimonious relationships across political boundaries, and constrain new housing development.



### PROPOSED IMPLEMENTERS

City and County elected officials,  
staff planners



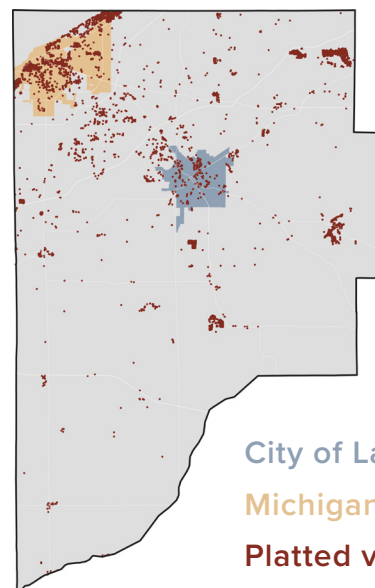
### MEASURE

New housing production in annexed areas;  
Municipal population growth

## FINDING

**A series of low-density, unfinished neighborhoods and residential parcels are scattered across the County.**

The municipalities of La Porte County are ready to grow their geographic boundaries and expand infrastructure service, but the existing pattern on the edge restricts efficient expansion of infrastructure and economical homebuilding.



### APPROVED AND VACANT LOTS

La Porte County, 2020

City of La Porte municipal limits

Michigan City municipal limits

Platted vacant residential lot

*Source: La Porte County Assessor. Greenstreet calculations.*

*Note: Determination of vacant, platted residential lots determined from La Porte County Assessor parcels with State property class code "500".*



## Case Study: Compact Rural Development

### Serenbe, GA

Serenbe focuses on farming and social interaction in a town setting nestled in the Georgia hillcountry. Five neighborhoods are nestled amongst 1,200 acres of forest and meadows, connected by over 15 miles of nature trails. The town center is made up of more than 30 shops and businesses including The Inn, five restaurants, and a playhouse.

It's success has made the local organic farm and restaurants a regional destination. *"We created plans for 20 percent more residential units than would have been possible with traditional development practices and preserved over 70 percent of 'developable' land for agriculture and open space—all of this within 30 minutes of the world's busiest airport."*

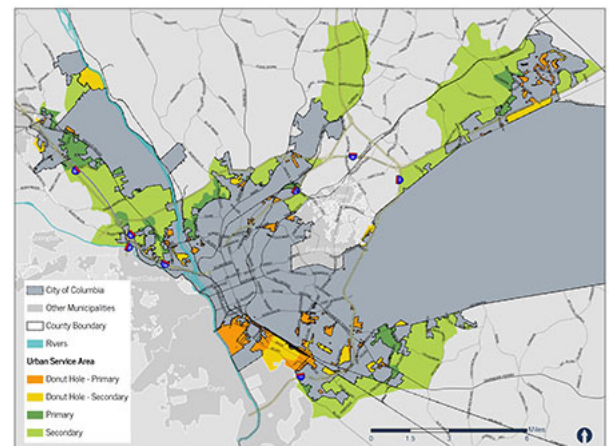
-Steve Nygren, President and Founder, Serenbe.



## Case Study: Urban Service Area

### Columbia, South Carolina

"The Urban Service Area defines areas outside the City of Columbia that reasonably could be provided with City services. Some of these services, such as water and sewer, may already be available beyond the City limits but are subject to out-of-city rates. Other services are only available to properties within the City of Columbia. While all properties adjacent to the City limits are eligible for annexation, the location and staffing of existing or proposed City services, such as police stations, fire stations, and solid waste routes, means that the City can more readily serve some adjacent areas than others."



Source: ULI Case Study, <https://www.columbiasc.net/planning-preservation/annexations/urban-service-area>

Read more: [Columbia, SC](#)



## RECOMMENDATION



# Continue the Conversation

Keep housing production aligned with demand by keeping elected officials, housing professionals, and the business community informed. Regular communication between these groups can keep everyone on the same page, particularly when conditions change.



### PROPOSED IMPLEMENTERS

LPC Association of Realtors, Municipal Leaders, Vibrant Communities of LPC, Housing Opportunities, staff planners



### MEASURE

Annual summit, quarterly roundtable with key stakeholders: elected officials, employers, housing professionals, nonprofits



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## FINDING

### **The mismatch between plans, policies, and the positions of elected officials may be limiting housing investment.**

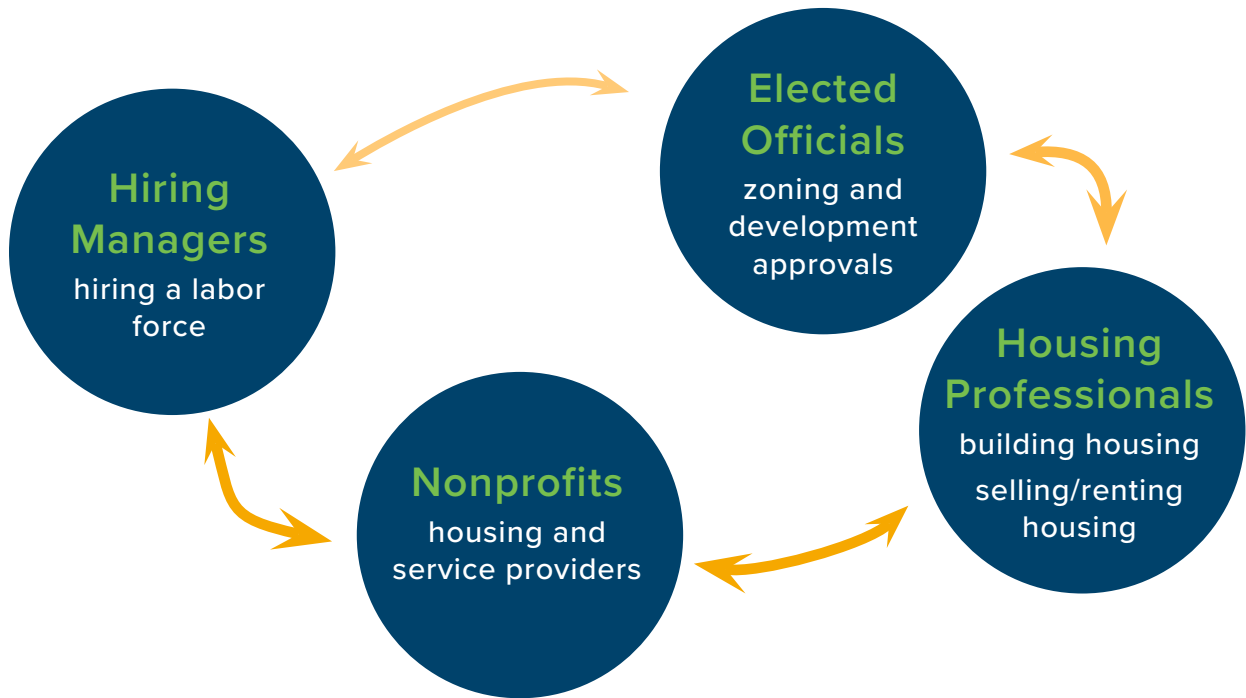
#### **Policies and production need to follow changing demand.**

Successful production of new housing should meet current residents' needs for a new home, but also for those who do not live here now. To grow, La Porte County needs to attract new households that may have different tastes.

#### **Misalignment on issues including annexation, infrastructure and public service provision have muddled the waters.**

Homebuilders and developers cannot easily find land. There is little urban infill and suburban greenfield construction underway, with many rural neighborhoods left unfinished from the great recession.

## Keep all stakeholders informed of the vision and latest trends



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