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MEMORANDUM

TO: City of Northville Planning Commission

FROM: Sally M. Elmiger, AICP

DATE: March 25, 2022

RE: Materials Available for Planning Commission Discussion of Land Use Proposed in The Downs PUD

We were asked to ensure certain materials will be available during the April 5, 2022 Planning Commission discussion of The Downs project on Residential/Commercial Land Uses and Locations. We will have digital copies of the following materials, to show on the screen during the meeting, in case the Planning Commission needs to reference them during your deliberations:

Commercial/retail space information:

a. Gibbs Retail Market Report 2022
b. Gibbs Retail Market Report Presentation
c. Hunter Pasteur (HP) Retail Market Analysis (Freidman Real Estate, 11-2021)

Mix of housing types and their locations:

d. Sieber Kiest (SK) Sheet #7 (Overall Site Plan. Note: This sheet was just updated on 3-22-22)
e. HP Illustrations – Cady St. & Central Park
f. D. Gutman, K. Spillane and S. Haifleigh site design comments & illustrations
g. Toll Brothers architectural illustrations

Water table on the south end as related to residential use:

h. Soil Borings Water Table Report (McDowell, 3-16-18)
i. SK Ground Water response memo 2-7-22
j. OHM Advisors Ground Water response memo

We were also asked to provide the following information. This information is included in our review memo included in the April 5, 2022 meeting packet:

1. Chart showing FAR for each single-family home and the number of smaller lots that will trigger the minimum FAR provision.
2. Chart showing proposed density for each aspect of the site plan as compared to what is required for that area or use. Included will be density calculation methodology.
3. Review of Cady Street overlay provisions in the ordinance.

Lastly, a request was made to locate information by housing consultant Sharon Woods regarding the "missing middle" residential concept. A recent article is attached to this memo for your review.

Please don't hesitate to contact me if you have any questions.

CARLISLE/WORTMAN ASSOC., INC.
Sally M. Elmiger, AICP, LEED AP
Principal

Cc: Patrick Sullivan
Dianne Massa

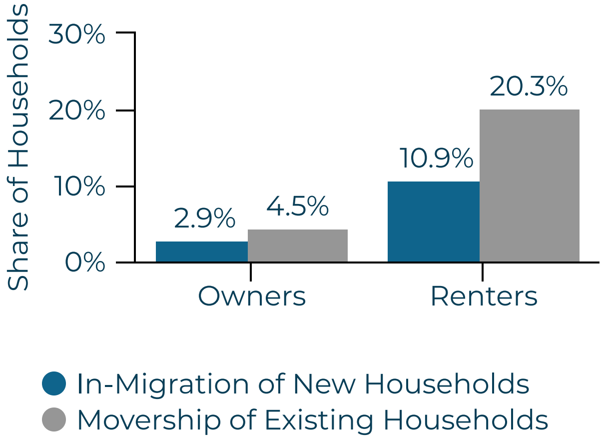
Michigan's Missing Housing - Here's the Scoop

Across the state, cities and developers are beginning to respond to the market gaps and missing housing formats – particularly in urban places and waterfront settings. Analytic results from countless studies across the state support what most developers know instinctively – the demand for new housing is being driven by singles of all ages who are on the move and seeking for-lease, attached formats located in downtowns and urban neighborhoods.

The following information is provided for state-wide averages and generally applies to individual cities, villages, and townships. However, each place has a unique profile, including geographic setting, household composition, tenure, migration, lifestyle clusters (target markets), and existing housing formats. Therefore, the magnitude of market gaps by will vary place to place.

Movership by Tenure – Renters are four times more likely to move than home owners. Home owners are more inclined to choose detached houses in rural settings, and they tend to be quite settled. Migrating renters across Michigan have high movership rates and are turning-over the existing supply of rental units about every three years. In comparison, it can take 10 to 15 years for migrating home owners to turn-over the stock among detached houses.
See Figure 1 shown below.

Figure 1. Household Movership Rates by Tenure



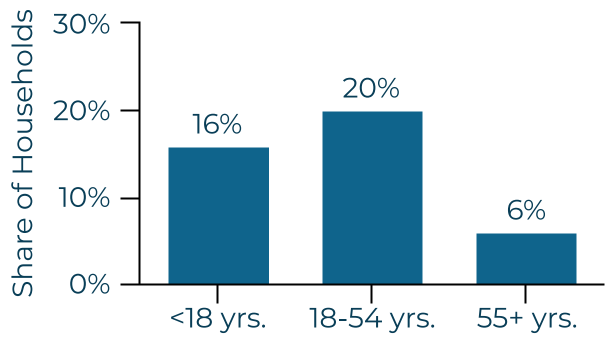
Compared to home owners, renters are more likely to choose attached units in urban places. And, because they have high movership rates, they are generating most of the demand for lofts, townhouses, and other formats in traditional downtowns.

Caution is advised against over-planning and over-building attached formats (like new townhouses and lofts) for owner-occupied households unless they are clearly supported by market demand and offer vista views of waterfronts and/or vibrant downtown districts.

Movership by Origin – About half of all households moving into Michigan are actually new residents for the state; and the other half are moving from one address to another within the state. Among all renters, almost 11% are in-migrating from beyond Michigan; and over 20% are moving within (unadjusted for out-migration). Within each unique place, in-migration is used to estimate the minimum annual market potential (the “conservative scenario”). In comparison, total migration should be used more cautiously and as an estimate of the maximum market potential ("aggressive scenario").

Movership by Age – Stakeholder discussions on housing often gravitate toward the topic of Michigan’s aging residents. The theory is that senior households are gaining as a share of total, and they are seeking low-maintenance “age in place” formats like patio homes, courtyard cottages, and townhouses. In reality, seniors still represent a relatively small group; and they tend to be very settled into detached houses.
See Figure 2 shown below.

Figure 2. Household Movership Rates by Age (for the Head of Household)



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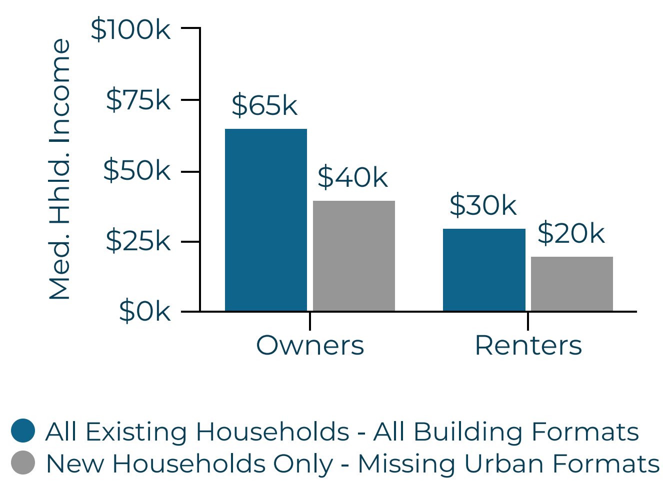
Movership by Age – Only 6% of all senior-headed households move each year, compared to 20% among younger households. Used as a basis for calculating market gaps, the data consistently shows that the need for new "age in place" choices is small. Rather than building senior apartments, there is a much greater need to improve and modify existing houses to be barrier-free; deliver new services to seniors in their existing homes; and build new formats for single renters of all ages.

Affordability v. Tolerance – Housing affordability, attainability and tolerance are important topics that must be addressed within each unique place. Measures of affordability are usually aligned with HUD's Low-Moderate-Income (LMI) limits, with parameters for 80% or less of Area Median Income (AMI). Attainability softens the rules to include units that are priced in alignment with market rates. Tolerance recognizes that shifts in supply and demand can result in price jumps that residents will tolerate – even if they are over-burdened by HUD's standards.

Income of Migrating Households – Regardless of these qualifiers, migrating renters generally have half the income of owners. Furthermore, new households migrating into Michigan have lower incomes than established households. Statewide, there is a need for more income-integrated choices across all building formats, including townhouses or high-rise lofts targeted too often at the "luxury" market.
See Figure 3 shown below.

Figure 3. Median Household Income (Existing v. New Households)



Mismatch by Building Format – With remarkable consistency between places and across the state, there is a mismatch between the preferences of migrating households and the formats of available housing choices. Renters in particular are seeking new housing formats in urban places, and particularly attached units that offer spectacular views of a downtown, river, and/or lake. When they are unable to find choices, then they compromise by renting detached houses.
See Figure 4 on the next page.

Statewide, only 65% of migrating households are seeking detached houses, and 35% are seeking attached units. However, attached choices represent only 15% of the housing supply. This reinforces the need for more attached renter-occupied housing formats in urban places. This does not mean that there is a need for more "apartments" at the fringe of the community. Rather, there is a need for ongoing reinvestment into downtowns with the rehab of lofts above street-front retail, and the addition of townhouses and other transitional formats nearby.

Experian Decision Analytics – 71 lifestyle clusters have been defined within Experian's Mosaic of all households across the nation. Households are aggregated by block groups, and then the block groups are assigned to lifestyle clusters. The clusters are based on demographics and socio-economic data; financial, debt, and property characteristics; and geographic location – including metro places by urbanicity.

Urban Target Markets – The Striving Singles target market represents an amazing 28% of all migrating households seeking buildings with four or more units in urban places. The second largest group is Family Troopers, followed by Full Steam Ahead and Senior Towers (low-income seniors living in high-rise towers).
See Figure 5 on the next page.

The Striving Singles group has a code of O54, which generally means that it is 54th in income among 71 lifestyle clusters living across the nation. The most affluent urban target market migrating within Michigan is the Wired for Success group, with the 37th highest income among the group. The lowest income urban target market is Tough Times with a code of S71.

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Figure 4. Michigan's Housing Mismatch (Demand v. Supply)

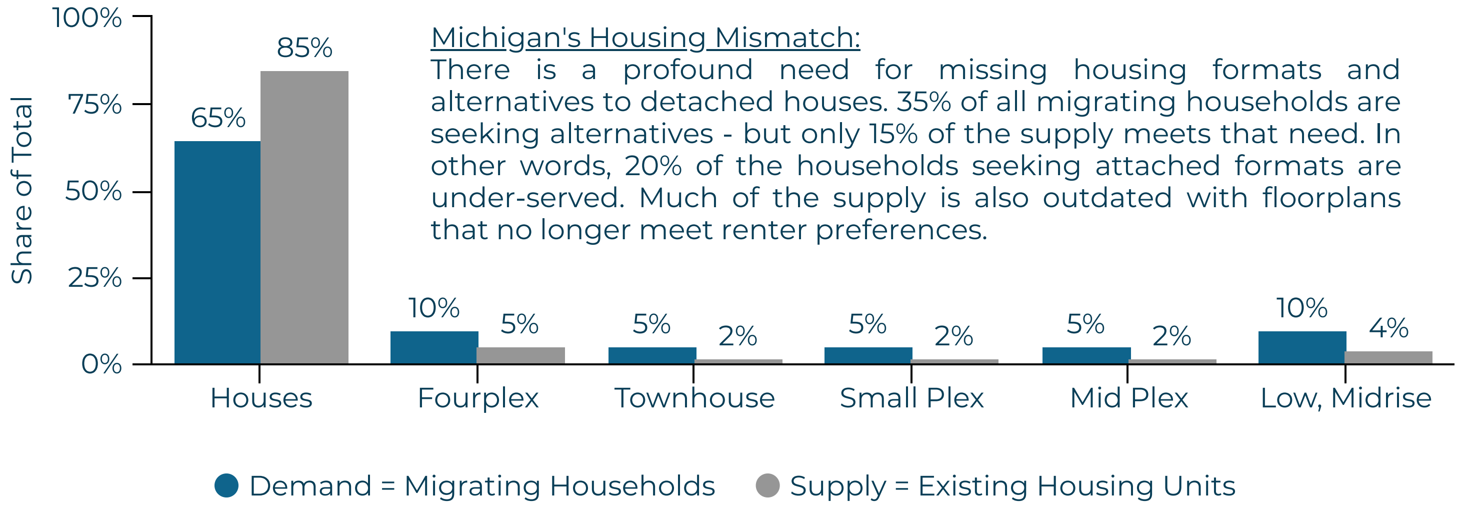
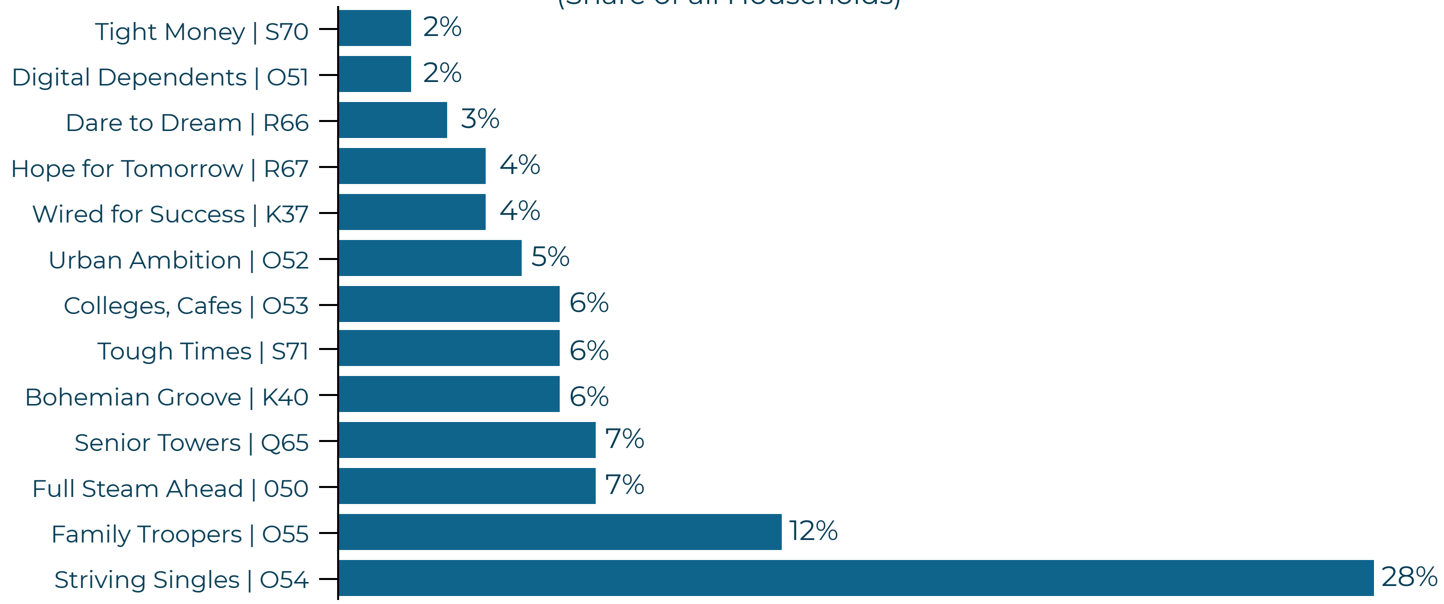


Figure 5. Urban Target Markets for Michigan
(Share of all Households)



Target Markets – The lifestyle clusters shown in **Figure 5 (above)** represent good targets for new housing formats in urban places. However, new developments should not be targeted exclusively at any single target market. Rather, income-mixed buildings are needed for migrating singles of all ages. New developments can achieve the highest possible absorption rates and bring demographic diversity by avoiding exclusive formats and brands like “affordable housing”, “worker housing”, “senior housing”, “student housing”, and “luxury living”.

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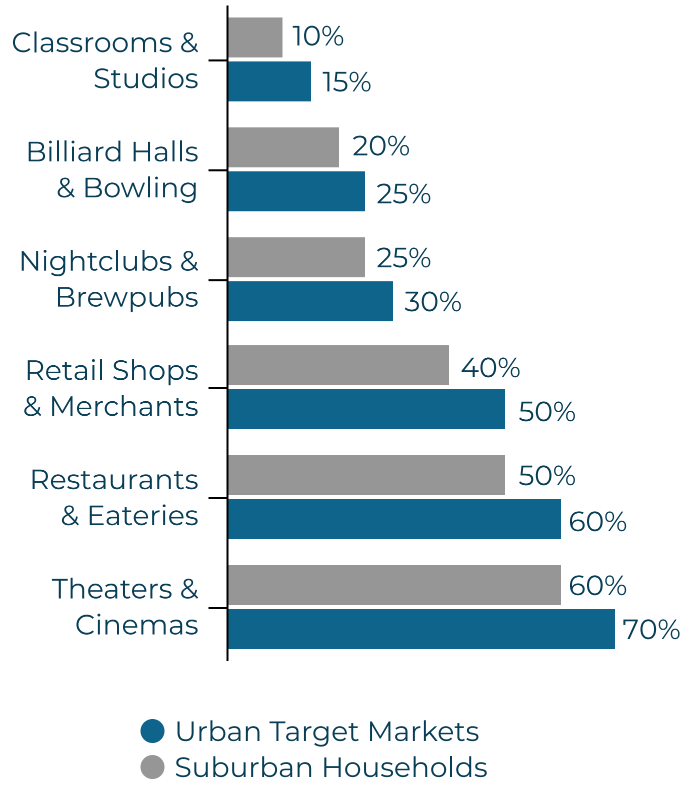
Downtown Amenities – The target markets are also more inclined to seek the same lifestyle amenities that make downtowns and urban places great. For example, compared to national averages, the target markets are more inclined to visit theaters, restaurants, nightclubs, and billiard halls, as well as studios and merchants.
See Figure 6 to the right.

Urban target markets are also more likely to shop among downtown merchants; and they have higher participation rates in educational classes and studio demonstrations. Similarly, they also have higher participation rates in waterfront attractions (beaches, marinas, and boating), trails, fitness centers, and other recreational venues.

Together with a smart placemaking process, all of these amenities can be integrated into each downtown to help intercept urban target markets who are on the move.

Figure 6. Share of Households Inclined to Visit Retail and Entertainment Venues



Prepared on behalf of
The Incremental Development Alliance

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About the Author – Sharon Woods is a certified Counselor of Real Estate advising communities, professional planners, and developers on market-wide opportunities and the highest and best use of land. She develops residential and retail market strategies for urban places; serves as a faculty member with the Incremental Development Alliance; and also serves on the board of directors for the Michigan chapter of the Congress for the New Urbanism.

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