

Full Slideshow

LA PORTE COUNTY INDIANA HOUSING ANALYSIS & ACTION AGENDA

2021

greenstreet



Table of Contents

Trends

Demographics

Inventory

Socioeconomic/Racial Impacts

Potential Demand

Gap and Market Segments

Recommendations



Scope and Schedule

Task 1: Project Start

Jan 15 |

Task 2: Housing Supply Baseline

..... Feb 19 |

Task 3: Housing Demand, Gap, Socioeconomic/
Racial Impacts

..... March 26 |

Task 4: Opportunities for Growth

..... no meeting

Task 5: Summary and Action Agenda

..... July 9

Stakeholders Engaged

Non-Profit

Unity Foundation, Healthcare Foundation of La Porte County, housing and social services providers

Government

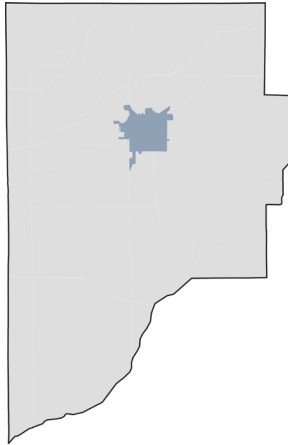
Councillors, commissioners, city and town mayors, staff planners, engineers, administrators, NIRPC, economic development, schools

Private

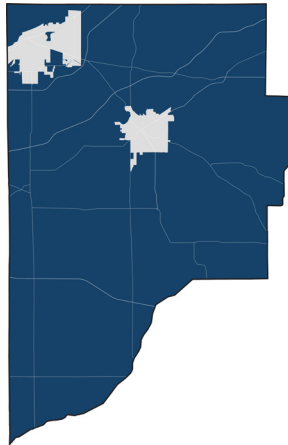
Realtors, Builders, Developers



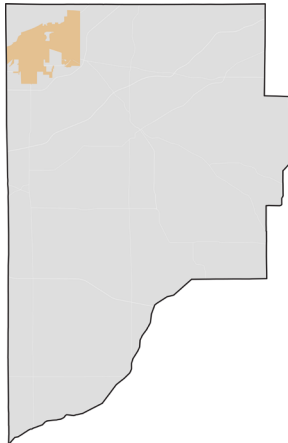
CITY OF LA PORTE



REMAINING LA PORTE COUNTY



MICHIGAN CITY



A Note on Project Geographies

Much of the following analysis of local housing data has been stratified into three project geographies within La Porte county: the City of La Porte, Michigan City, and the remaining La Porte County. The boundaries for these geographies were determined by current **municipal planning jurisdictions** and are shown in blue.

A Note on Institutionalized Population

The entirety of this housing analysis omits La Porte County's institutionalized population (~8,000 occupants of federal, state, or local correctional facilities or group homes) from resident/household counts, and all occupied or unoccupied institutional quarters have been omitted from residential dwelling unit counts.

Source: La Porte County GIS, 2021.

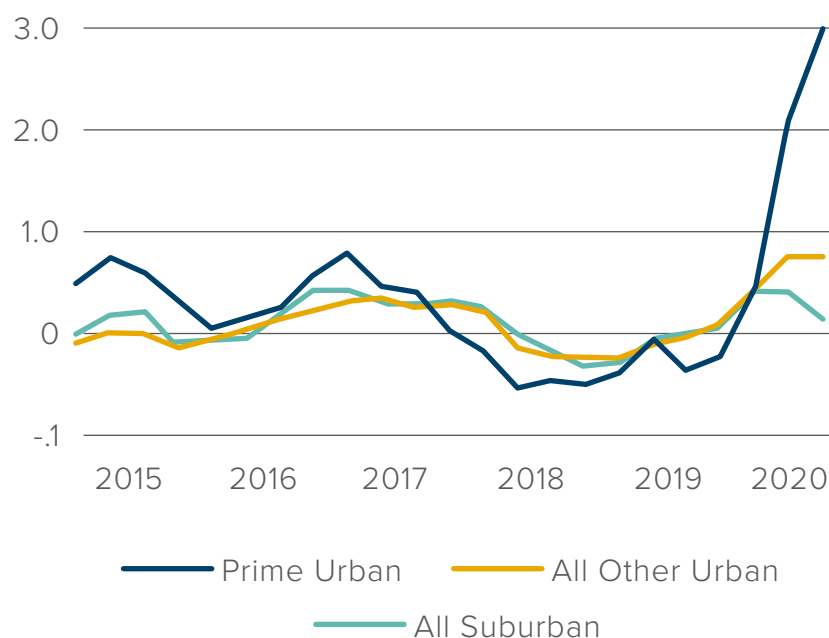
Trends

Recent National Trends

The pandemic has affected rental and owned housing markets across the country.

APARTMENT VACANCIES HAVE JUMPED IN PRIME URBAN AREAS

Year-over-Year Change in Vacancy Rate (percentage change)



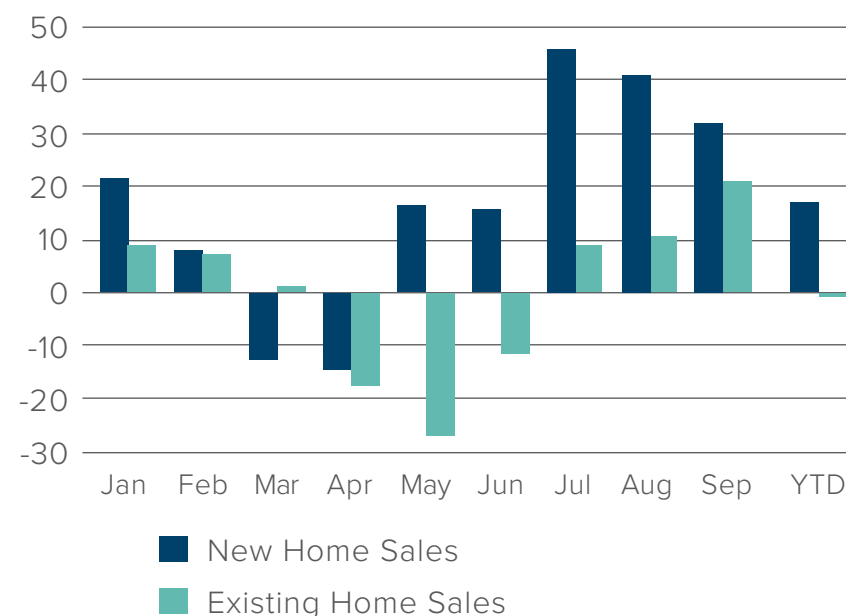
Note: Prime urban areas are the most expensive urban markets. Urban/suburban areas are defined based on density in the 54 largest markets that CoStar tracks.

Source: JCHS tabulations of CoStar Data

Source: "The State of the Nation's Housing 2012", Harvard University

HOME SALES REBOUNDED AFTER A SPRING DOWNTOWN

Year-over-Year Change (percent)



Note: Year-over-year changes are based on seasonally adjusted data, while the year-to-date changes are not seasonally adjusted. Recent monthly data are subject to revision.

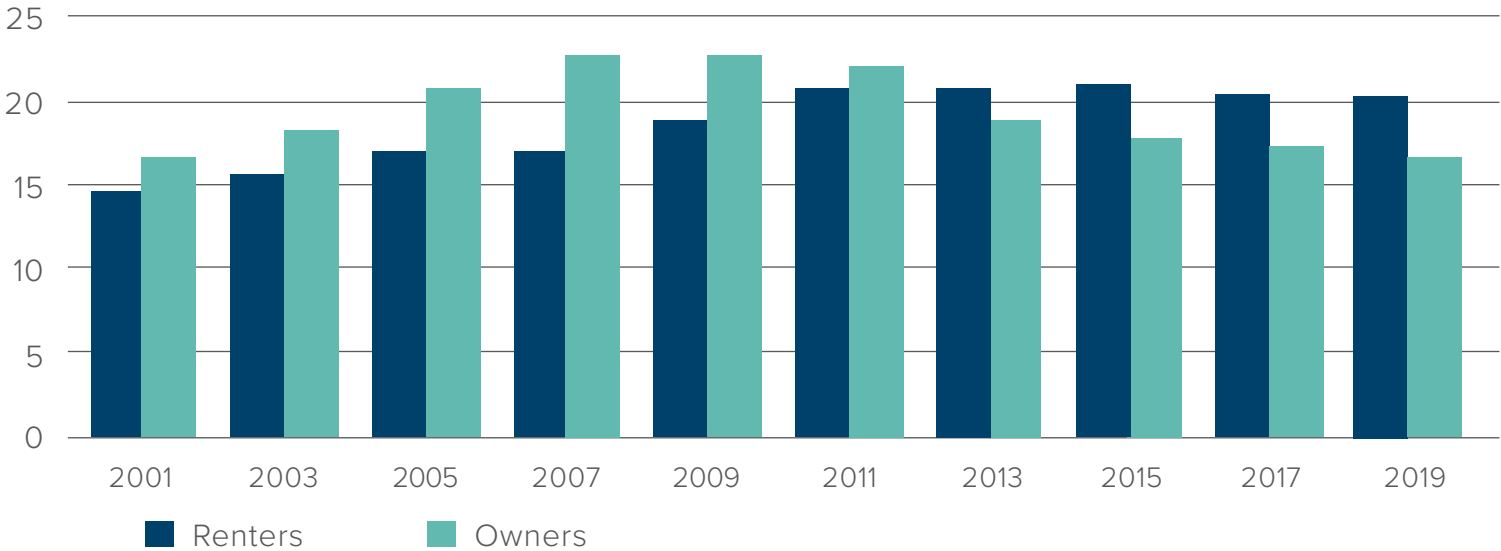
Source: JCHS tabulations US Census Bureau New Residential Sales; National Association of REALTORS (NAR) Existing Home Sales

Recent National Trends

Housing cost burdened households pay over 30 percent of their income on housing.

COST-BURDENED HOUSEHOLDS EXCEED 37 MILLION, DESPITE RECENT DROPS.

Cost-Burdened Households (Millions)



Note: Cost-burdened households pay more than 30% of income for housing.
Source: JCHS tabulations US Census Bureau, American Community Survey 1-year estimates.

National Housing Supply Trends

Housing construction has been affected by the pandemic, but also long-standing trends.

Local Regulations Constrain Housing Density and Type



More than a third of the 1,703 cities, villages, towns, and counties with zoning authority allow no more than seven housing units per acre according to the 2019 National Longitudinal Land Use Survey. Such regulations impact land prices: the Federal Housing Finance Agency reports the median price per quarter acre of land underneath existing single-family housing was \$144,100 in 2018, up 56 percent from 2012 to 2019. At this median, land represented 39 percent of total value.

Multifamily units are burdened by myriad requirements as well. almost half of jurisdictions require two or more off-street parking spaces per unit, with only four percent requiring less than a space per unit.

Cost of Building Materials



The price of raw and manufactured goods used as inputs for residential construction increased 45 percent over the decade from 2010 to 2020, with the pandemic's disruption of supply chains adding significant pressure. The Bureau of Labor Statistics reports the softwood lumber prices jumped 87 percent just from April to September, the largest price shock since record keeping began in 1940s.

Access to Skilled Workers



Labor in the field is persistently low. 2019's 321,000 job openings on average is the highest it's been since at least 2001. With foreign-born workers accounting for almost a third of this labor force, the downward trend in immigration rates will further constrain the labor supply.

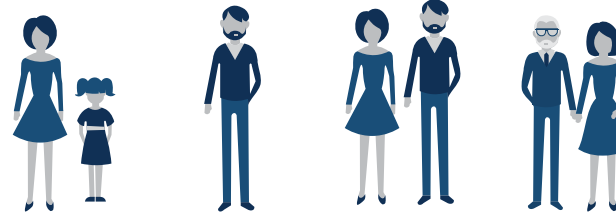
Source: "The State of the Nation's Housing". Joint Center for Housing Studies of Harvard University, 2020.

Change in Household Makeup

Household demographics are shifting, with singles driving the most growth.



HOUSEHOLD OF THE PAST



HOUSEHOLDS OF TODAY



3 out of 4
Households were married in 1950.

Today, only **half**
of Americans are married.

Younger generations are delaying marriage. Since 1960, the average age of first-time brides increased by over six years, from 20 to 26.5 in 2011. Additionally, more young people are forgoing marriage all together, up from just nine percent in 1960 to 20 percent in 2012.



43% of Households were
married w/ kids in 1950.

That number is down to just
20% today.

Younger generations are waiting longer to start families. For households under 35, single-person households outnumber married couple with children. Millennials will eventually drive family-household growth, just after 35.

Source: US Census; New York Times, "Late Marriage and its Consequences," 2013; Time, "Why 25% of Millennials Will Never Get Married," 2014; NPR, "Average Age of First-Time Moms Keeps Climbing in the US," 2016; Bloomberg, "Millennials Still Want Kids, Just Not Right Now," 2016; "The State of the Nation's Housing". Joint Center for Housing Studies of Harvard University, 2020.

Walkability Preferences

While most Americans say they prefer single family homes, when it comes to real life trade-offs, preferences are shifting.

Over half of Americans would be willing to live in an apartment building or attached townhome if it meant they could be in a walkable location near amenities and work.



Source: National Association of REALTORS Community and Transportation Preference Survey, 2017. Left image: Cinnamon Hollow. Right image: Johnston Architects.

What is Walkability?

Walkability refers to the ease of getting to a variety of destinations on foot.

Clustered services and connected sidewalk infrastructure makes for efficient access that lowers transportation costs. This also allows other transportation options like bicycling or car-sharing to work well.

WALKSCORE DEFINITION:

Walkscore is an index of 0-100 that measures the walkability of a given location. Areas with higher walkscores have easy, walkable access to daily services and amenities.

Other than benefits to health, happiness, and reduced emissions, one study showed walkable neighborhoods suffered less than half the decline in value during the Great Recession, compared with less walkable neighborhoods.

During the pandemic, the NAR found those in walkable neighborhoods reported a higher quality of life, and those “very satisfied” *increased* as well.

LA PORTE COUNTY WALKSCORE MAP



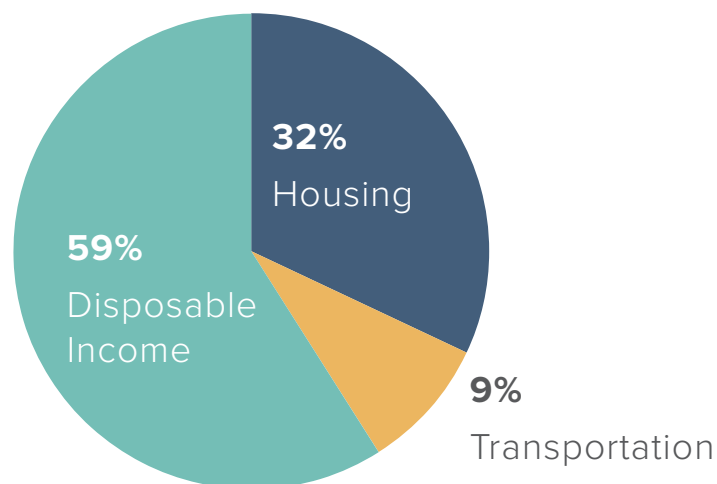
source: walk score®, <https://pubmed.ncbi.nlm.nih.gov/29699423/>, <https://urbanland.uli.org/sustainability/houston-economic-case-walkability/>

Housing and Transportation

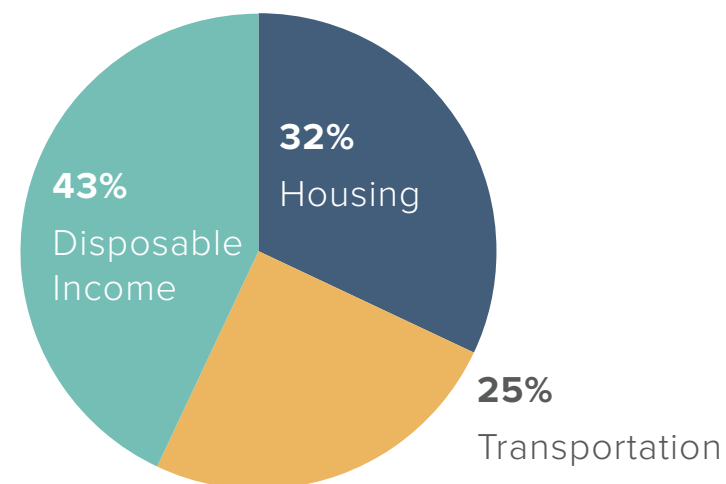
Housing costs are inextricably linked to transportation costs. Since choosing affordability on one is often a trade-off with the other, intelligent housing discussion includes both.

For every \$1 saved on housing costs by moving to the urban fringe, transportation costs rise \$0.77.

**LOCATION EFFICIENT NEIGHBORHOODS
OFFER SAVINGS ON TRANSPORTATION COSTS.**



**AUTO-DEPENDENT NEIGHBORHOODS ON THE
URBAN FRINGE HAVE HIGHER TRANSPORTATION
COSTS.**



Barbara J. Lipman, Something's Gotta Give: Working Families and the Cost of Housing, Center for Housing Policy, 2005.

The Importance of Housing Diversity

Having the right mix of housing is critical to La Porte County's competitiveness.

Municipal Revenues Lost



10x revenue

per Acre

Smart growth development generates 10 times more tax revenue per acre compared to conventional suburban development. A recent Indianapolis study by Smart Growth America found that typical drivable suburban development, composed mainly of single-family homes can actually generate negative net fiscal impacts.

Talent Attraction Harder

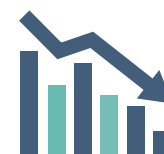


Skilled Labor

#1 Relocation Factor for Businesses

Companies across the U.S. are moving to and investing in walkable downtown locations, in large part because these places help to attract and retain talented workers. Ideal neighborhoods amenities include a wide range of home types that allow them to be affordable to employees of all income levels.

Volatile Housing Cycles



Stability

Diversity Provides Protection

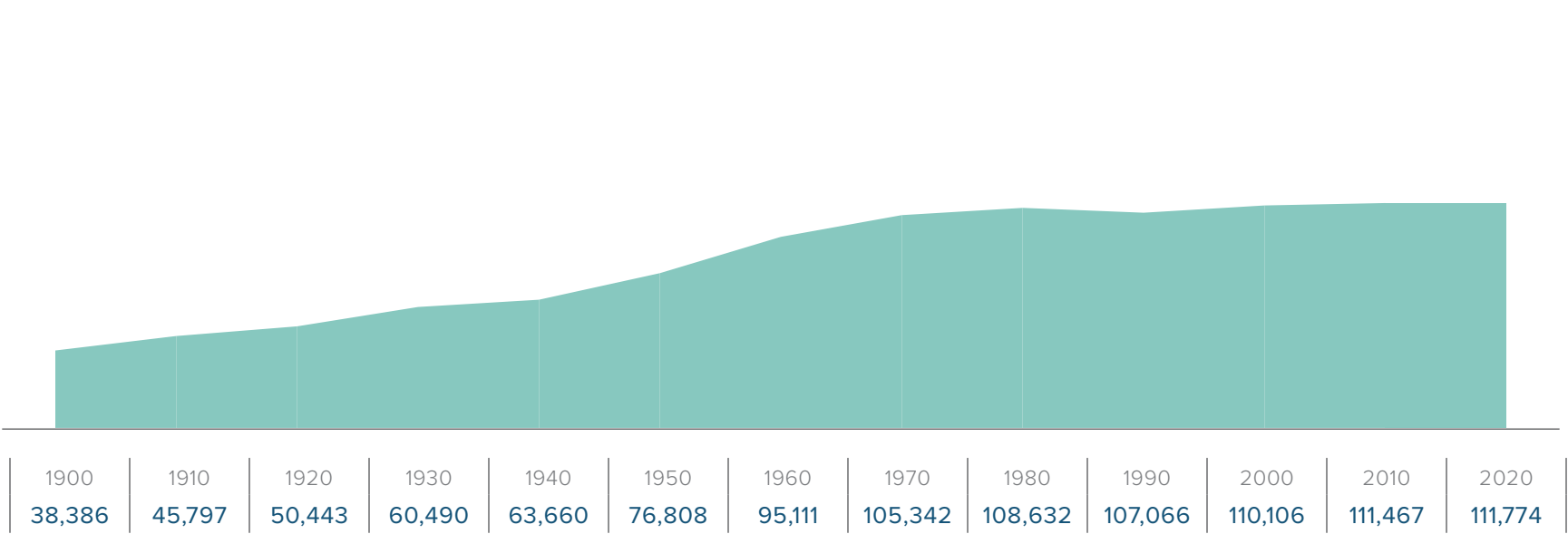
Municipalities with monotonous, undifferentiated housing stock suffered more value decreases during the recent recession in 2008. As demographic groups slowly shift preferences over time, a mix of housing types allow a city to retain these households, and stabilize resale values.

Source: The Fiscal Implications of Development Patterns: Indianapolis, 2016; Amazing Place: Six Cities Using the New Recipe for Economic Development, 2016; Core Values: Why American Companies are Moving Downtown, 2015

Demographics

La Porte County Historical Population Trends

La Porte County’s population has recently leveled off.

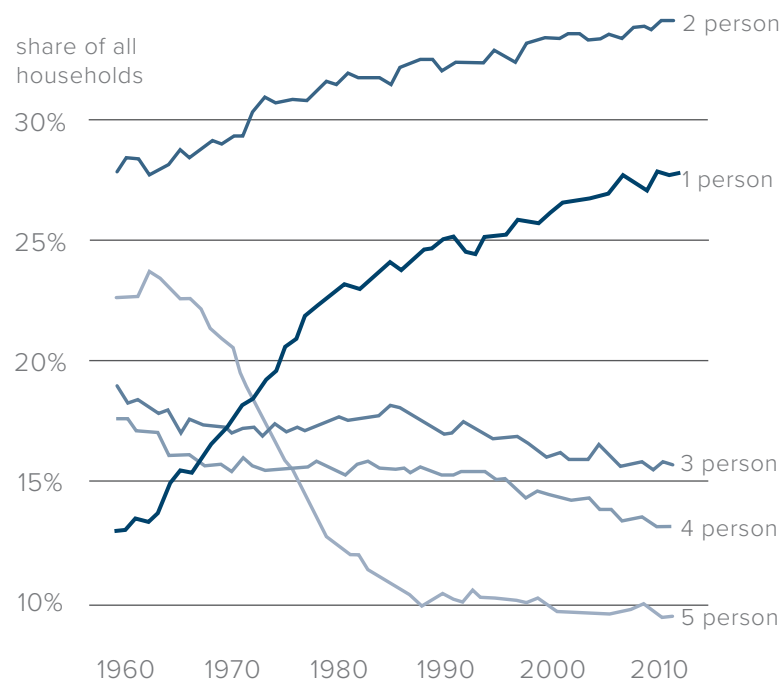


Source: Stats Indiana; Esri 2020.

Change in Household Size

The increasing number of one- and two-person households has changed housing demand.

BETWEEN 1960 AND 2010, ONE- AND TWO-PERSON HOUSEHOLDS HAVE GROWN SIGNIFICANTLY



44%
growth by 2030

The proportion of Americans who live alone has grown considerably since the 1920s when only five percent of people lived alone. In 2017, one-person households made up 28 percent of all households nationwide. In La Porte County, one-person households made up 29 percent of all households.

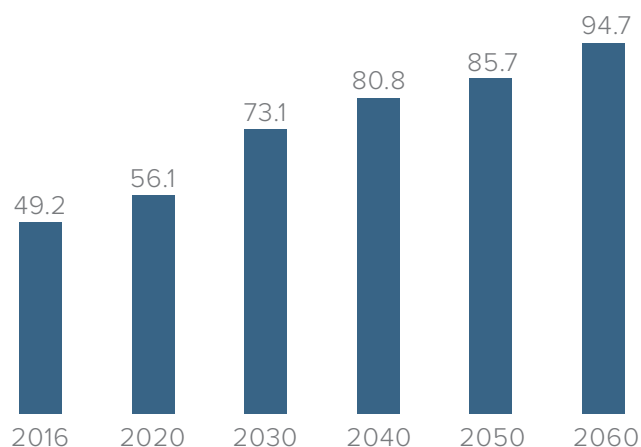
Source: U.S. Census; The Pew Charitable Trusts, "Growing Number of People Living Solo Can Pose Challenges," 2014; Wall Street Journal "One in Four American Households Is One Person Living Alone," 2014; Statista; American Community Survey, 2012 - 2016

Aging Americans

An aging population in the U.S. will continue to bring about important shifts in the future.

IN FIFTY YEARS, THE NUMBER OF OLDER ADULTS WILL NEARLY DOUBLE.

millions of people over 65



Note: Older adults are those 65 and older. Children are age 0-17.
Source: U.S. Census Bureau, 2017 National Population Projections

Due to an aging population, 2030 will mark the first year that immigration will overtake natural increase as the primary driver of population growth.

As the population ages, the number of deaths will rise substantially, while birth rates will continue to stay relatively low.

By 2035, older adults will outnumber children for the first time.

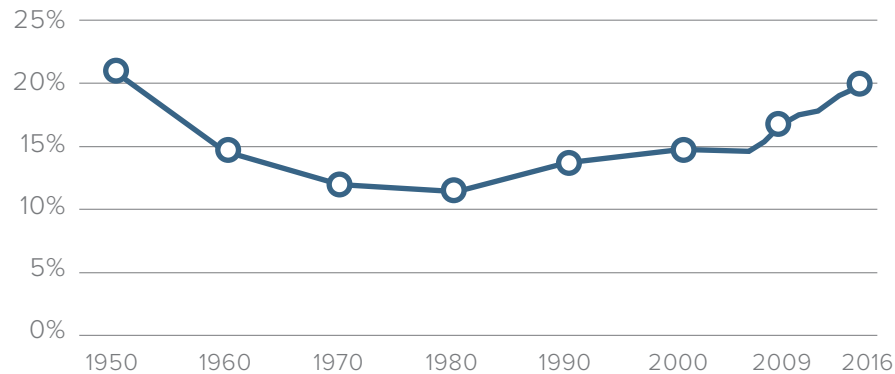
Population Change:

NET MIGRATION: ↑ In-Migration – Out-Migration ↓

NATURAL INCREASE: ↑ Births – Deaths ↓

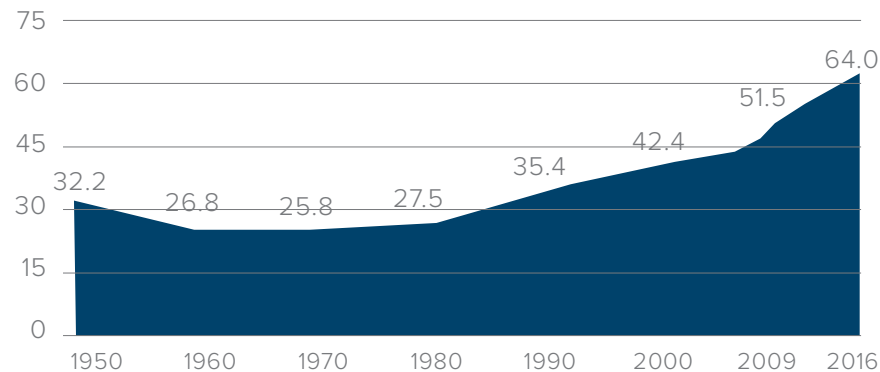
THE SHARE LIVING IN MULTIGENERATIONAL HOUSEHOLDS HAS RISEN.

% of population in multigenerational households



THE NUMBER LIVING IN MULTIGENERATIONAL HOUSEHOLDS HAS REACHED A RECORD HIGH.

millions



Multigenerational Households

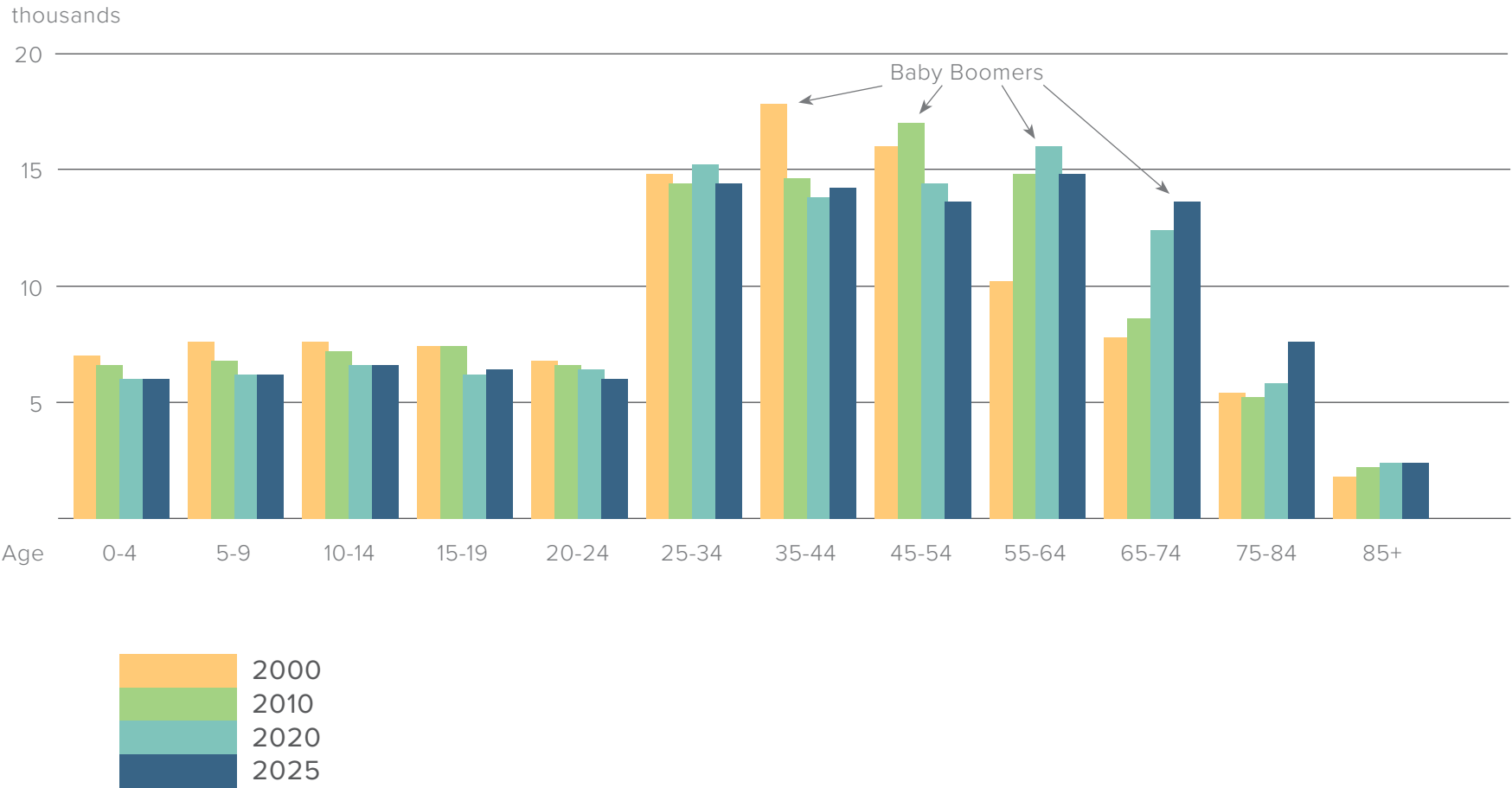
Shifts in household formation, driven partly by economic conditions among many other factors, have caused multigenerational living to rebound to historic rates.

<https://www.pewresearch.org/fact-tank/2018/04/05/a-record-64-million-americans-live-in-multigenerational-households/>

Local Household Change by Age

Different life stages will drive demand for diverse housing options, especially for seniors.

AGING BABY BOOMERS AND RETIREES MOVING TO LA PORTE COUNTY HAVE SIGNIFICANTLY SHIFTED THE HOUSEHOLD AGE MAKE-UP.

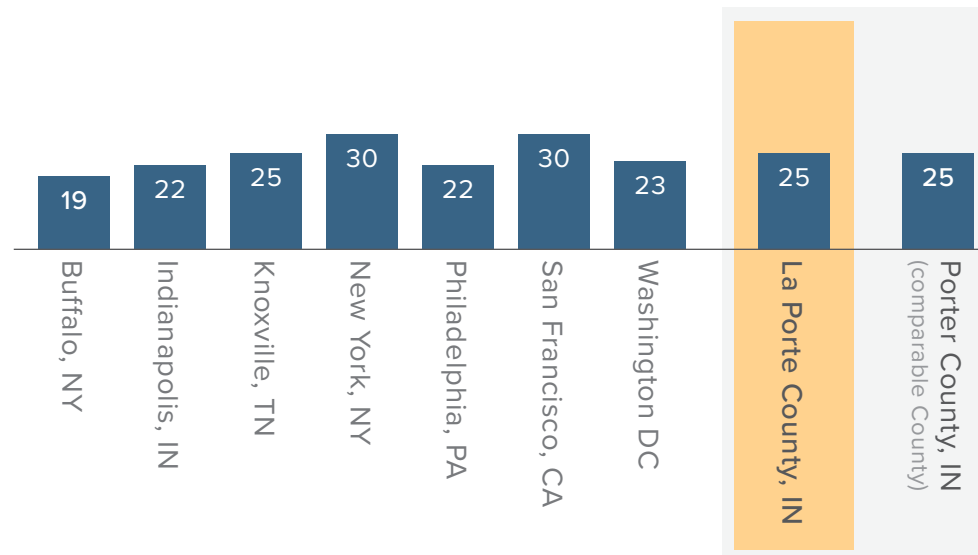


Source: U.S. Census Bureau, 2000; 2010. Esri, 2020; 2025.

Housing and Transportation

Many car-centric cities make “Most Affordable Cities” lists, and La Porte County looks relatively affordable, at 25 percent of the median income spent on housing.

HOUSING COSTS
AS A SHARE OF MEDIAN INCOME



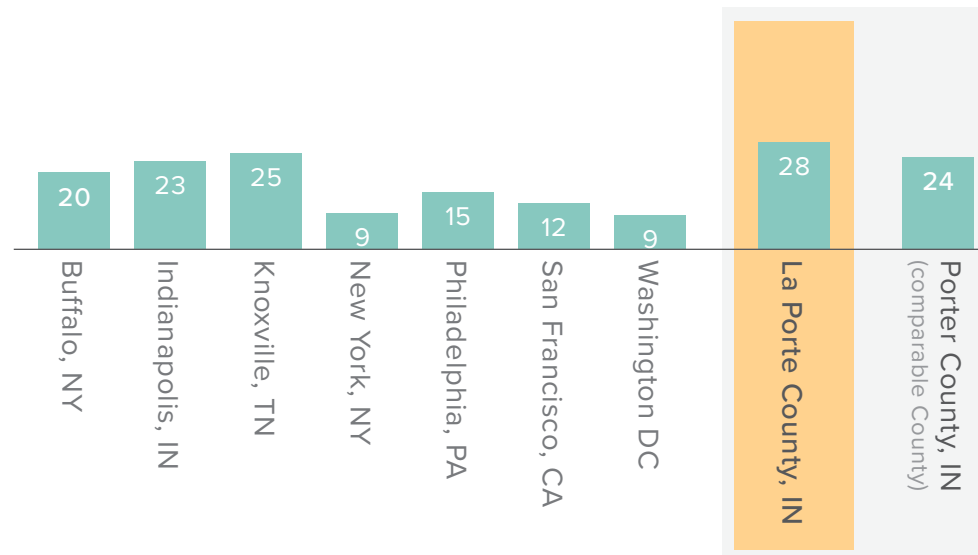
Sources: Center for Neighborhood Technology Housing + Transportation Index

Housing and Transportation

This ignores the generally higher transportation costs that sprawling cities tend to require.

La Porte County has higher transportation costs than many cities, but is on par with a comparative county set.

TRANSPORTATION COSTS
AS A SHARE OF MEDIAN INCOME



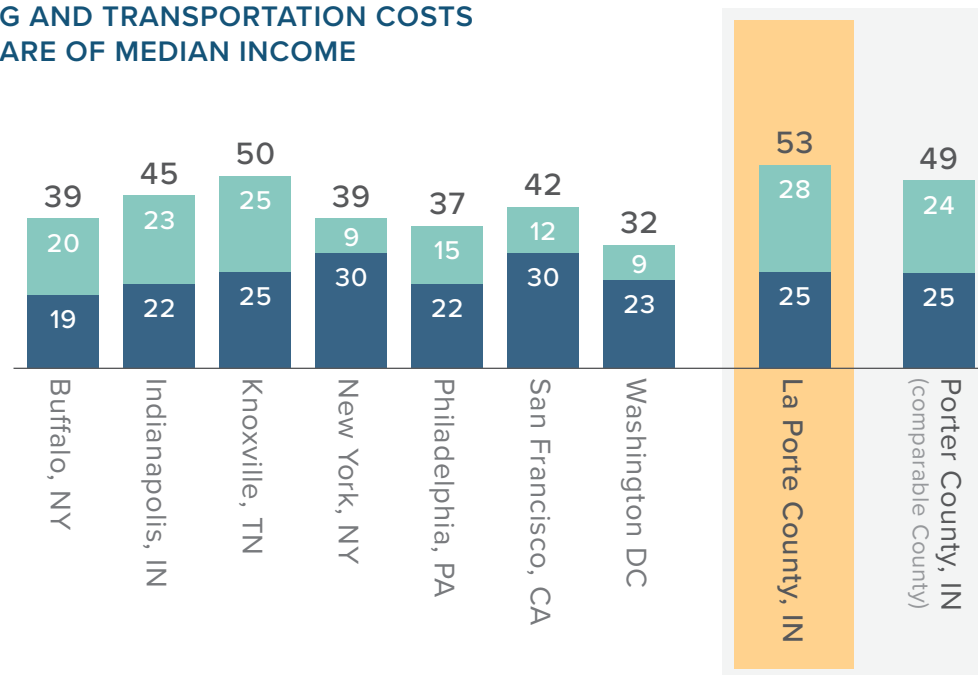
Sources: Center for Neighborhood Technology Housing + Transportation Index

Housing and Transportation

When viewed together, these two costs reveal a very different picture.

At 53 percent, La Porte County's housing and transportation costs are high.

HOUSING AND TRANSPORTATION COSTS
AS A SHARE OF MEDIAN INCOME



Sources: Center for Neighborhood Technology Housing + Transportation Index

Housing and Transportation

Transportation expenditures create little tax revenue or benefit to a municipality.

BENEFITS OF REDUCED TRANSPORTATION COSTS



Disposable Income

Residents have more disposable income to spend on goods and services



Health Care

Residents have more income to spend on health care costs



Road Maintenance

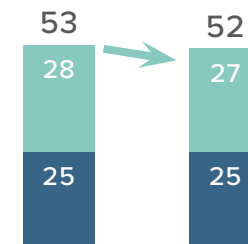
Reduction of vehicle-miles travelled reduces maintenance costs
Fewer vehicles on roadways reduces traffic congestion



Housing

Residents have more money available for housing
Municipality collects more annual property tax revenue

POTENTIAL IMPACT OF TRANSPORTATION SAVINGS IN LA PORTE COUNTY ARE SIGNIFICANT



Reducing household transportation costs by just **1%*** would generate savings of nearly **\$30 million** to La Porte County households **every year**.

Sources: U.S. Census 2019 ACS estimates, La Porte County Assessor, Greenstreet calculations

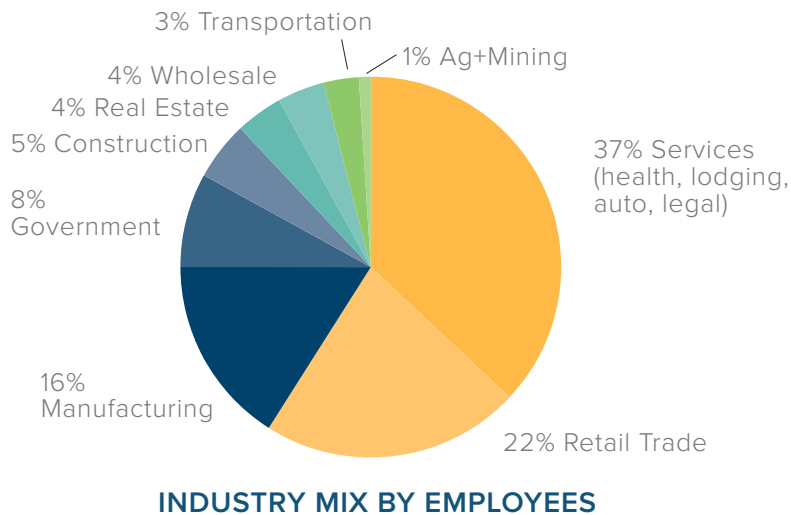
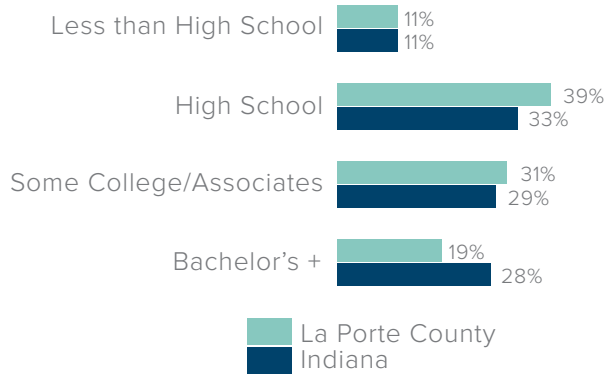
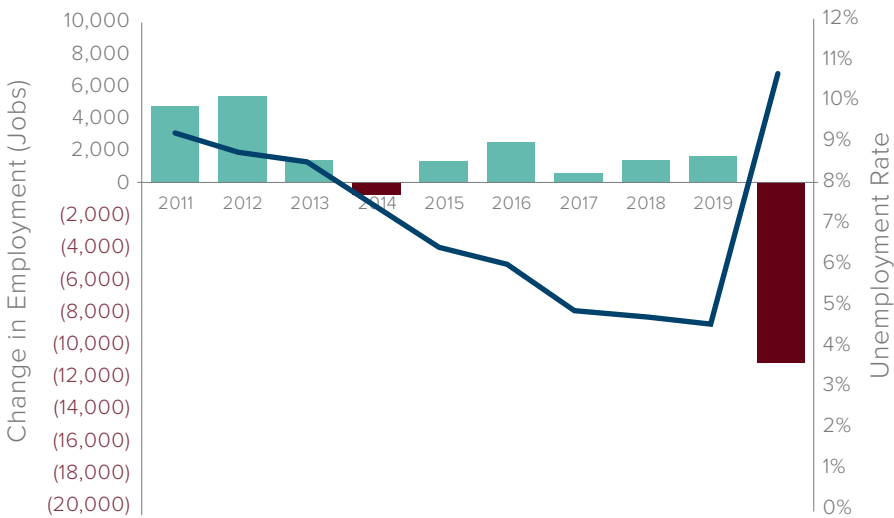
* of annual household income

Labor Force Snapshot

La Porte County's many service and retail employees have suffered during the pandemic.

THE PANDEMIC AND CURRENT RECESSION HAVE AFFECTED LA PORTE COUNTY SIGNIFICANTLY.

LA PORTE COUNTY'S EDUCATION RATES MATCH THE INDUSTRY MIX



Source: Esri, 2020; Cushman & Wakefield, 2020.

Notes: Educational attainment data for La Porte County includes population ages 25 and over

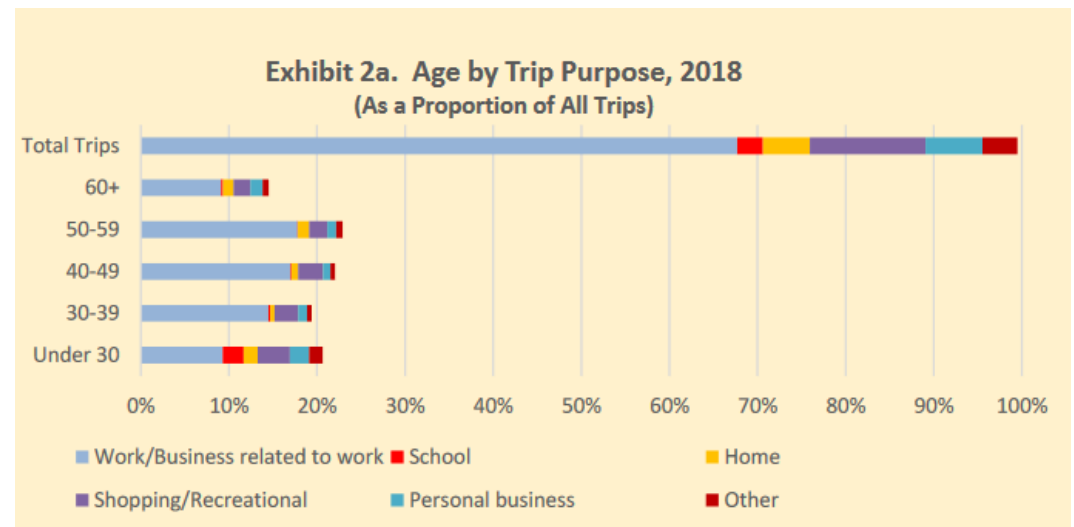


South Shore Line Riders

South Shore Line (SSL) riders represent an important potential market for La Porte County's growth: They are potential shoppers, visitors, workers, retirees, who will soon have much better service through the county.

SSL RIDERS:

- 60% female
- Median household income: ~\$90,000
- 90% drive to station
- 70% walk to destination
- Major concern: Frequency of Service 3.49 (1-5), soon to be addressed
- #1 ridership factor: cost savings over driving

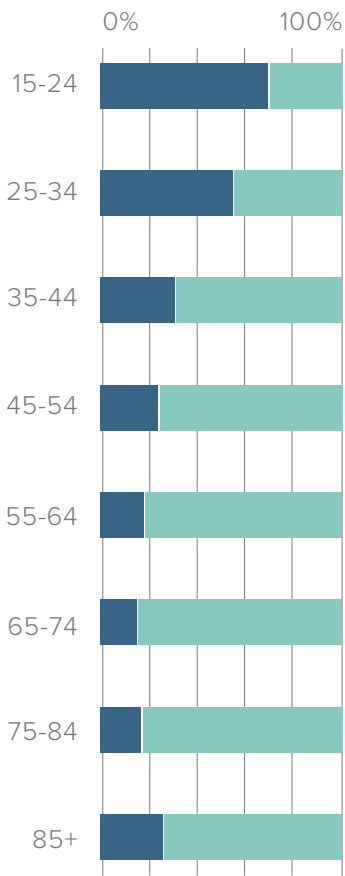


Source: NICTD. South Shore Line Onboard Passenger Survey. 2018, NWITDD.com

Owner/Renter by Age, 2019

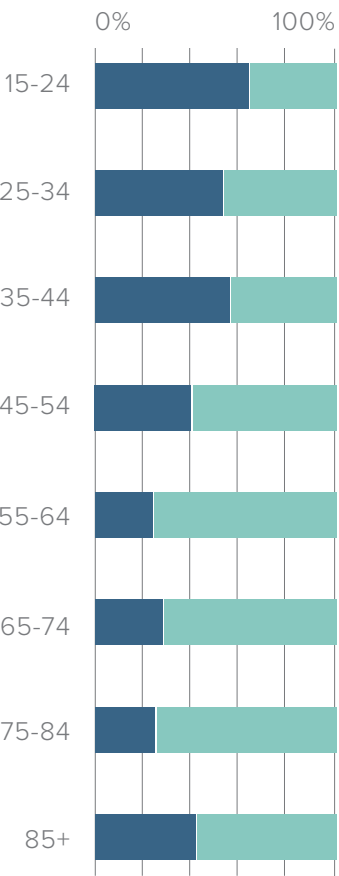
Renting is more common in early and later lifestages.

LA PORTE COUNTY



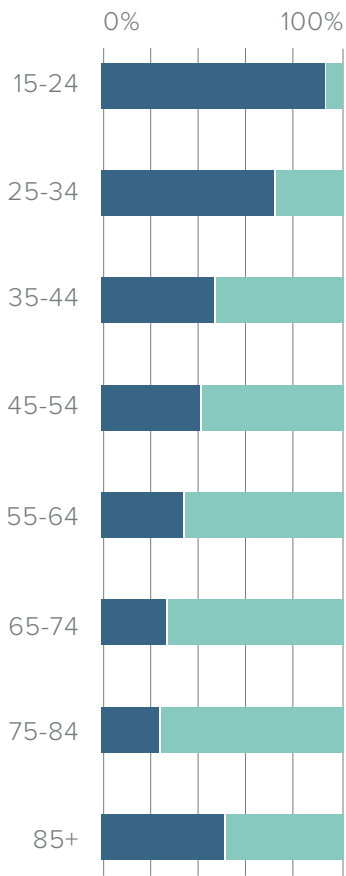
Total Renters: 20%

CITY OF LA PORTE



Total Renters: 40%

MICHIGAN CITY



Total Renters: 46%

Renter
Owner

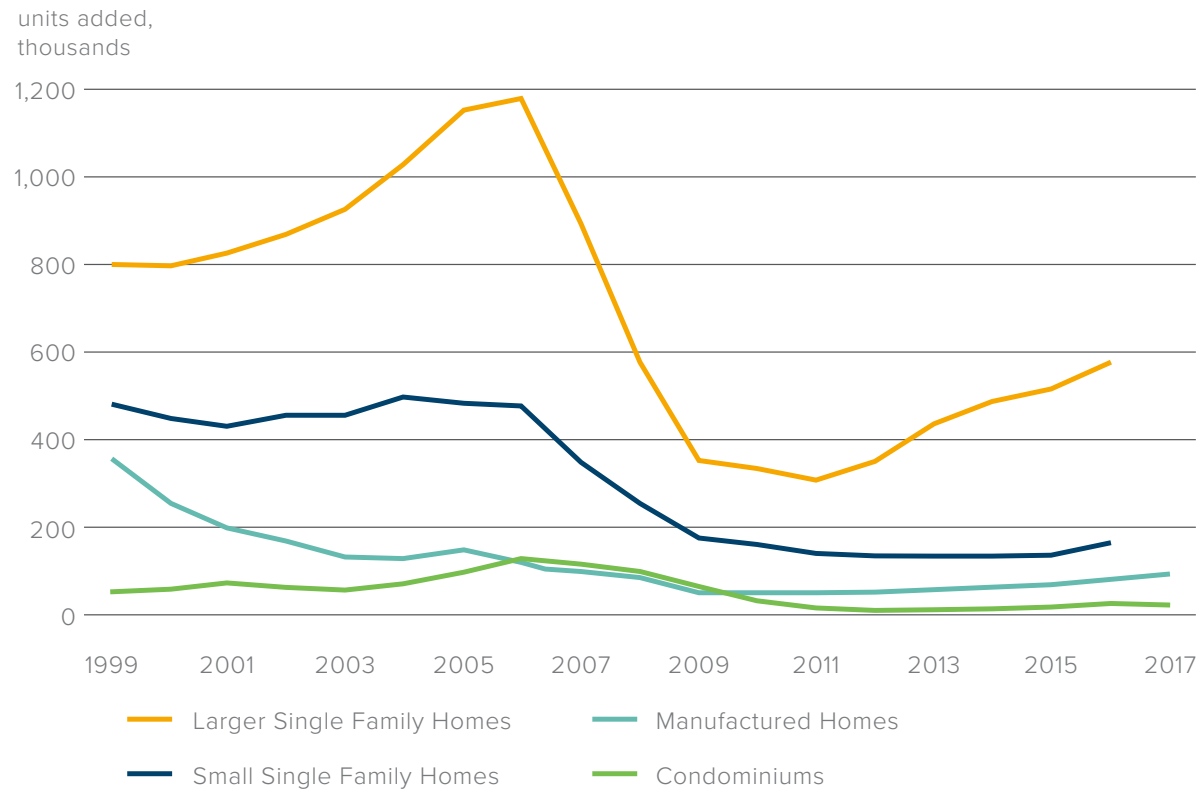
Source: Census, 2019.

Housing Supply Inventory

National Housing Types and Prices

Construction of modest, attached homes has remained limited since the Great Recession.

AFTER THE RECESSION, CONSTRUCTION OF LARGER SINGLE-FAMILY HOUSES HAS SEEN THE LARGEST GROWTH.



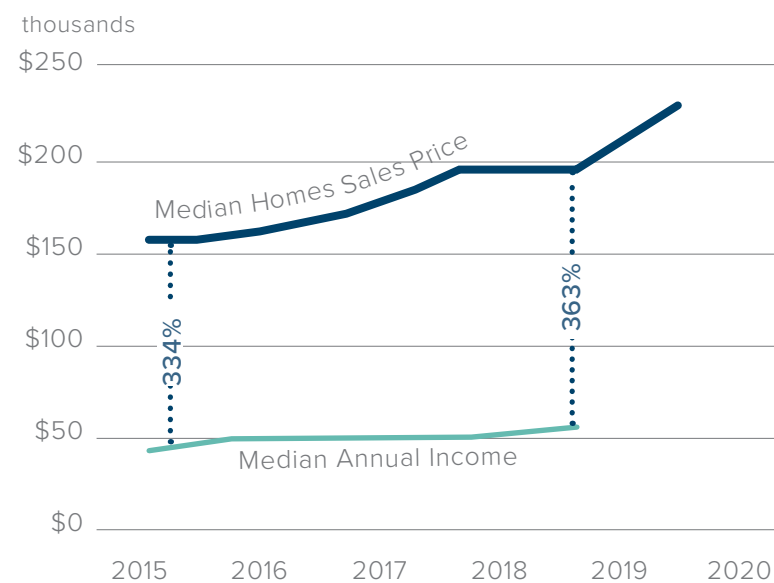
Note: Small/Large threshold is 1,800 sq. ft. Condominiums are for-sale multifamily units. Single-Family completions by home size for 2017 were unavailable at time of publication.

Source: Harvard Joint Center for Housing Studies tabulations of US Census Bureau, New Residential Construction and Manufactured Housing Surveys

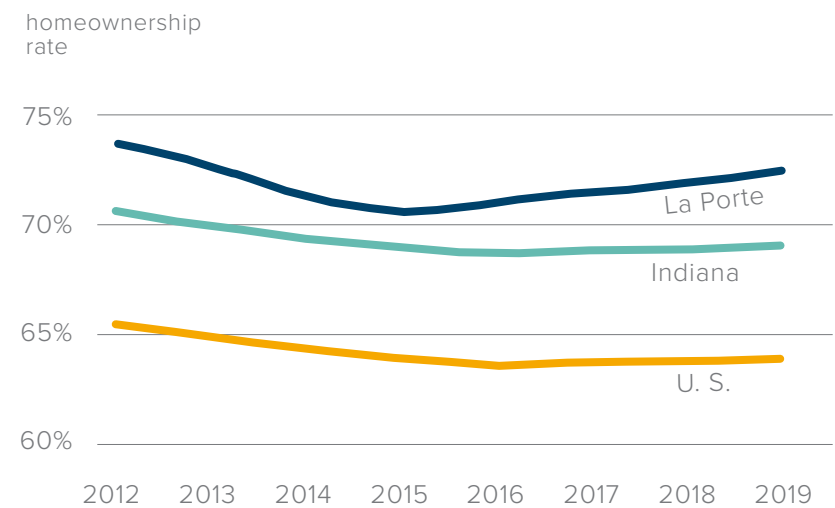
Local Housing Trends

Local housing prices remain high, but homeownership rates have recent rebounded.

MEDIAN HOME SALES PRICES HAVE SIGNIFICANTLY JUMPED IN LA PORTE COUNTY, FURTHER OUTPACING INCOME GROWTH.



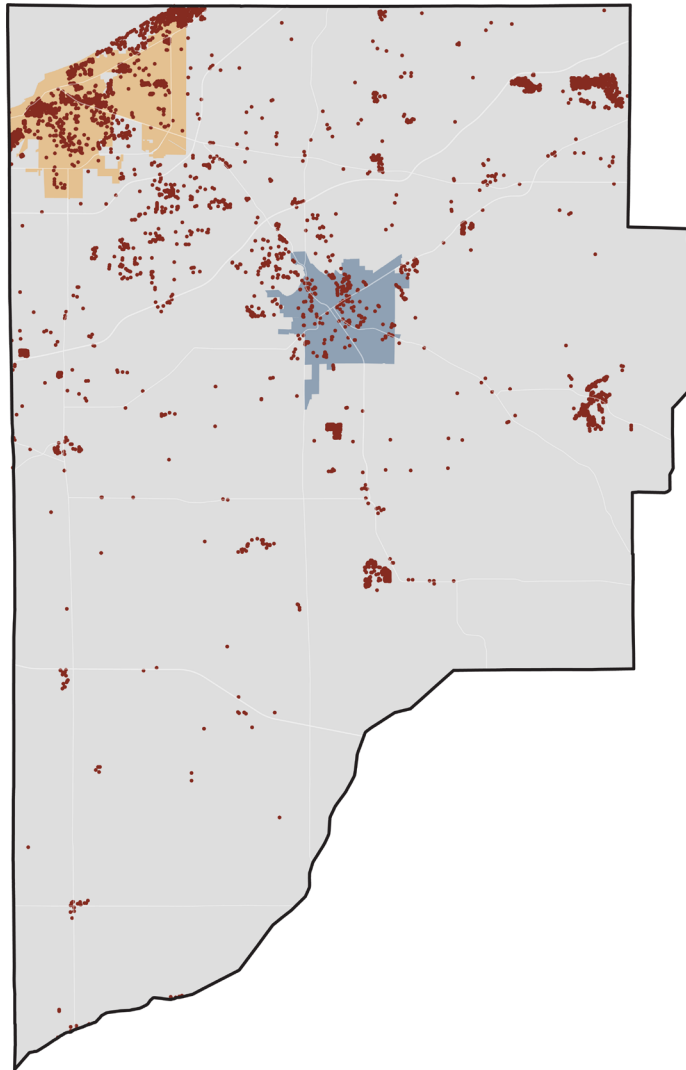
HOMEOWNERSHIP RATES HAVE REBOUNDED, WITH HIGHER RATES IN A SUBURBAN/RURAL COUNTY LIKE LA PORTE.



Source: Census, 2019; La Porte County Association of REALTORS, 2020

Previously Approved Vacant Lots

Numerous subdivisions stalled by the Great Recession have failed to complete.



As of the 2020 property assessment, La Porte County contains around 4,500 approved and platted residential lots that currently sit vacant. These approved but undeveloped lots amount to around 1,200 acres of land and could have a significant affect on the accommodation of future housing demand.

City of La Porte municipal limits

Michigan City municipal limits

Platted vacant residential lot

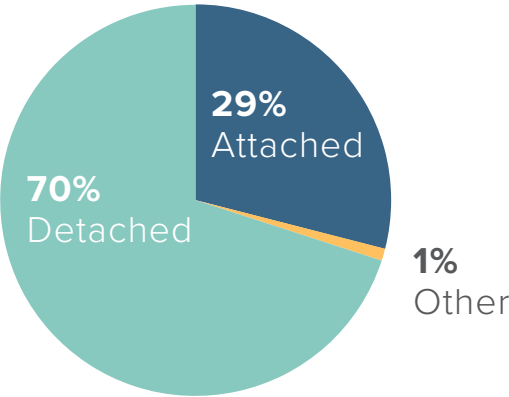
Source: La Porte County Assessor. Greenstreet calculations.

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

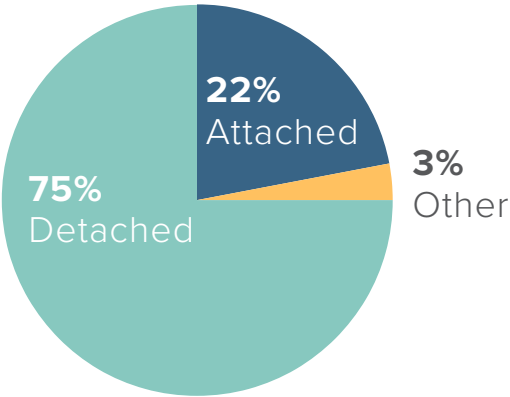
Current Housing Format

Housing format varies significantly between urban and rural areas in the county.

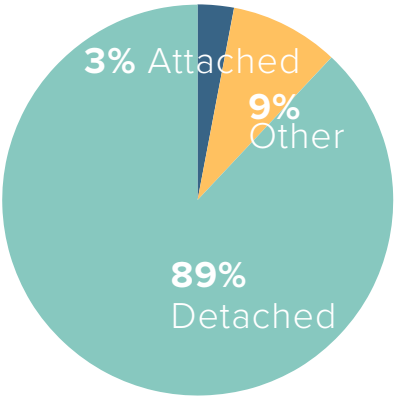
CITY OF LA PORTE HOUSING
FORMAT



MICHIGAN CITY
HOUSING FORMAT



REMAINDER OF LA PORTE
COUNTY HOUSING FORMAT



ATTACHED HOMES



DETACHED HOMES



Source: La Porte County Assessor
Notes: "Other" includes non-conventional housing units such as mobile homes, RVs, boats, etc.

Some Density Examples

Building height, bulk, and character are not closely tied to dwelling unit density.

Pruitt-Igoe in St. Louis was 50 dwelling units per acre



Some Density Examples

Building height, bulk, and character are not closely tied to dwelling unit density.

Benedict Commons in Aspen, CO is 78 dwelling units per acre

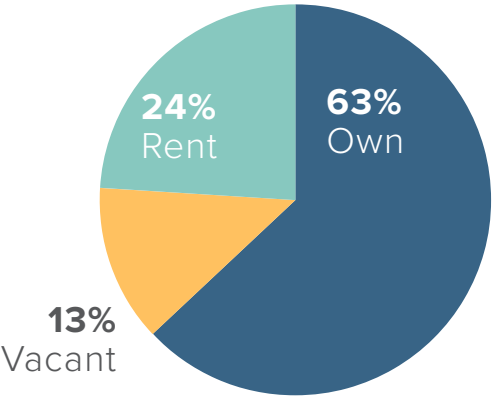


Source: Harry Teague Architects

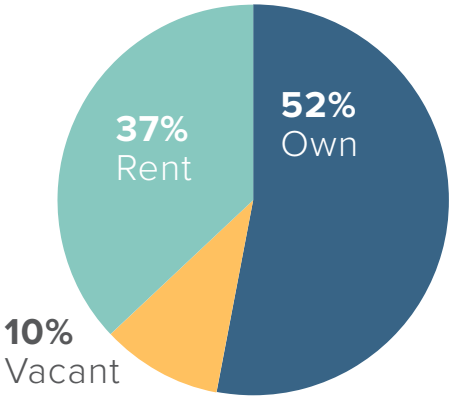
Current Housing Tenure

Housing tenure can vary widely among neighboring municipalities.

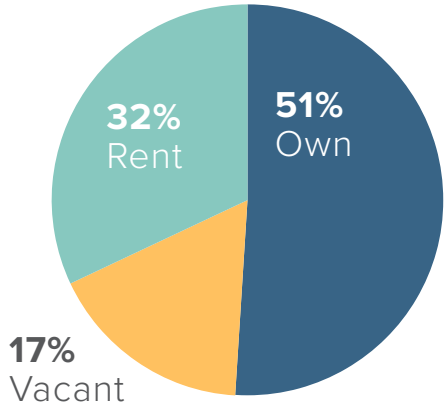
LA PORTE COUNTY
HOUSING TENURE



CITY OF LA PORTE
HOUSING TENURE



MICHIGAN CITY
HOUSING TENURE



OWNED HOMES



RENTED HOMES



Sources: Esri 2020
note: Institutionalized units such as penitentiaries and group homes not tabulated

La Porte County Dwelling Unit Mix

La Porte County has a higher share of detached housing than Indiana.

DETACHED

86% (La Porte County)
76% (Indiana)



SINGLE-FAMILY HOUSES

1-Family Dwellings

38,376 UNITS

ATTACHED

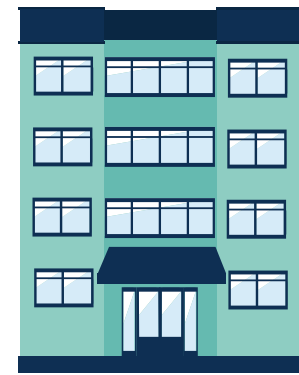
14% (La Porte County)
24% (Indiana)



SINGLE-FAMILY ATTACHED

2- and 3-Family Buildings

2,815 UNITS



MULTIFAMILY

4- or More Family Buildings

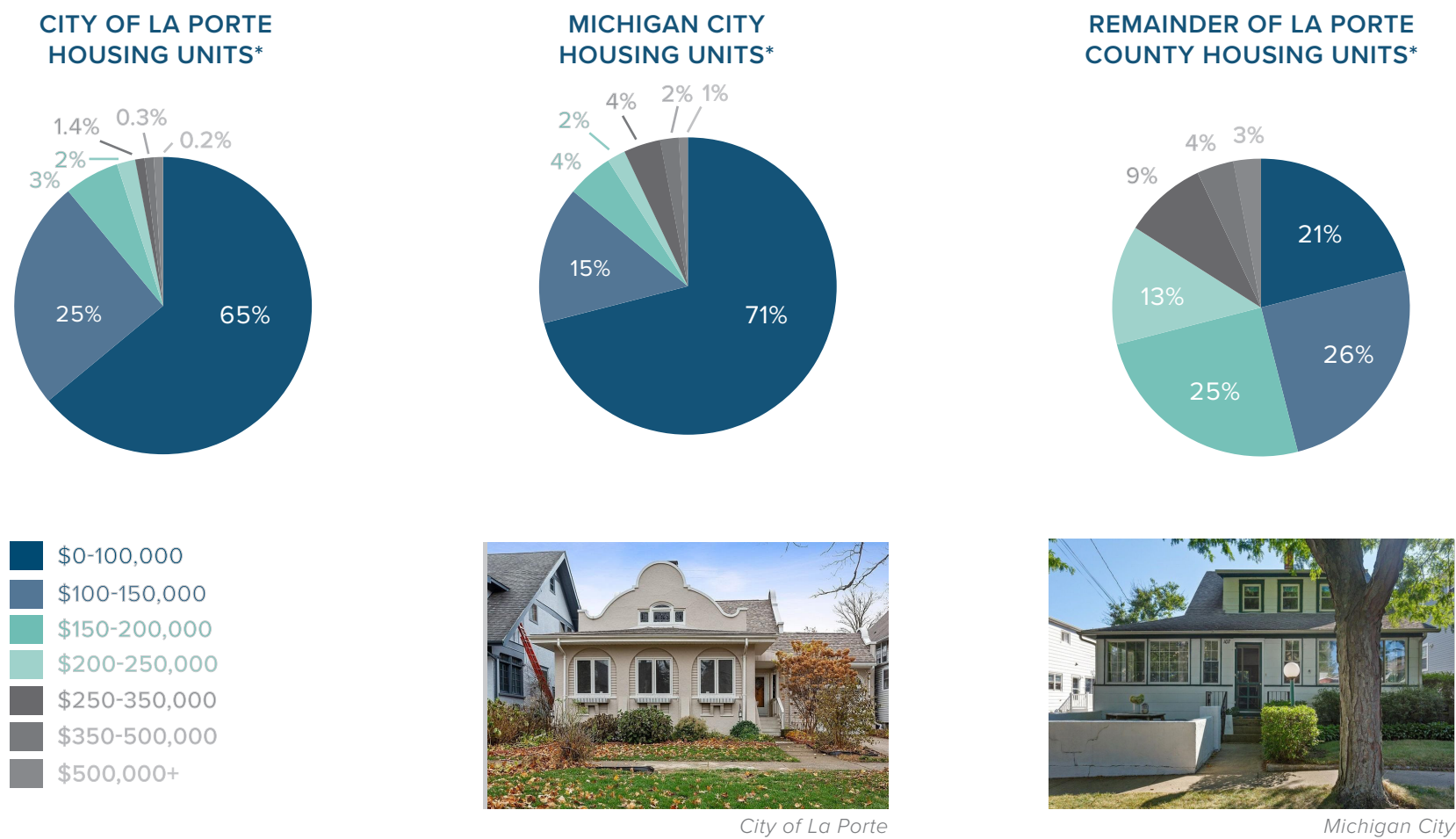
3,201 UNITS

Sources: La Porte County Assessor

note: Unit mix does not include mobile homes or institutionalized units (penitentiaries, group homes). High-rise condominiums classified as multifamily.

Assessed Housing Values

City home values skew lower as a result of age, since most new homes have been built in the county.



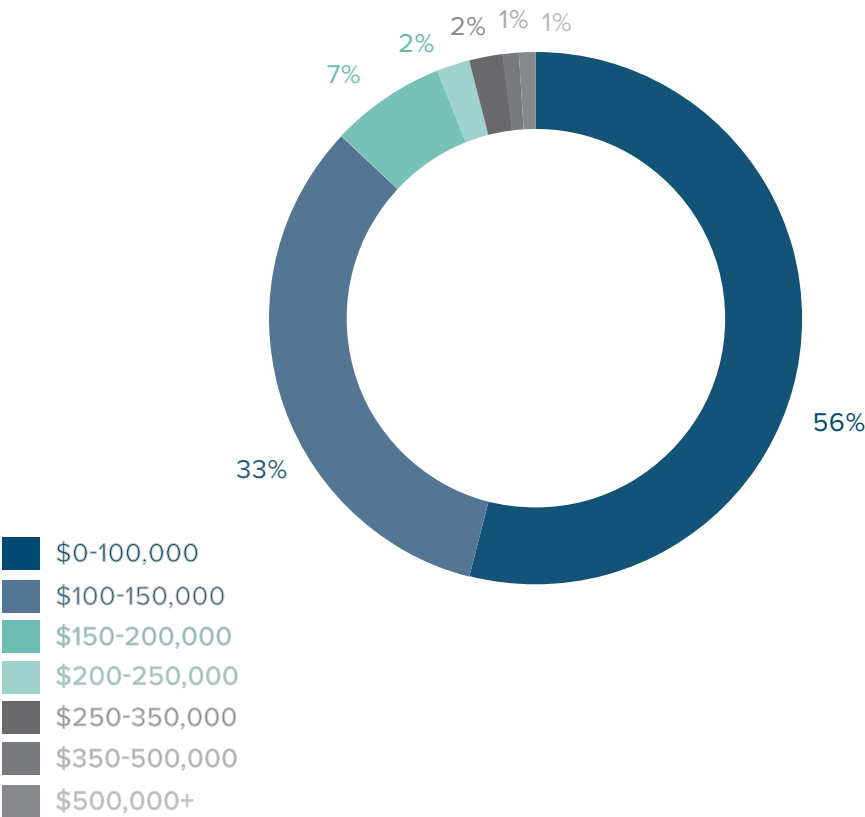
*This data set includes all single-family, duplex, triplex and condos housing units. Multi-unit parcels calculated as the average AV per unit

Source: La Porte County Assessor; Greenstreet calculations.

Single Family Housing

La Porte’s housing consists predominantly of small to mid-sized, single-family homes valued around \$100,000.

OVER 85% OF SINGLE-FAMILY HOMES ARE VALUED UNDER \$150,000.



CITY OF LA PORTE SINGLE-FAMILY STATS



6,107
TOTAL UNITS

1937
AVG. YEAR BUILT

1,498
AVG. SQ. FT./UNIT

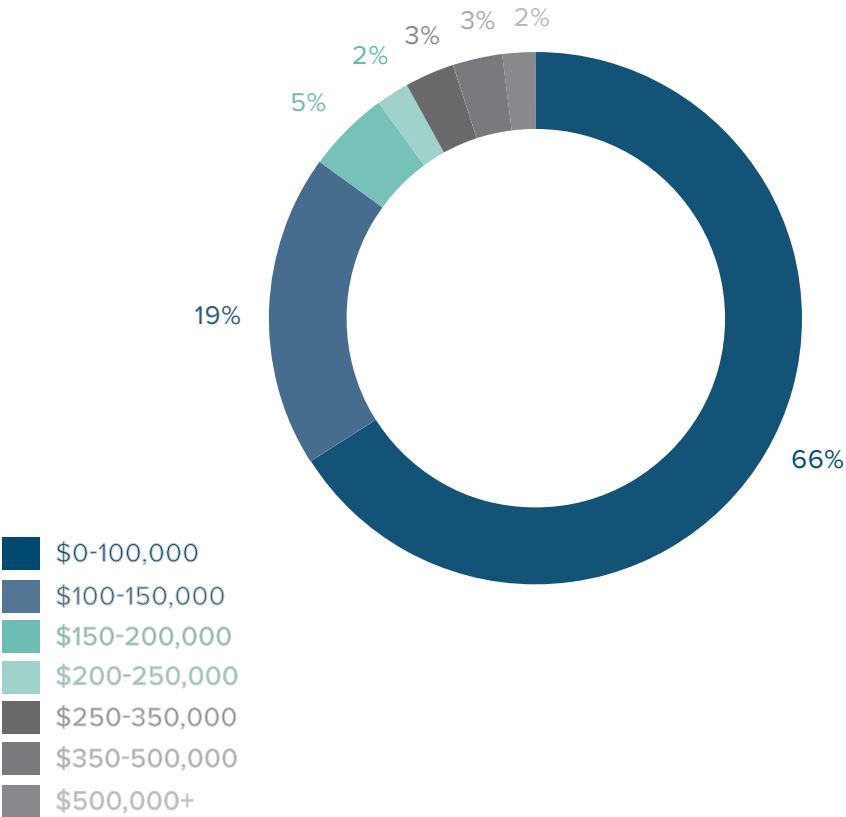
\$103,569
AVG. ASSESSED VALUE

Source: La Porte County Assessor. Greenstreet calculations.

Single Family Housing

Michigan City's single family houses are also older, smaller with low assessed values.

85% OF SINGLE-FAMILY HOMES ARE VALUED UNDER \$150,000.



MICHIGAN CITY SINGLE-FAMILY STATS



8,761
TOTAL UNITS

1945
AVG. YEAR BUILT

1,510
AVG. SQ. FT./UNIT

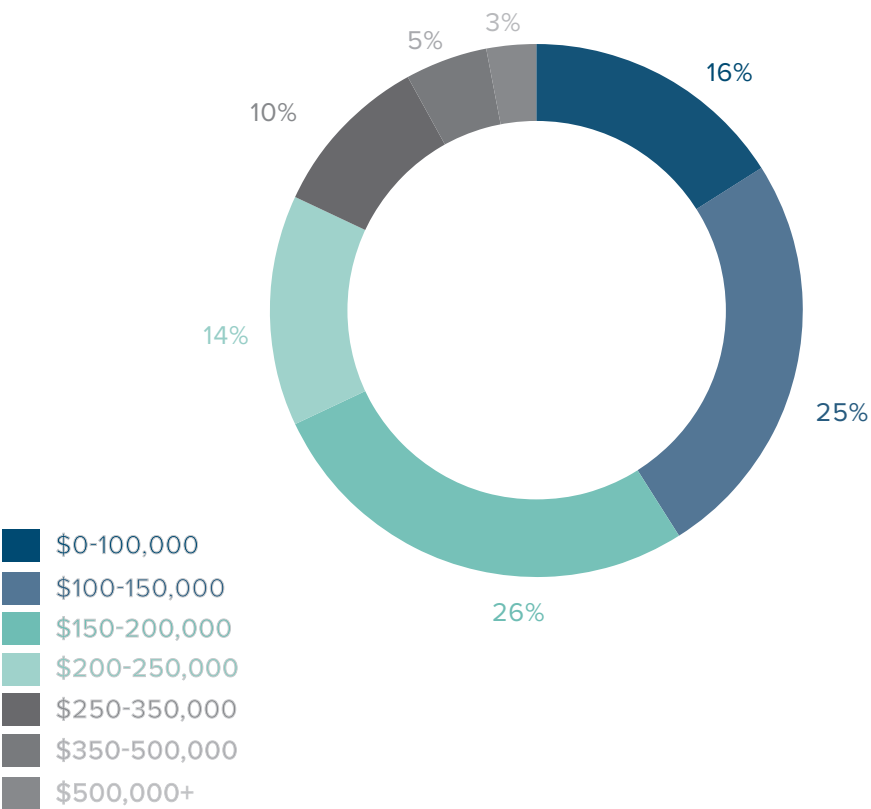
\$115,812
AVG. ASSESSED VALUE

Source: La Porte County Assessor

Single Family Housing

Rural areas of La Porte County have significantly higher values.

OUTSIDE OF THE TWO CITIES, RECENT CONSTRUCTION HAS LED TO A WIDER MIX OF VALUES.



REMAINDER OF LA PORTE SINGLE-FAMILY STATS



21,030
TOTAL UNITS

1966
AVG. YEAR BUILT

1,890
AVG. SQ. FT./UNIT

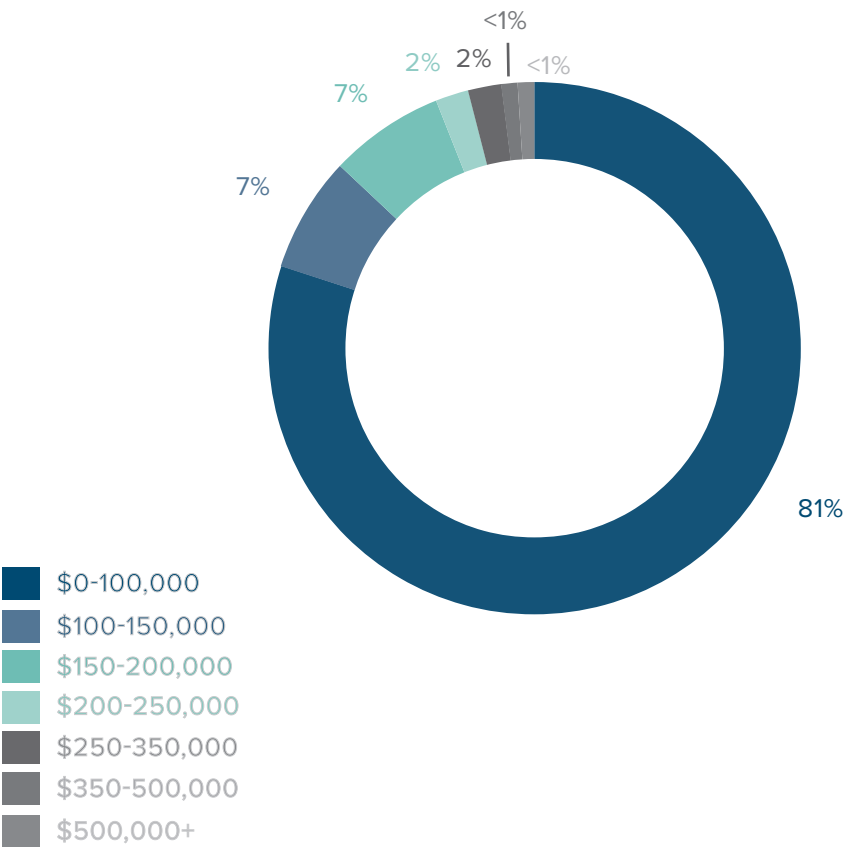
\$195,452
AVG. ASSESSED VALUE

Source: La Porte County Assessor

Single Family Attached Housing

The City of La Porte has a small amount of older two-, three-family, and condo units.

CITY OF LA PORTE ATTACHED HOMES HAVE VERY LOW VALUES.



**Single-family attached includes duplex, triplex, and condos.*
Source: La Porte County Assessor

CITY OF LA PORTE SINGLE-FAMILY ATTACHED STATS



1.514*
TOTAL UNITS

1939
AVG. YEAR BUILT

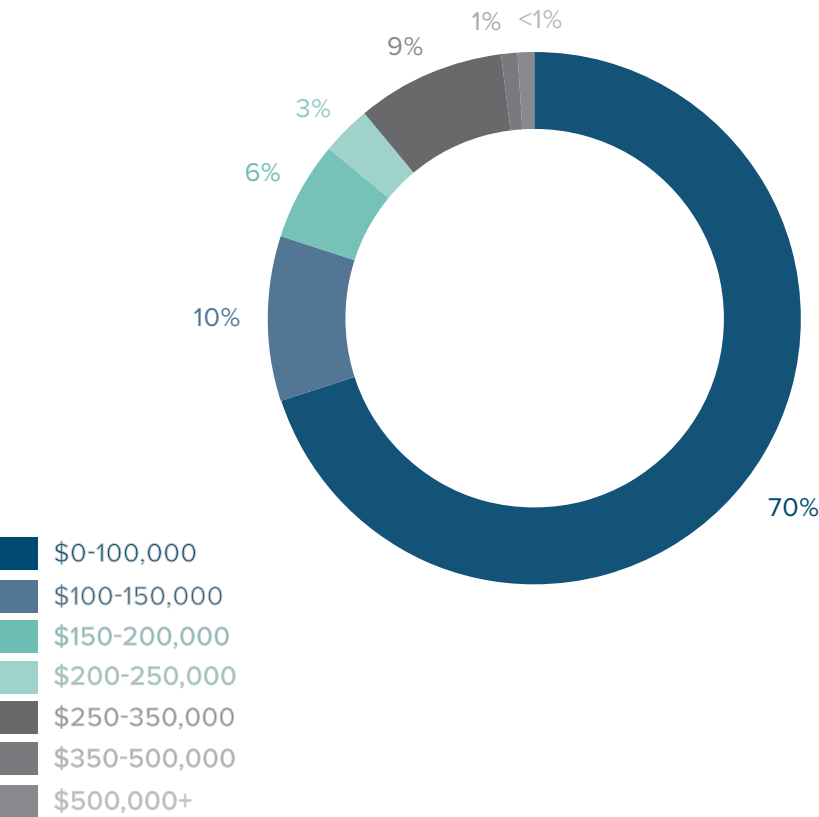
862
AVG. SQ. FT./UNIT
Avg.Price/Sq.Ft.- \$43

\$62,899
AVG. ASSESSED VALUE PER UNIT

Single Family Attached Housing

Michigan City has over 1,400 units of these smaller two- and three-family units.

MICHIGAN CITY DUPLEXES AND TRIPLEXES HAVE SLIGHTLY HIGHER VALUES.



**Single-family attached includes duplex, triplex, and condos.*
Source: La Porte County Assessor

MICHIGAN CITY SINGLE-FAMILY ATTACHED STATS



2,158*
TOTAL UNITS

1947
AVG. YEAR BUILT

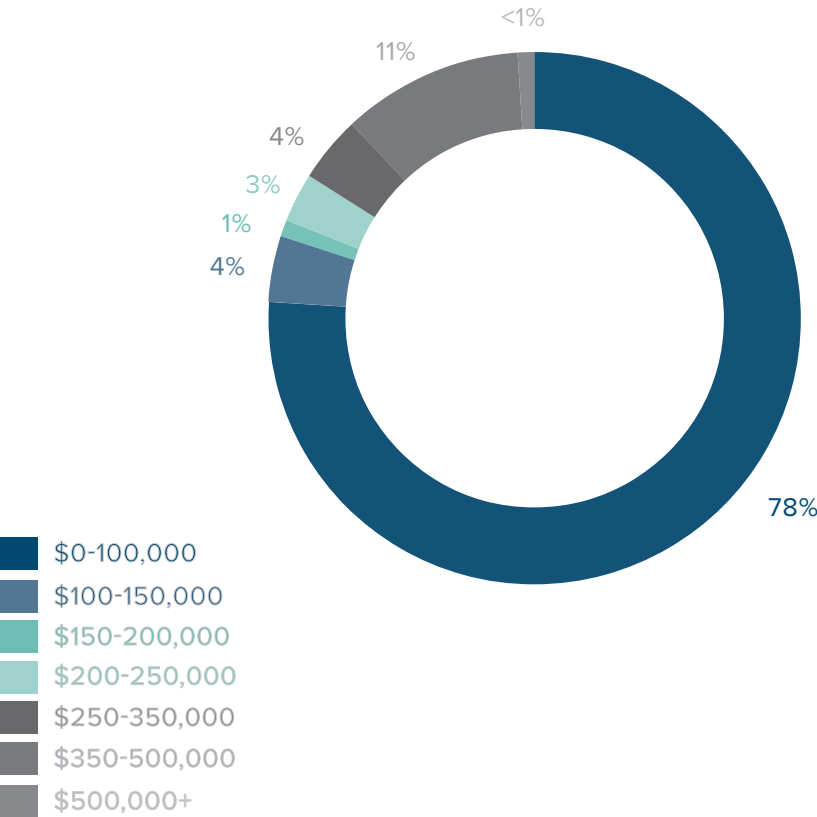
1,054
AVG. SQ. FT./UNIT

\$89,864
AVG. ASSESSED VALUE PER UNIT

Single Family Attached Housing

The remainder of the county has a limited number of attached single family units, but this

THE REMAINDER OF THE COUNTY HAS SOME HIGHER VALUED ATTACHED UNITS.



*Single-family attached includes duplex, triplex, and condos.

Source: La Porte County Assessor

REMAINDER OF LA PORTE COUNTY SINGLE-FAMILY ATTACHED STATS



235*

TOTAL UNITS

1977

AVG. YEAR BUILT

1,210

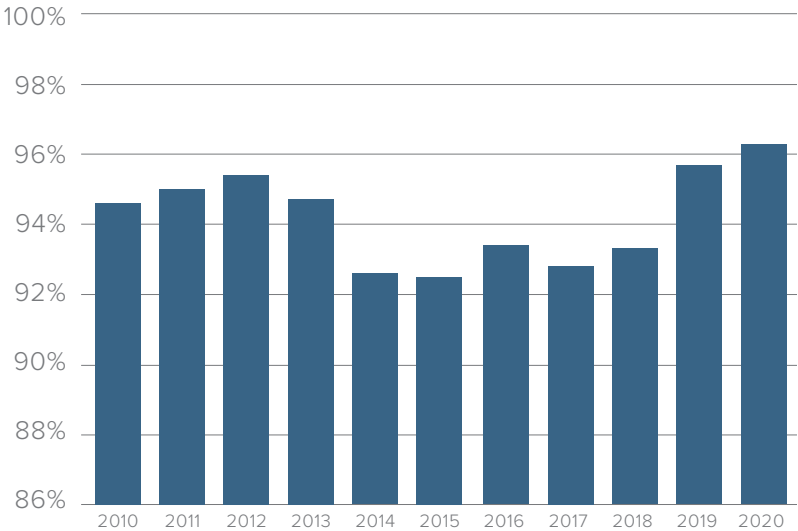
AVG. SQ. FT./UNIT

\$108,226

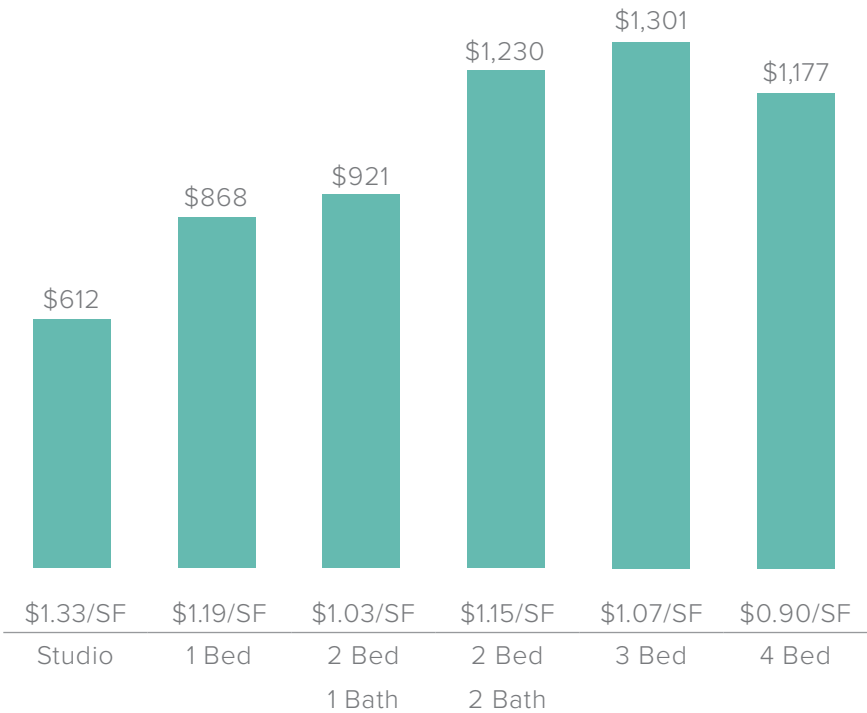
AVG. ASSESSED VALUE PER UNIT

Northwest Indiana Multifamily Housing Market

APARTMENT OCCUPANCY FOR ALL THREE COUNTIES IS AT A TEN-YEAR HIGH AT 96%. MORE THAN 1,300 UNITS ARE PLANNED OR UNDER CONSTRUCTION.



RENT AND OCCUPANCY FOR ALL THREE COUNTIES IS MOVING UP AND REACHING FEASIBILITY IN MORE LOCATIONS.



Source: Cushman & Wakefield, 2020

Multifamily Housing

The City of La Porte’s multifamily buildings are generally older, with some recent investment.

RECENT MARKET RATE CONSTRUCTION SEEKS TO ATTRACT AN UNDERSERVED MARKET.



Rendering of The Banks. Flaherty & Collins

CITY OF LA PORTE MULTIFAMILY* STATS



1,002
TOTAL UNITS

1977
AVG. YEAR BUILT

TBD
AVG. SQ. FT./UNIT

\$45,108
AVG. ASSESSED VALUE
PER UNIT

*Multifamily units include apartments and townhomes assessed as commercial or residential property with 4+ units.

Source: La Porte County Assessor, Flaherty & Collins

Multifamily Housing

Many of Michigan City’s apartment units are older, with relatively low rent.

HISTORIC AND GARDEN-STYLE APARTMENTS
PREDOMINATE IN MICHIGAN CITY.



MICHIGAN CITY
MULTIFAMILY STATS



1,968
TOTAL UNITS

1945
AVG. YEAR BUILT

TBD
AVG. SQ. FT./UNIT

\$44,749
AVG. ASSESSED VALUE
PER UNIT

**Multifamily units include apartments and townhomes assessed as commercial or residential property with 4+ units.*

Source: La Porte County Assessor

Multifamily Housing

The remainder of the county has limited apartment options.

SOME RECENT DEVELOPMENTS HAVE OCCURRED OUTSIDE OF LA PORTE AND MICHIGAN CITY.



REMAINING LA PORTE COUNTY MULTIFAMILY* STATS



731
TOTAL UNITS

1978
AVG. YEAR BUILT

TBD
AVG. SQ. FT./UNIT

\$52,174
AVG. ASSESSED VALUE
PER UNIT

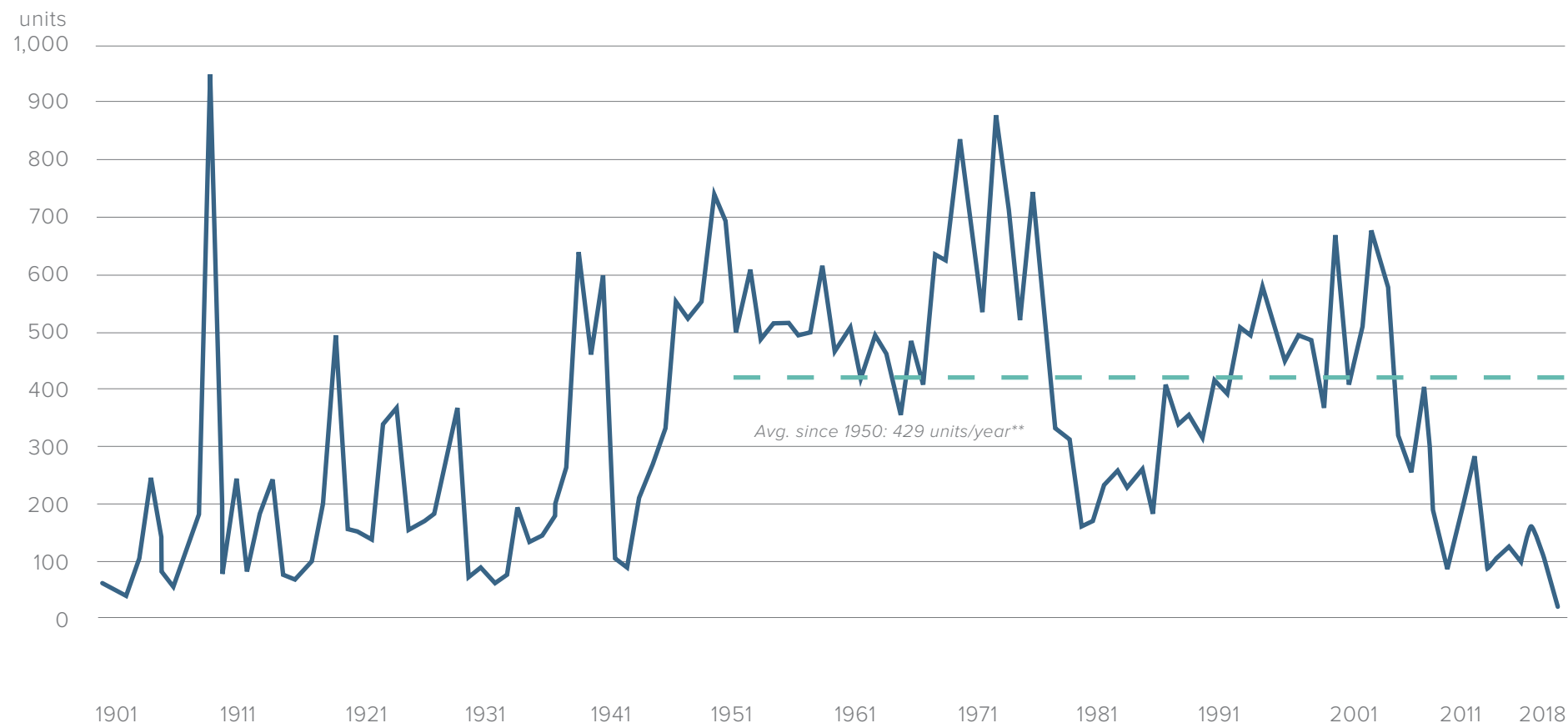
**Multifamily units include apartments and townhomes assessed as commercial or residential property with 4+ units.*

Source: La Porte County Assessor

La Porte County Building Trends

La Porte County has experienced several significant growth periods since 1940.

HOUSING UNITS BY YEAR BUILT, 1900 - 2018



**This data set includes all housing units in the residential property classification but excludes institutionalized units.*

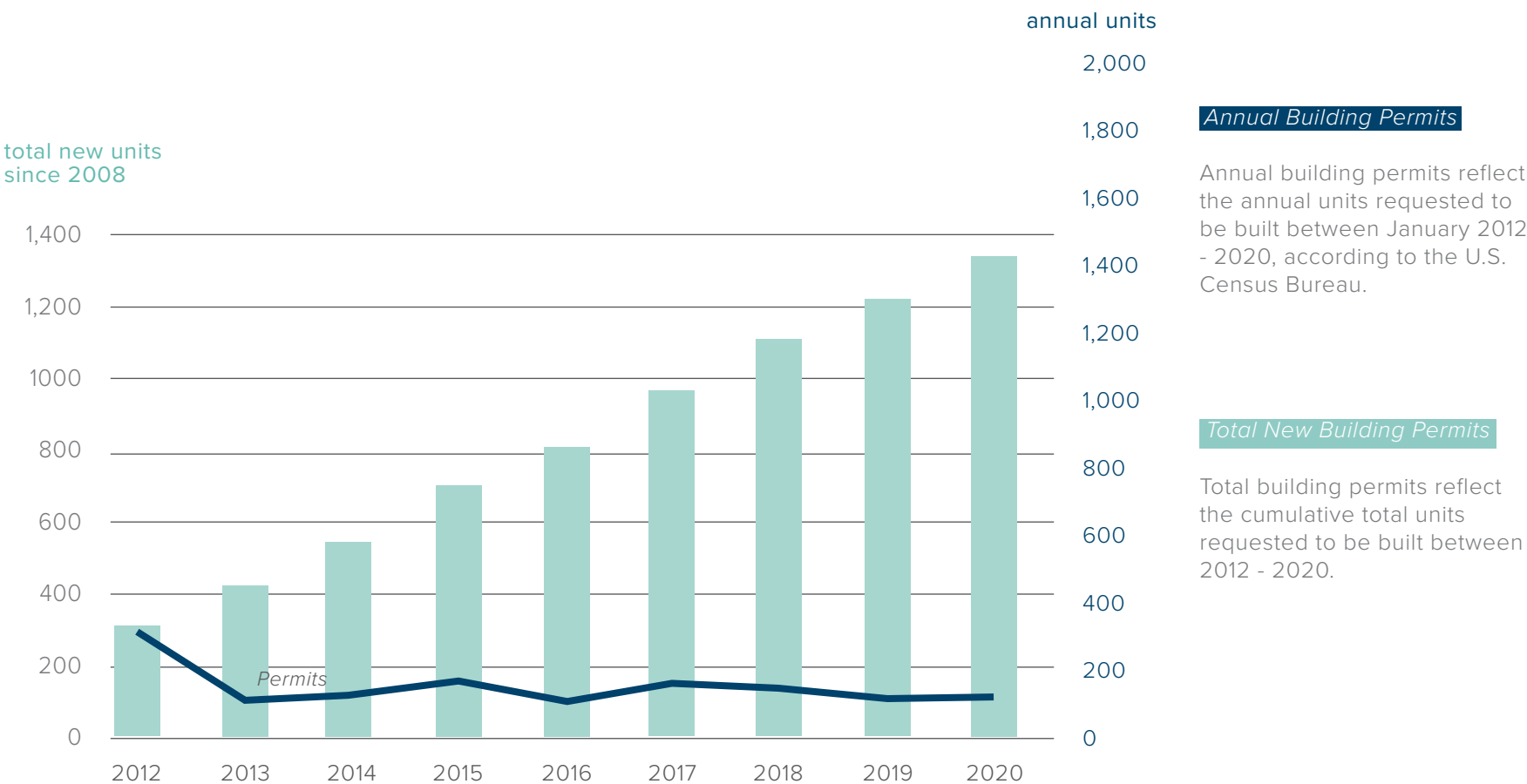
***Average of housing units between 1900-2020*

Note: Spikes may represent estimations of older homes' initial construction or significant renovation year.

Source: La Porte County Assessor

Recent Supply – Building Permit Trends

Building permits have trended around 100–150 per year since 2013, revealing a slow homebuilding market.



Source: Census, 2020.

Pressures on Municipal Budgets

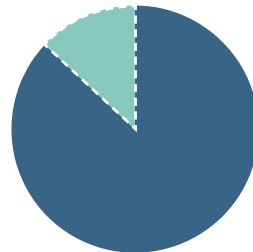
Aging infrastructure and shifting revenues are causing cities to think more efficiently.

Property tax reform in 2008 created tax caps on the local tax rate. These “circuit breaker” credits amounted to \$4.9 million in 2020 for La Porte County.

To increase revenue, cities can either raise income taxes and fees, or...

Support household growth and improve the efficiency of their land use.

That's a
13.3% loss
of the tax levy.



More tax revenue per acre can increase the
tax base.



Source: Indiana Department of Local Government Finance (DLGF). Indiana Fiscal Policy Institute. 2016

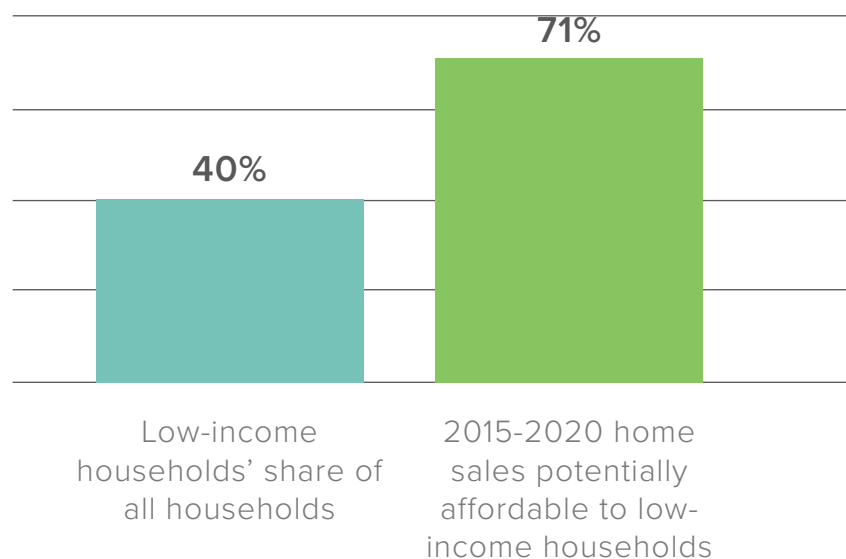
Socioeconomic/Racial Impacts

The Mirage of Affordability

La Porte County seems to have limitless affordable housing inventory.

RECENT HOME SALES AFFORDABLE TO LOW-INCOME HOUSEHOLDS

La Porte County, 2015-2020



Area Median Income (AMI)

\$65,200 (family of four HUD)

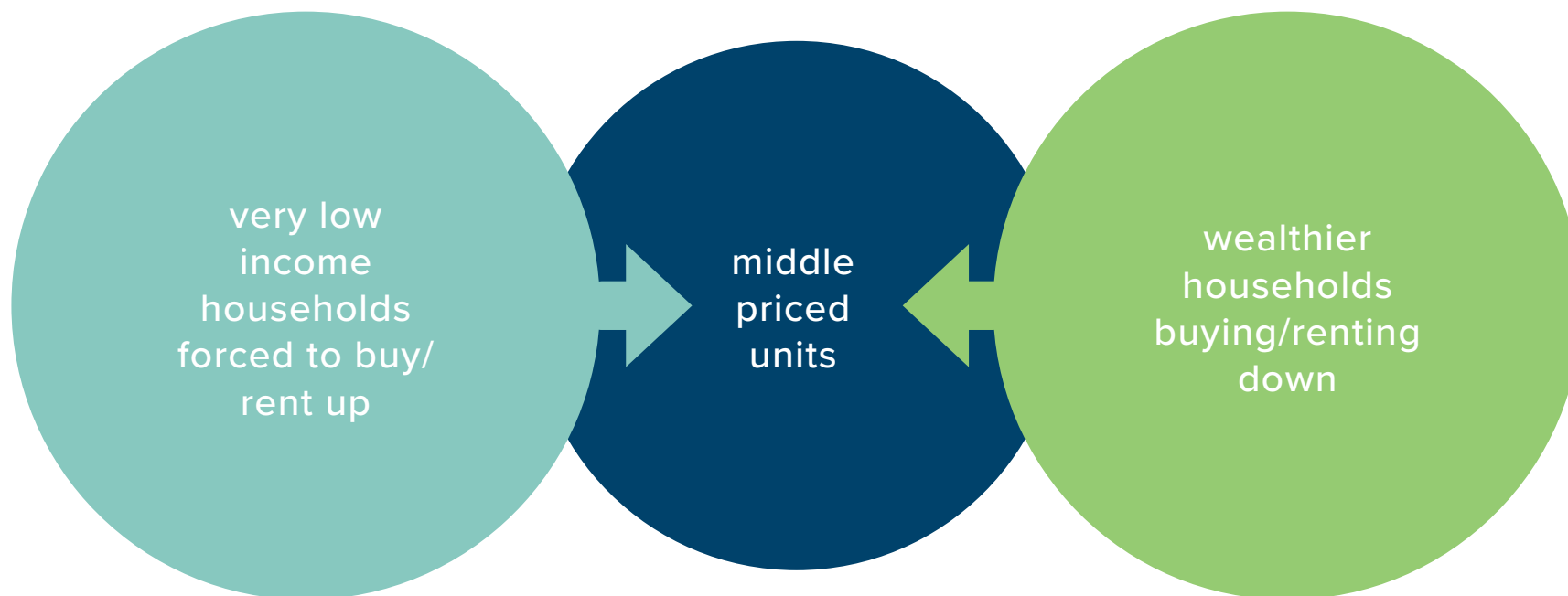
Low Income Households

80% of AMI (for a family of four):
\$52,250

Source: HUD, LPCAR, Greenstreet Analysis

Affordable Unit Scarcity

But much of what might be an affordable housing stock is absorbed by other income levels.



SHRINKING OPTIONS

Very low income households have very limited options, so most have to “buy up” and out of their price range. Higher income households are competitive when buying or renting choice homes well within their means

OTHER HOUSING HURDLES

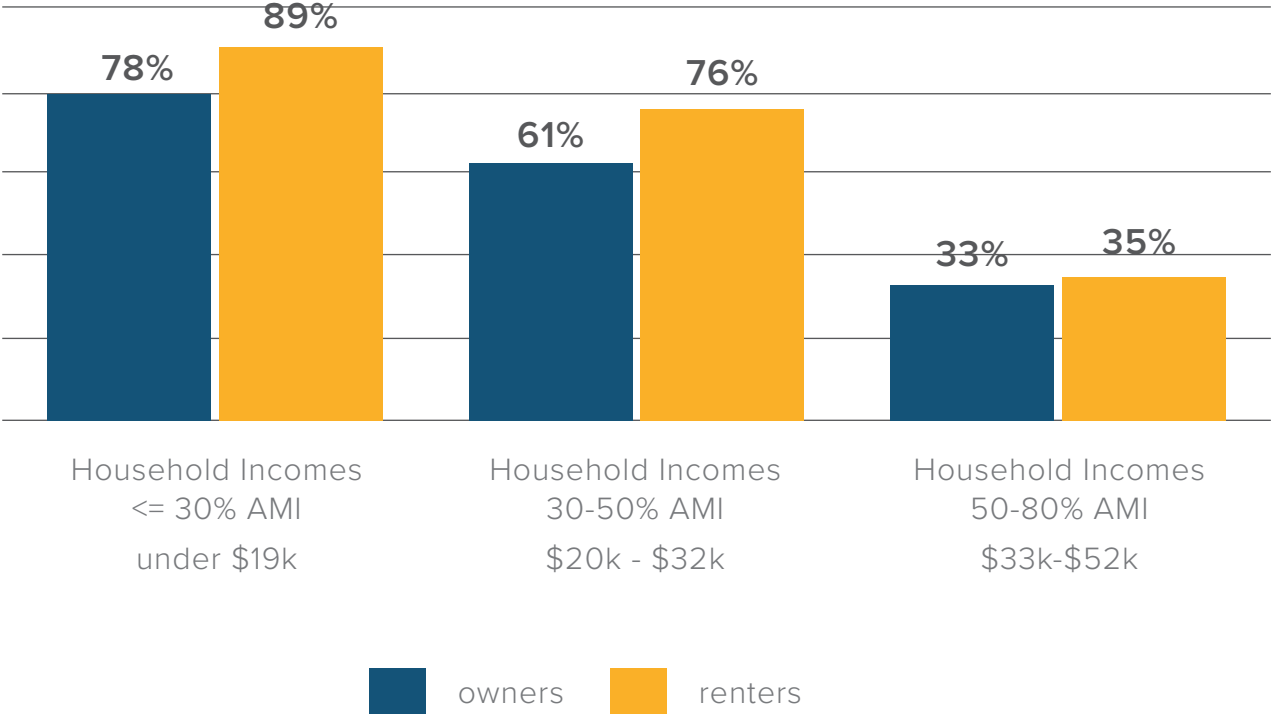
Other factors can include high rents from landlords despite lower home values, other problems with the home including mold or rodent issues, and trouble competing against investors for limited affordable housing in areas with access to jobs and services.

Cost Burden by Income Level

Due to many factors, many low-income households suffer from poor housing conditions.

LOW-INCOME HOUSEHOLDS WITH COST BURDEN OR HOUSING PROBLEM

La Porte County, 2020



Area Median Income (AMI)

\$65,200 (HUD)

Low Income Households

80% of AMI (for a family of four):
\$52,250

Cost Burden

Spending more than 30% of income on housing. Includes rent/mortgage, utilities etc.

Housing Problem

A housing unit lacking a kitchen, plumbing, or crowded with more than 1 person per room.

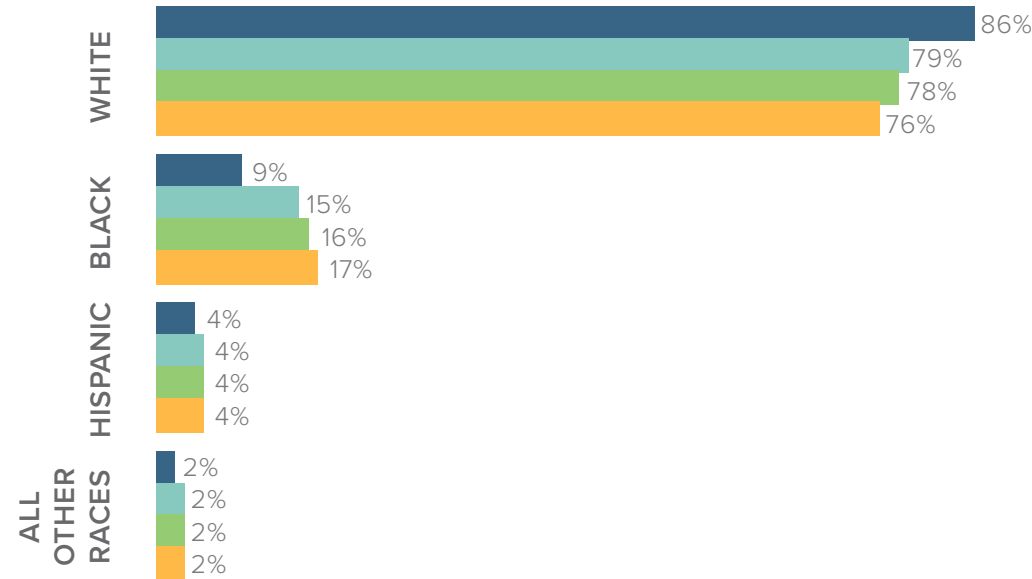
Source: HUD, LPCAR, Greenstreet Analysis

Housing Issues by Race

Minority-led householders suffer higher rates of cost burden and housing problems.

HOUSEHOLDS WITH COST BURDEN, HOUSING PROBLEM BY RACE OF HOUSEHOLDER

La Porte County, 2020



Total Households

Low Income Households

80% of AMI (for a family of four):
\$52,250

Cost Burdened

Spending more than 30% of income on housing. Includes rent/mortgage, utilities etc.

Low-Income + Housing Problem(s)

A housing unit lacking a kitchen, plumbing, or crowded with more than 1 person per room.

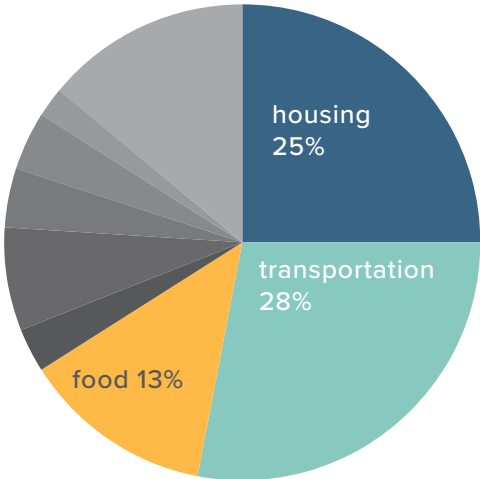
Source: HUD, LPCAR, Greenstreet Analysis

Housing Cost Impacts

The consequences of high housing costs on lower income households can be severe.

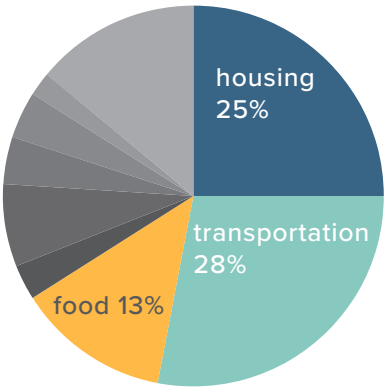
La Porte County Household Budget (Family of Four)

At AMI \$65k



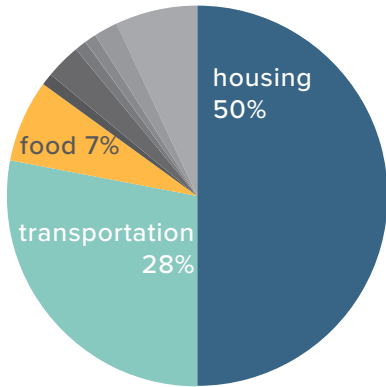
monthly food budget
\$706

Low Income \$52k



monthly food budget
\$566

Low Income \$52k
Severe Cost Burden



monthly food budget
\$305

Source: CNT Housing and Transportation Affordability Index, Esri, Greenstreet Analysis

Housing and Workforce Development

For low income renters, these cost burdens limit economic mobility.

The consequences of high housing and transportation costs are far-reaching.

Workforce development efforts need to consider housing and transportation costs.

STRUGGLES OF A PROMISE PROGRAM

Over 300 programs across the U.S. have sought to replicate the Kalamazoo Promise. A March 2021 study of the Detroit Promise Path program showed continued challenges of moving the needle.

The program paired free tuition/fees with other supports:

- Campus coaching support
- \$50 monthly stipend
- Management information system
- Summer engagement

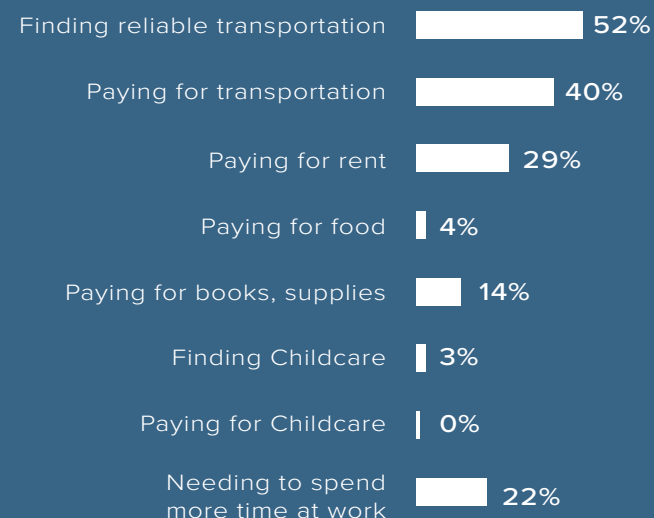
“Although the program was providing them with additional resources, for some students, it wasn’t enough to allow them to fully focus on being a student and really have to continue to deal with those life challenges.” said Colleen Sommo, MDRC. After three years, this enhanced Promise program did not produce more graduates than those just receiving tuition assistance, however there are signs of numerous other benefits.

source: <https://www.mdrc.org/publication/motor-city-momentum>

<https://www.detroitnews.com/in-depth/news/education/2021/03/18/detroit-promise-path-falls-short-but-hopes-remain/4744633001/>

WHY THEY STOPPED TAKING CLASSES

“Of 306 Detroit Promise Path students who responded to a MDRC survey, 88 of them indicated they were no longer in classes. These are key issues they said factored into that decision.”¹

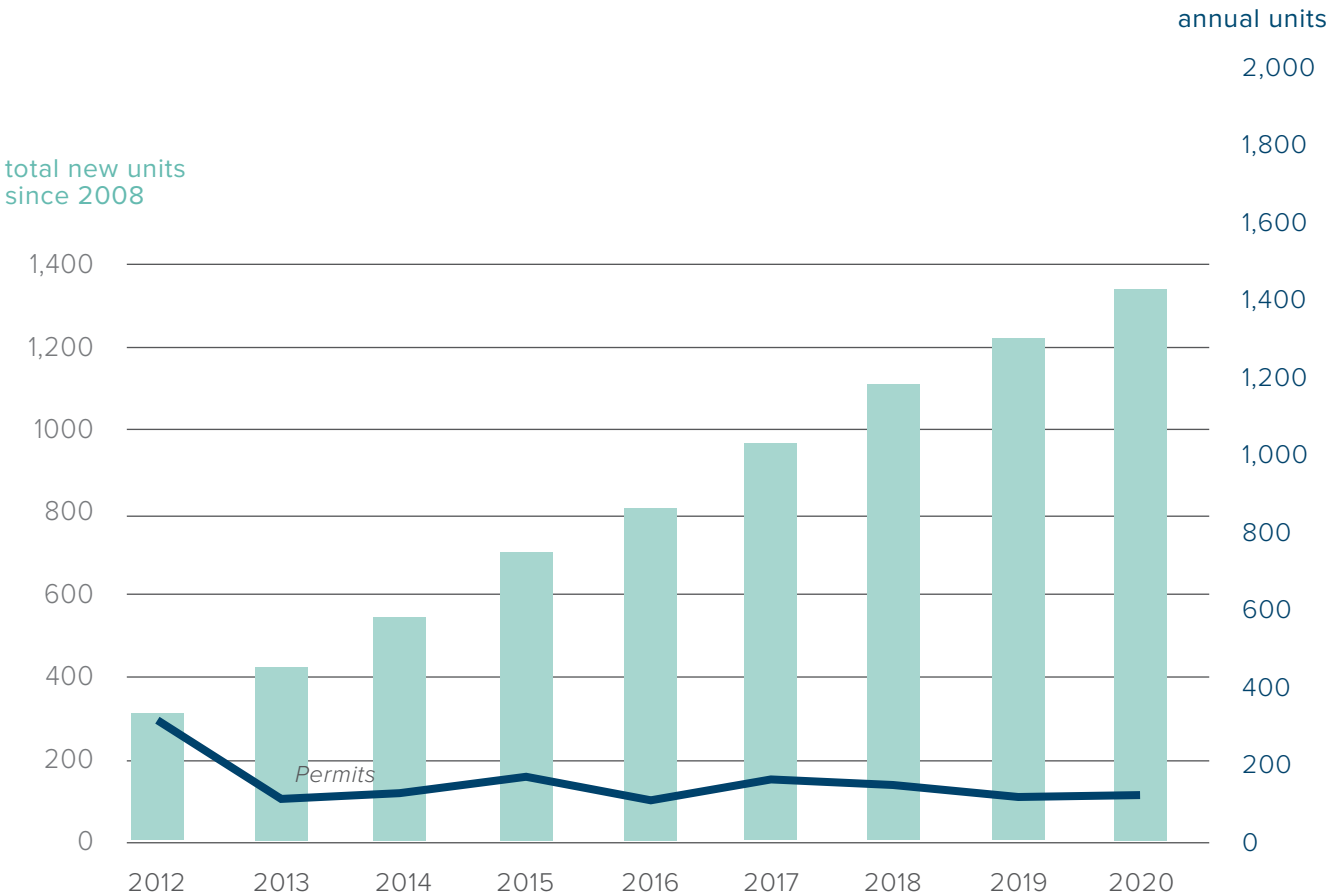


¹ Detroit News. *Detroit Promise Path Falls Short but Hopes Remain*. 2021

Housing Demand

Recent Supply – Building Permit Trends

Building permits have trended around 100–150 per year since 2013, revealing a slow homebuilding market.



Annual Building Permits

Annual building permits reflect the annual units requested to be built between January 2012 - 2020, according to the U.S. Census Bureau.

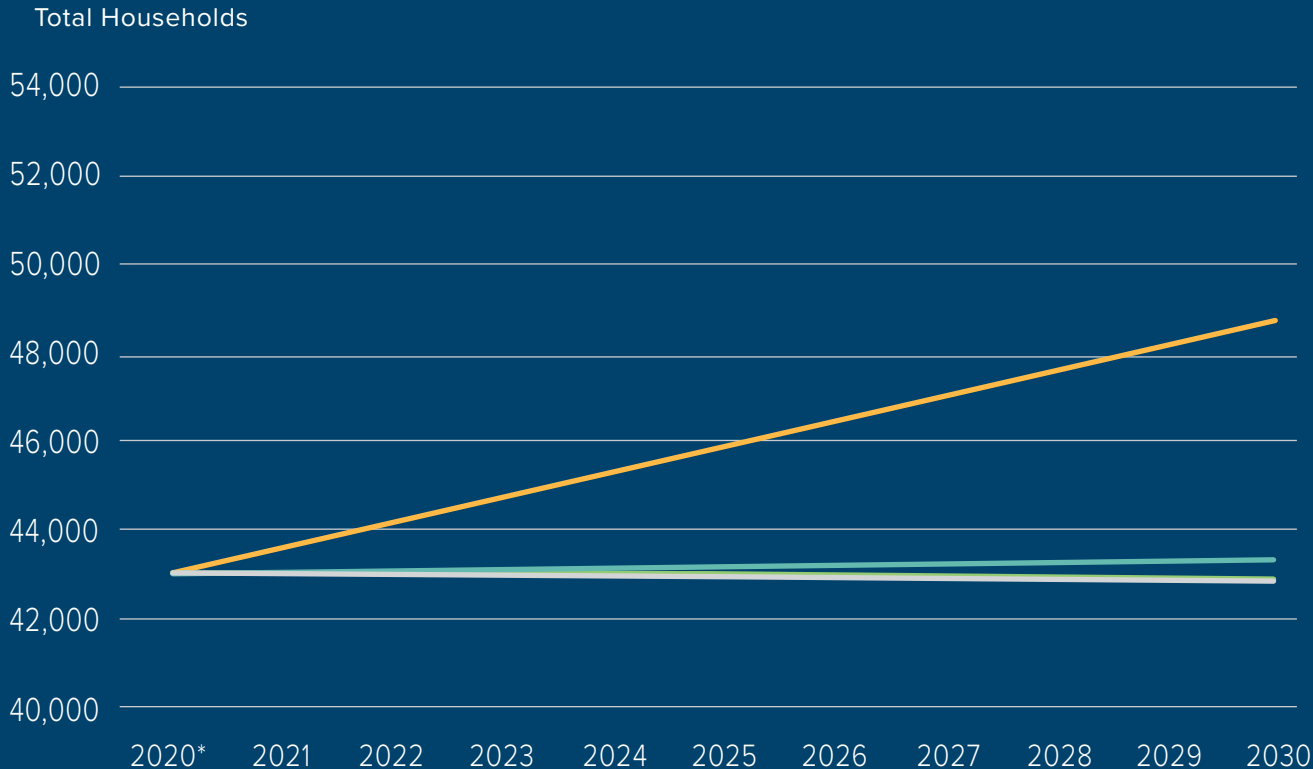
Total New Building Permits

Total building permits reflect the cumulative total units requested to be built between 2012 - 2020.

Source: Census, 2020.

Household Projections

Various projections show a range of futures for La Porte County: from no growth to 570 units demanded per year.



Combined Growth Goals

City of La Porte: 30,000 people by 2030

Michigan City: *NIRPC Double Tracking Enhanced* growth projection 2030 (Momentum)

Esri Business Analyst

Esri Business Analyst utilizes Census data and a proprietary method to project 2025 households, or 28 new housing units per year. This is extended to 2030 for illustrative purposes.

Indiana Business Research Center

Indiana Business Research Center population projections are converted to households at 2.4 people per household.

Northwestern Indiana Regional Plan Commission

NIRPC is La Porte County's Metropolitan Planning Organization, which projects county households, population, and employment to 2050.

*note: For comparison purposes, varying 2020 household estimations were corrected to 43,060.

Demand – Tenure

To meet these goals, over 4,000 homes would need to be built by 2030.

	Combined Growth Goals	Flat
NET NEW DEMAND*	5,741	0*
OWNED - 74% UNITS	4,248	0
RENTED - 26% UNITS	1,493	0

**note: Demolitions, reconstruction, and new construction may still occur.*

Gap and Market Segments

Five Year Change – Age by Income

Wages are slowly rising, and households are aging, pushing incomes into higher categories.

2020–2025 Change in Household Income, La Porte County

	Total	<\$25,000		\$25,000-\$74,999		\$75,000+	
Total	138	-821		-370		1,329	

Source: Esri, 2020. Greenstreet calculations.
note: incomes expressed in 2020 dollars.

Five Year Change – Age by Income

The only growing age groups are millennials entering 35–44 age bracket, and baby boomers reaching retirement age.

2020–2025 Change in Household Income, La Porte County

Age of Householder	Total	Total
	Total	138
	<25	-9
	25-34	-432
	35-44	128
	45-54	-453
	55-64	-812
	65-74	591
	75+	1,125

Source: Esri, 2020. Greenstreet calculations.

note: incomes expressed in 2020 dollars.

Five Year Change – Age by Income

Even if La Porte County's growth was flat, the mix of households will continue to change, driving demand for new housing types.

2020–2025 Change in Household Income, La Porte County

	Total	<\$25,000		\$25,000-\$74,999		\$75,000+	
Total	138	-821		-370			1,329
<25	-9	-19		-3			13
25-34	-432	-219		-252			39
35-44	128	-130		-80			338
45-54	-453	-200		-327			74
55-64	-812	-407		-470			65
65-74	591	-74			212		453
75+	1,125		228		550		347

Source: Esri, 2020. Greenstreet calculations.

note: incomes expressed in 2020 dollars.

Housing Gap

With projections flat, there is not currently a measurable projected gap.










But the current housing inventory is showing signs that it's constrained with little sign of pressures lifting soon, from low interest rates to high construction costs.

Job growth and other major investments can push demand further, but only if the right homes can be built in the right location.

Key Market Segments

Depending on what growth looks like, the size of these markets could change.

Signs point to a lack of options for most segments in La Porte County.

	 FAMILIES WITH CHILDREN	 MULTI- GENERATIONAL	 WORKING AGE ADULTS	 EMPTY NESTERS/ RETIREES	 OTHER
EST. CURRENT SHARE	26%	4%	34%	26%	10%
CHANGE					-
HOUSEHOLD SIZE	3+	3+	1, 2	1, 2	mixed
INCOMES	low-high	low-high	moderate-high	moderate-high	mixed
AGE GROUPS	all	all	16-64	65+	mixed
TENURE	own, rent	own, rent	rent, own	own, rent	all

Key Market Segments

The biggest and most influential generations, Millennials and Baby Boomers, represent important housing trends.

MILLENNIALS (AKA GEN Y, ECHO-BOOMERS)

Born 1980-1999

Smaller households

Many of La Porte County's 1- and 2-person households are Millennials.

Have driven push for walkable living in cities and walkable suburban communities

A confluence of factors have pushed many Millennials to own get around by means other than a car, and prefer walkable communities.

Marriage → House → Kids

This typical story is no longer the case. Nationally, younger Millennial homebuyers have the highest rate of buying as an unmarried couple (21%).¹

In 2019, 55% of Millennials lived with a spouse and/or their own child. This compares with 66% of Gen Xers in 2003, 69% of Boomers in 1987 and 85% of members of the Silent Generation in 1968.²

A diverse generation

44% of Millennials are minorities.³

¹ NAR. 2020 Home Buyers and Sellers Generational Trends Report. March, 2020.

² Pew. How Millennials Approach Family Life. 2020

³ Brookings. The Millennial Generation: A Demographic Bridge to America's Diverse Future. 2018

BABY BOOMERS

Born 1946-1964

Smaller households

Many of La Porte County's 1- and 2-person households are Baby Boomers.

Have driven push for walkable living in cities and walkable suburban communities

A confluence of factors have pushed many Millennials to own get around by means other than a car, and prefer walkable communities.

Retirement is changing

4 in ten Americans over 55 rent by choice.¹

People in their 50s and 60s have accounted for the biggest increase in renters on record.²

Active lifestyles, both physically and socially, will be increasingly important as Boomers age and housing needs change.

Aging Housing Stock

Much of La Porte County's aging housing stock is owned by Baby Boomers, who need options for their next home before than can sell their current home.

¹ AARP. More Boomers and Retirees Choosing to Rent. 2017.

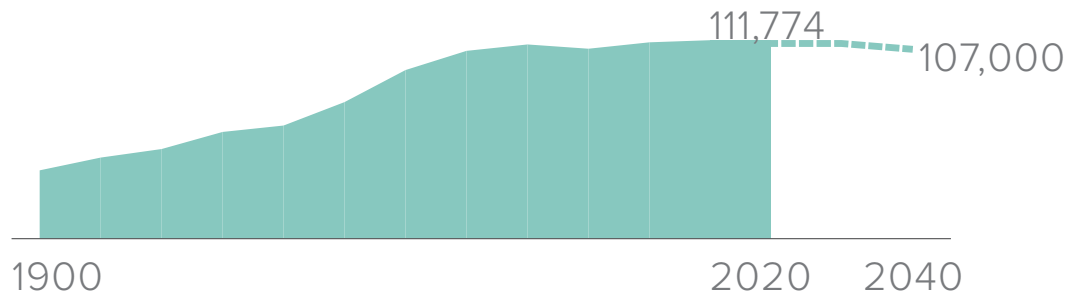
² *ibid.*

Recommendations

Analysis Highlights – Population

HISTORICAL AND PROJECTED POPULATION COUNT

La Porte County



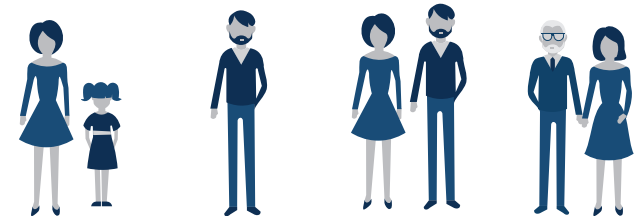
Recent and projected populations numbers are flat

source: US Census, STATS Indiana, IBRC

DEMOGRAPHIC TRENDS



Household of the past



Households of Today

Singletons now make up 29% of all La Porte County Households, up from 12% 50 years ago.

Source: Esri, US Census, IBRC

Analysis Highlights – Affordability

THE NEED FOR AFFORDABILITY

While economic development attraction efforts focus on high-earning industries, other lower-wage jobs are indirectly created.

1 : 5

For every high tech job created, five additional jobs are created outside the tech industry.

Of those five jobs, two are likely to be professional jobs while the other three are nonprofessional occupations such as waiters and store clerks.

THE MIRAGE OF AFFORDABILITY

Despite relatively old and cheap housing stock,

56%

of low-income households are stuck paying unaffordable rent or mortgage payments (over 30% of income)

HOUSING PROBLEMS BY RACE

1 in 4

White Households face at least one Housing Problem in La Porte County

1 in 2

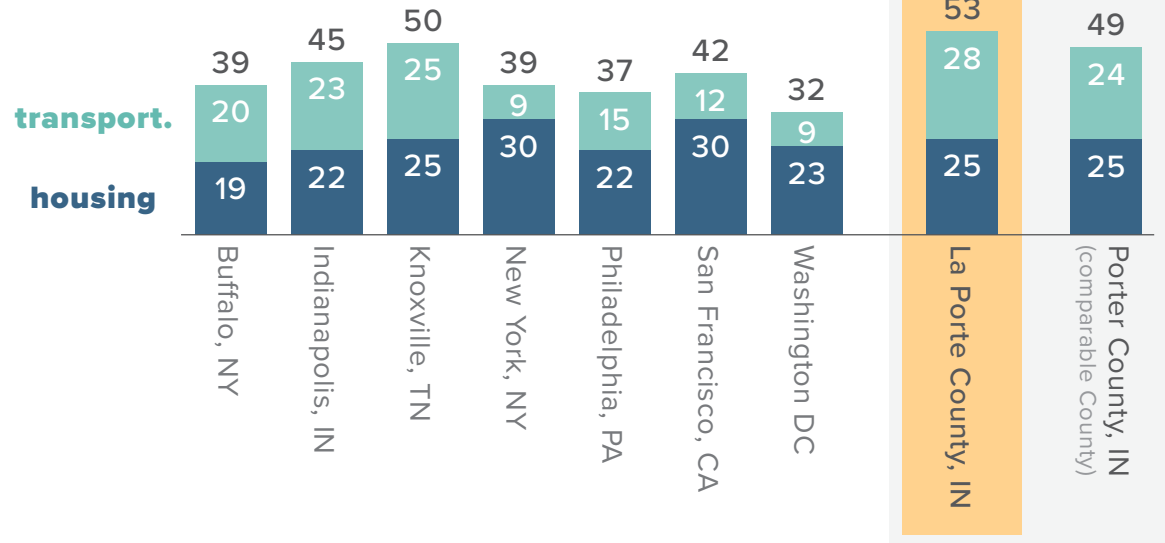
Black Households face at least one Housing Problem in La Porte County

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

Source: Enrico Moretti, The Geography of Jobs, HUD, Greenstreet calculations

Analysis Highlights – Transportation Costs

HOUSING AND TRANSPORTATION COSTS
AS A SHARE OF MEDIAN INCOME



Many car-centric cities make “Most Affordable Cities” lists, and La Porte County looks relatively affordable, at 25 percent of the median income spent on housing.

When viewed together, La Porte County’s housing and transportation costs are high. Many in La Porte County have to rely on cars to get around, and driver further.

Location-efficient development styles save on the household budget by lowering transportation costs.

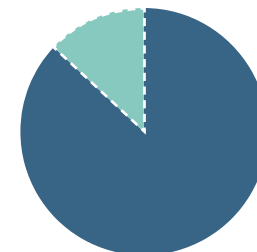
Analysis Highlights – Development Efficiency

PRESSURES ON MUNICIPAL BUDGETS

Aging infrastructure and shifting revenues are causing cities to think more efficiently. Low-density development styles have higher infrastructure costs and lower revenues per capita and per acre.

Property tax reform in 2008 created tax caps on the local tax rate. These “circuit breaker” credits amounted to \$4.9 million in 2020 for La Porte County.

That's a
13.3% loss
of the tax levy.



To increase revenue, cities can either raise income taxes and fees, or...
Support household growth and improve the efficiency of their land use.

More tax revenue per acre can
increase the
tax base.



Source: Indiana Department of Local Government Finance (DLGF). Indiana Fiscal Policy Institute. 2016

Positive Signs



NATURAL BEAUTY AND
RECREATIONAL AMENITIES TO
PRESERVE



RECENT HOUSING AND
EMPLOYER ANNOUNCEMENTS
ARE PROMISING

Action Agenda

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

Establish a Vision for Housing Growth

PROPOSED IMPLEMENTERS

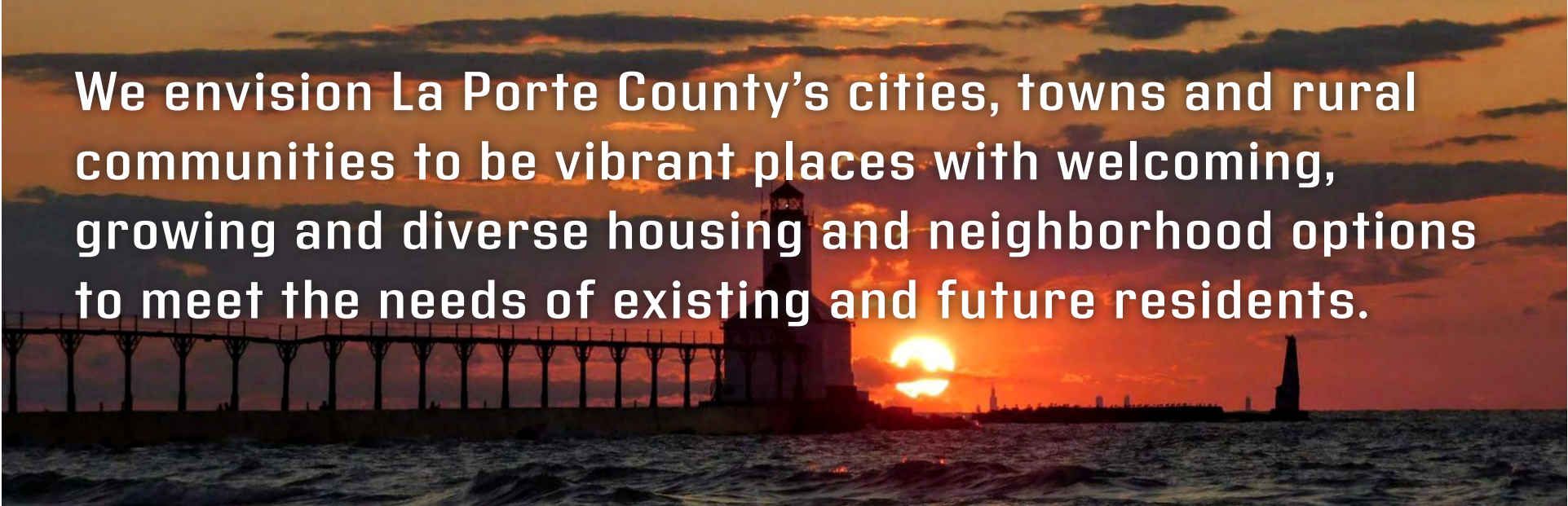
Philanthropic and elected leaders, LPC Association of Realtors, Builders Association of La Porte County

MEASURE

Adoption of this Vision by public and professional bodies

Myths and differing ideas of success have muddled the production of housing in La Porte County's communities. Establish buy-in to the plan across La Porte County by adopting a Vision for Housing.

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.



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.

Build a Spectrum of Housing to Unlock Growth

PROPOSED IMPLEMENTERS

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

MEASURE

Build or approve 1,000 units in two years

Numerous indicators reveal a shortage of new housing supply at almost all price points. This not only keeps new families from moving in, but constrains turnover of existing homes.

Support the construction of homes for ownership and rental to meet current and future demand for housing.

Better options for low-income families and upper-income families will unlock the potential of La Porte County's housing market.

HOUSING UNITS NEEDED TO MEET 2030 GROWTH GOALS

La Porte County

		Price/Income Ranges		
Combined Growth Goals		Subsidized Affordable <80% AMI hh income: <\$44k sale: <\$200k rent: <\$1,000	Workforce 80% - 120% AMI hh income: \$44k - \$66k sale: \$200-\$300k rent: \$1,000-\$1,400	Upper Income 120%+ AMI hh income: \$66k+ sale: \$300k+ rent: \$1,400+
TOTAL NET NEW DEMAND	5,700	at least 1,200	at least 3,300	at least 1,200

Read More: [Montgomery County, MD](#)

source: US Census' Greenstreet calculations

*note: Affordable homes for sale will likely need to be developed by a local community development corporation with significant federal or philanthropic support.

Build a Spectrum of Housing to Unlock Growth

The Two–Year Plan

To meet long–term goals, smaller steps in the near term will ensure the County is on track.



\$

240+ affordable units

Affordable to families making less than 80% AMI, or about \$44,000 for a family of 2.

Example: Starting teacher, average firefighter

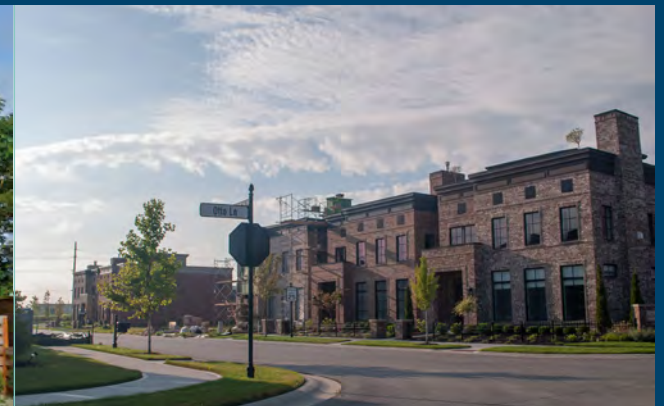


\$\$

660+ workforce units

Affordable to families making 80%-120% AMI, or about \$44-\$66,000 for a family of 2.

Example: Engineer, Casino Dealer



\$\$\$

240+ upper income units

Affordable to families making over 120% AMI, or about \$66,000 for a family of 2.

Example: IT Network Manager, Doctor

Build a Spectrum of Housing to Unlock Growth



Build Subsidized Mixed-Income Housing

\$

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 get away with charging high rent as housing stock continues to deteriorate instead of selling to first-time homes or other investors willing to rehab.



Build Attainable and Workforce Housing

\$ \$

Problem

Existing middle-income residents have few options if their housing needs change, and 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.



Build Upper Income Housing

\$ \$ \$

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.

Establish a Housing Trust Fund

PROPOSED IMPLEMENTERS

Elected Officials, staff planners, Nonprofit

MEASURE

Study feasibility and complete need assessment

The cost to build or renovate old housing stock is prohibitive. This development gap limits the amount and quality of affordable housing for residents of La Porte County.

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 raise home values, support the rehab industry, and ensure safer conditions for residents who may only have poor choices among negligent landlords.

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



Support Commercial Centers with Dense, Walkable Housing

PROPOSED IMPLEMENTERS

Developers, plan commissioners, staff planners

MEASURE

Zoning and other regulations promote walkable density;

Commercial centers become vibrant

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

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

This lowers transportation costs for residents, improves labor access for employers, and makes commercial centers more viable. This can also unlock infill housing investment taking advantage of current infrastructure instead of new expansions.



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.

Smart Growth: Read More:

[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 the new model for shopping mall development and redevelopments. Most now have numerous housing types integrated into the shopping and working areas.

This housing, but also class-A office space and 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.



image: Launch Workplaces

Above: Apartments and office space above ground floor retail mimic a historic building type.



image: Apartment Finder

corporate headquarters



image: Google

Above: Townhomes line the edges of big-box stores and parking areas to create more inviting streets. Most have parking in the rear.

Manage Growth at the Edge

PROPOSED IMPLEMENTERS

City and County elected officials, staff planners

MEASURE

New housing production in annexed areas;
Municipal population growth

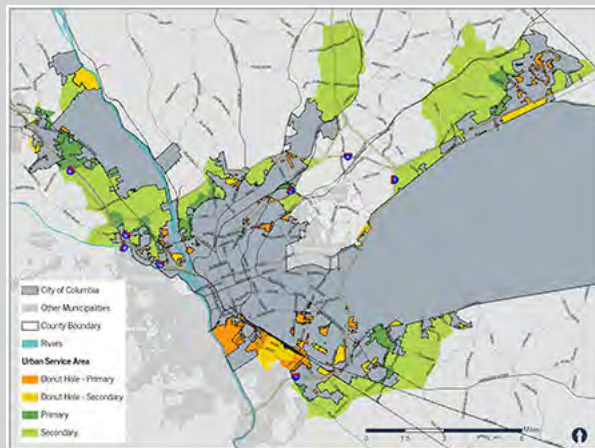
The cities and towns of La Porte County are ready to grow their geographic boundaries, and expand infrastructure. Consider tools such as Urban Service Areas that...

clearly communicate the intention to annex and provide infrastructure while also protecting the agricultural and natural lands beyond.

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

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: <https://www.columbiasc.net/planning-preservation/annexations/urban-service-area>

Read More:
[Columbia, SC](#)

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.



Source: Life at Serenbe



Source: Forbes



Source: Forbes

Continue the Conversation

PROPOSED IMPLEMENTERS

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

MEASURE

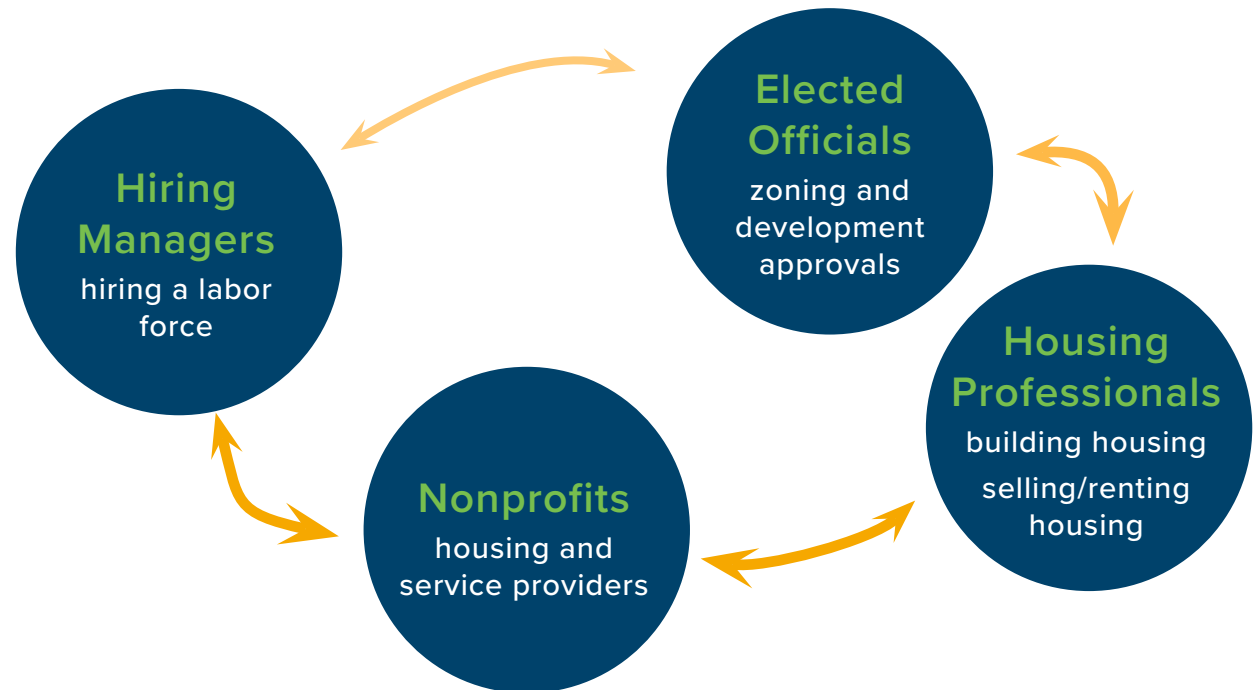
Annual summit, quarterly roundtable with key stakeholders: elected officials, employers, housing professionals

To grow, La Porte County needs to attract new households that may have different tastes.

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, including when priorities shift.

KEEP ALL
STAKEHOLDERS
INFORMED OF
THE VISION AND
LATEST TRENDS



Source: HUD, LPCAR, Greenstreet Analysis



Thank You

Materials can be found at

Vibrant Communities of La Porte County's website

<https://vibrantlpcounty.com/resources/people/>

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