BUILDING PROSPEROUS PLACES IN MICHIGAN: UNDERSTANDING PLACEMAKING VALUES, PERCEPTIONS AND BARRIERS
Became a Program in CANR in 2004, and a formal Institute in 2006. Created by Dr. Soji Adelaja.

Partnering with the School of Planning, Design and Construction, with Dr. Scott Witter as Interim Director.

Housed on third floor of Manly Miles Building.

Has a strong focus on research and outreach based on economic analysis of policy options in many contemporary issue areas.

Please see our website for more information: www.landpolicy.msu.edu.
PRESENTATION OUTLINE

• Overview of Placemaking
• Value of Placemaking Elements
• Perceptions and Barriers
• Policy Implications
• Further Research and Outreach

Presenter: Mary Beth Graebert
WHAT IS PLACEMAKING?

“Placemaking” is defined as:

... the development or redevelopment of a place, within a neighborhood or community, that uniquely creates a functional space with a variety of uses, that is appealing to a wide range of people and that has an identifiable character, or “sense of place.”
PLACEMAKING ELEMENTS

• Mixed-use development (i.e., live upstairs, entertainment & shopping downstairs);
• Pedestrian-orientation (e.g., sidewalks, paths and other foot-based connections);
• Opportunities for social activity and engagement (e.g., outdoor seating, community festivals, farmers’ markets, meeting spaces, etc.);
• Arts, cultural and other entertainment opportunities (e.g., museums, galleries, funhouses, bowling alleys, bars, etc.).
PLACEMAKING ELEMENTS

• Alternative transportation choices (e.g., walking, biking, transit, etc.);
• Public spaces (e.g., squares, streetscapes, plazas, etc.);
• Green/open spaces (e.g., parks, trails, playgrounds, etc. where people can walk, bike, play, socialize, etc.);
• Diverse housing choices (e.g., workforce housing, affordable housing, townhomes, etc.); and/or
• Green building (e.g., green roofs, rain gardens, energy efficiency, etc.).
WHY PLACEMAKING IS IMPORTANT NOW

- Our “places” are built upon the Old Economy paradigm, where uses are separated, people are auto-dependent, and infrastructure is outdated and inefficient.
- In the New Economy, the precursors to growth (e.g., talent, entrepreneurship, knowledge industries) are attracted to communities that are enhanced through placemaking.
- Other places have learned to respond to this changing paradigm in the built environment choices they offer.
- Michigan and the Rust Belt states have not shifted quickly enough to this new mindset to have a critical mass of these places to attract growth.
GOAL OF THIS INITIATIVE

Our goal is to help Michigan and other Rust Belt states to catch up to and surpass other successful places in their ability to build placemaking projects that attract growth through the transformation of policies, removal of barriers, education of appropriate stakeholders, and creation of incentives.
MODEL OF CHANGE INTERVENTION

Research
- Document studies on the value of placemaking
- Hedonic analysis of the value gap in placemaking
- Survey of developers, banks, local officials, and state agencies on barriers to placemaking
- Institutional and legal analysis of regulatory frameworks
- Case studies on placemaking in Michigan

Action Agents
- Developers
- Banks
- Local Officials
- Legislators
- Housing Agencies
- Economic Dev’t Organizations
- Environmental Groups

Impact on Action Agents
- New valuable opportunities
- Security in financing green development, with some intangibles
- Tax base enhancement, quality livable environment
- Reducing policy impediments (barriers) to green development
- Incentivizing placemaking in workforce housing developments
- Promotion of new places, new opportunities for economic dev’t
- Encouraging sustainable practices in the housing sector.
PROS AND CONS TO PLACEMAKING

- Under traditional development projects, the majority of the benefit is concentrated towards one stakeholder; with placemaking, the benefits are often shared (Leinberger & Kozloff, 2003).

- Placemaking creates a sense of place for community members, which encourages community engagement and participation in the development process (Wyckoff, 2010).

- Some communities harbor NIMBY (Not in My Back Yard) mentality toward placemaking and want to maintain traditional zoning structures that encourage socioeconomic segregation and separation of housing and retail.
WORKFORCE HOUSING CONSIDERATIONS

• Placemaking encourages housing provision in densely populated urban centers in order to not only increase social equity, but secure access to resources, a viable workforce and reduce environmental degradation (Arigoni, 2001; Crowe, 2004).

• Some researchers argue that smart growth principles (which are embedded in placemaking) inevitably increase housing prices and reduce affordability (Demographia, 2008).

• Certain methods can be used to maintain housing affordability:
  • Land use and planning strategies that intentionally secure affordable housing (Arigoni, 2001)
  • Inclusionary zoning (Haughey, 2002)
  • Subsidies for developers and/or consumers (Arigoni, 2001)
STUDY COMPONENTS

• Hedonic Analysis of Three Michigan Communities:
  • Lansing
  • Traverse City
  • Royal Oak

• Placemaking Surveys of:
  • Michigan Financial Institutions
  • Michigan Developers
  • Michigan Local Governments

MICHIGAN STATE UNIVERSITY | Land Policy Institute
HEDONIC ANALYSIS

• Purpose: Determine whether or not placemaking features like walkability and mixed uses are associated with higher home prices.

• Case Study of 3 Michigan Communities:
  • Lansing
  • Traverse City
  • Royal Oak
HEDONIC PRICING METHOD

• The hedonic pricing method (HPM) can show us how much more people are willing to pay for a house that has certain features, all else remaining equal.
• HPM has traditionally focused on home and lot attributes to determine the value of a home.
• As the hedonic pricing method has evolved, more data has become available to use for analysis such as proximity features (i.e. nearby parks, entertainment establishments, and schools).
### Conceptual Framework

\[ SP_i = \alpha + ST\beta + N\gamma + P\tau + E\rho + \varepsilon \]

#### (ST) Structural and Temporal
- Date of sale
- Year built
- Square footage
- Bedrooms
- Full baths
- Half baths
- Condominium
- Stories
- Heating fuel/AC
- Exterior type
- Basement square ft.
- Porch area
- Deck area
- Garage area
- Fireplaces
- Acreage
- Frontage
- Depth

#### (N) Neighborhood Attributes
- Income diversity
- Educational Attainment
- Racial diversity
- Age diversity
- Median household income
- Neighborhood Enterprise Zone
- Renaissance Zone
- Area mixed use

#### (P) Proximity Features
- Distance to interstate
- Distance to rivers
- Distance to lakes
- Distance to parks
- Distance to schools
- Distance to downtown

#### (E) Establishments Nearby
- Arts, entertainment and recreation business within \(1/4, 1/2, \) and 1 mile
- Food service and drinking places within \(1/4, 1/2, \) and 1 mile
- Retail businesses within \(1/4, 1/2, \) and 1 mile
- Employment within 1 mile
DATA UTILIZED IN THE ANALYSIS

• Structural and Temporal
  • Assessor’s data (e.g., sale price, building and lot characteristics)
• Neighborhood Attributes
  • Census Socioeconomic and demographic data (e.g., income, race, age, poverty, education)
• Proximity Features
  • Municipal and other Spatial data (e.g., parcel layers, land use, natural features, roads)
    • Municipalities and ESRI
• Establishments Nearby
  • Business establishment data (e.g., employment, businesses, entertainment, retail)
    • National Establishment Time Series Database from Walls and Associates
    • Dun and Bradstreet registered companies
LANSING CASE STUDY

- Largest study city by both population and area.
- Michigan’s Capital.
- Close proximity to Michigan State University.
- 114,297 people (2010 census) and 36 square miles of land.
- Population density of 3,175 people per square mile.
- Median household income for 2009 was $35,774.

<table>
<thead>
<tr>
<th>Category</th>
<th>All Sold Properties</th>
<th>$500 – $1,188,250</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category 2</td>
<td>Workforce</td>
<td>&lt;$179,000</td>
</tr>
<tr>
<td>Category 3</td>
<td>Affordable</td>
<td>&lt;$89,000</td>
</tr>
</tbody>
</table>
WHEN DID HOME SALES PEAK IN LANSING?
LANSING:  
SALES INFO & LOT ATTRIBUTES

• Study included 3,334 observations (home sales), with an $R^2$ of 0.748 and 3,183 degrees of freedom.
• Peak year of sales was 2006, which coincided with the industry sales. We are back to 2000 prices (our base year) by 2010.
• Sales in cold months are lower, relative to summer months, when people are more likely to move.
• Older properties have better values, but not by much, about $24 per year older. This is also reflective of the fact that Lansing has an older housing stock.
These findings are consistent with other hedonic analyses.
LANSING: NEIGHBORHOOD DEMOGRAPHICS

<table>
<thead>
<tr>
<th>Neighborhood Characteristics</th>
<th>Sale Price Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within Neighborhood Enterprise Zone</td>
<td>($18,635)</td>
</tr>
<tr>
<td>Within Renaissance Zone</td>
<td>$48,590</td>
</tr>
<tr>
<td>% Increase in Population that Graduated from High School</td>
<td>$1,358</td>
</tr>
<tr>
<td>% Increase in Population with an Associate’s Degree</td>
<td>$1,000</td>
</tr>
<tr>
<td>% Increase in Population with a graduate/professional degree</td>
<td>$1,506</td>
</tr>
<tr>
<td>Percent Increase in Income-Diversity Index</td>
<td>$513</td>
</tr>
</tbody>
</table>
HOW WOULD YOU EXPECT PROXIMITY TO THE FOLLOWING TO AFFECT HOME PRICES:

RIVERS?
HIGHWAY?
A SCHOOL?
MSU?
## LANSING: COMMUNITY ATTRIBUTES

<table>
<thead>
<tr>
<th>Community Characteristic – One Additional Foot Closer to . . .</th>
<th>Sale Price Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway</td>
<td>($5)</td>
</tr>
<tr>
<td>Rivers</td>
<td>$9</td>
</tr>
<tr>
<td>Downtown</td>
<td>$21</td>
</tr>
<tr>
<td>Michigan State University</td>
<td>$5</td>
</tr>
<tr>
<td>Michigan Avenue</td>
<td>($13)</td>
</tr>
<tr>
<td>Old Town</td>
<td>($9)</td>
</tr>
<tr>
<td>Middle School</td>
<td>$1</td>
</tr>
<tr>
<td>High School</td>
<td>$2</td>
</tr>
</tbody>
</table>
HOW WOULD YOU EXPECT THE FOLLOWING TO AFFECT HOME PRICES:
GROCERY STORES?
RESTAURANTS?
BARS?
### LANSING: COMMUNITY ATTRIBUTES (CONTINUED)

<table>
<thead>
<tr>
<th>Community Characteristic</th>
<th>Sale Price Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Grocery Store within ¼ mile</td>
<td>$(3,125)</td>
</tr>
<tr>
<td>Additional Full-Service Restaurant within ¼ mile</td>
<td>$3,499</td>
</tr>
<tr>
<td>Additional Drinking Establishment within ¼ mile</td>
<td>$(4,440)</td>
</tr>
<tr>
<td>Additional Sporting Goods Store within ½ to 1 mile</td>
<td>$2,748</td>
</tr>
<tr>
<td>Additional Book/Periodical/Music Store within ½ to 1 mile</td>
<td>$2,009</td>
</tr>
<tr>
<td>Additional Performing Arts Facility within ¼ mile</td>
<td>$12,545</td>
</tr>
<tr>
<td>Additional Amusement Park/Arcade within ¼ mile</td>
<td>$(8,688)</td>
</tr>
<tr>
<td>Additional Percentage of Commercial Space within ½ mile</td>
<td>$709</td>
</tr>
</tbody>
</table>
Lack of qualitative measures for many variables.

- For example, a park within proximity of a home may be nice or possibly unsafe.

Distances to amenities and other features were measured as the crow flies, and not along roadways.

Results for the three study areas are not comparable as there was varying data availability for each city.
PERCEPTIONS & BARRIERS SURVEYS

• Purpose: Identify perceptions about placemaking among key stakeholder groups and barriers that impede the ability to incorporate placemaking elements into Michigan’s built environment.

• Generated 3 Surveys:
  • Local Government Officials (20 responses)
  • Financial Institutions (16 responses)
  • Developers (11 responses)
Please indicate your degree of agreement with the following statement: “Supporting placemaking, as described above, needs to be an important part of Michigan strategies to enhance property values and create high-impact economic activity attraction.”

### Developers
- **a. Strongly agree** 23%
- **b. Agree** 38%
- **c. Neutral/Not sure** 31%
- **d. Disagree** 8%

### Bankers
- **a. Strongly agree** 23%
- **b. Agree** 65%
- **c. Neutral/Not sure** 25%
- **d. Disagree** 5%
Please indicate your level of agreement or disagreement with the following statements: "Incorporating placemaking elements in the design of new development in our community... is necessary for retaining/attracting population." is necessary for retaining/attracting businesses."

- Strongly Agree
  - 68% (Local Units of Government)
  - 59% (Population)
- Agree
  - 27% (Local Units of Government)
  - 27% (Population)
- Neither Agree Nor Disagree
  - 5% (Local Units of Government)
  - 5% (Population)
- Disagree
  - 9% (Local Units of Government)
  - 9% (Population)
Placemaking projects tend to be more expensive to produce than traditional development, but the long-term benefits outweigh the higher upfront costs.

All else being equal, how risky do you consider placemaking developments to be compared to more conventional developments?

**Developers**
- a. Strongly agree: 15%
- b. Agree: 39%
- c. Neutral/Not sure: 31%
- d. Disagree: 15%

**Bankers**
- a. Very risky: 21%
- b. Somewhat risky: 32%
- c. Neutral/Not sure: 42%
- d. Not very risky: 5%
Please indicate your level of agreement or disagreement with the following statements: "Incorporating placemaking elements in the design of new development in our community... is often hindered by the lack of financing."

- Strongly Agree: 41%
- Agree: 45%
- Neither Agree Nor Disagree: 9%
- Disagree: 5%
- Strongly Agree: 41%

Local Units of Government
PLACEMAKING EXPERIENCE

...have you led or been involved in any developments that have incorporated placemaking features?

- a. Yes 69%
- b. No 23%
- c. Not sure 8%

...has your financial institution financed or been involved in the process to finance developments that incorporate placemaking elements?

- a. Yes 30%
- b. No 70%

Developers

Bankers
...has your community had, or been involved in, any developments/projects that would be considered placemaking development?

If yes, for how many years have placemaking elements been incorporated into development in your community?

**Local Units of Government**

- a. Yes 80%
- b. No 20%
- a. Less than 1 year 12%
- b. 1-2 years 19%
- c. 3-5 years 19%
- d. 6-10 years 25%
- e. 11-20 years 6%
- f. More than 21 years 19%
How do you view the importance of the following actions in creating a development environment in Michigan that is more conducive to placemaking?

- a. Tax breaks/renaissance zones
- b. Brownfield tax credits
- c. Tax increment financing
- d. State subsidy programs
- e. Better information for local governments, financial institutions, developers, realtors and citizens about placemaking economic and quality...
- f. Other

1-Very important
2-Important
3-Neutral/neither important nor unimportant
4-Not important
5-Not important at all
Do you believe that placemaking projects, as described above, have the potential to achieve greater profits for you, the developer?

- a. Yes (61%)
- b. No (8%)
- c. Not sure (31%)

Has the current economic recession impacted your ability or interest to engage in placemaking projects?

- a. Yes (64%)
- b. No (36%)
Do you feel that there is a lessening demand for “sprawl” products (greenfield, low density development farther out from central services), and a growing demand for denser, mixed use, infill development?

- a. Yes 46%
- b. No 36%
- c. Not sure 18%
How often are the following placemaking elements incorporated into, or considered in, your development projects?

**Workforce/ Affordable Housing**

- In nearly all development projects: 10%
- In a majority of development projects: 10%
- In very few development projects: 60%
- Almost never: 10%
- Not sure or does not apply: 10%

(Chart showing the distribution of responses)
Please indicate your level of agreement or disagreement with the following statements:

“Having access to more tools, data, or knowledge showing benefits would influence my decision to lend financing for a placemaking project.”

- Strongly Agree: 11%
- Agree: 72%
- Neither Agree Nor Disagree: 5%
- Disagree: 6%
- Strongly Disagree: 6%

“Having access to a placemaking checklist or toolkit would enable better communication, valuation and understanding of the benefits of placemaking between my institution and developers.”

- Strongly Agree: 22%
- Agree: 50%
- Neither Agree Nor Disagree: 17%
- Disagree: 11%
Please indicate your level of agreement or disagreement with the following statements:

“Urban infill and other redevelopments are attractive proposals because there are other incentives involved that may reduce the cost needed to fund the project.”

Agree 69%
Neither Agree Nor Disagree 25%
Disagree 6%

Strongly Agree 6%
Neither Agree Nor Disagree 25%
Agree 69%

“My institution is much more likely to finance a development that adheres to the standard real estate types.”
Please indicate your level of agreement or disagreement with the following statements:

“My institution has changed its lending procedures and/or requirements in an effort to more readily respond to alternative or placemaking developments.”

- Agree: 12%
- Neither Agree Nor Disagree: 13%
- Disagree: 75%
Please rank the importance of the following elements of placemaking for attracting knowledge workers, encouraging economic development and/or increasing property values and the tax base.

<table>
<thead>
<tr>
<th>Element</th>
<th>Importance Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Mixed-use</td>
<td>Very important</td>
</tr>
<tr>
<td>b. Non-motorized paths/trails between…</td>
<td>Very important</td>
</tr>
<tr>
<td>c. Bike lanes</td>
<td>Very important</td>
</tr>
<tr>
<td>d. Transit stops/hubs</td>
<td>Very important</td>
</tr>
<tr>
<td>e. Green/open spaces (e.g., parks, trails, etc.)</td>
<td>Very important</td>
</tr>
<tr>
<td>f. Workforce housing/Affordable housing</td>
<td>Very important</td>
</tr>
<tr>
<td>g. LEED certification</td>
<td>Very important</td>
</tr>
<tr>
<td>h. Form-based code</td>
<td>Very important</td>
</tr>
<tr>
<td>i. Public space (e.g., community center,…)</td>
<td>Very important</td>
</tr>
<tr>
<td>j. Entrepreneurial startup space</td>
<td>Very important</td>
</tr>
<tr>
<td>k. Arts &amp; Culture areas</td>
<td>Very important</td>
</tr>
<tr>
<td>l. Local food opportunities (e.g., farmers’ markets,…)</td>
<td>Very important</td>
</tr>
</tbody>
</table>
Does your community currently have zoning ordinances that would impede the development or inclusion of these placemaking elements?

- Mixed-use
- Non-motorized paths/trails between residential, commercial and retail uses
- Bike lanes
- Transit stops/hubs
- Green/open spaces (parks, trails)
- Workforce housing/Affordable housing
- LEED certification
- Form-based code design
- Public space (such as community center, courtyard, etc.)
- Entrepreneurial startup space
- Arts & Culture areas
- Local Food opportunities (such as farmers’ markets, food stands)

[Bar chart showing responses for each element]

- Yes
- No
- Not Sure
How would you describe the level of public participation in proposed new developments in your community?

- **No public participation** (community members do not attend public meetings on new developments): 26%
- **Some public participation on a regular basis.** 16%
- **Lots of participation on controversial development/projects.** 58%
SURVEY SUMMARY

• Low sample sizes
  • Results are anecdotal and do not represent these groups across the state
• Many “neutral/not sure” responses
  • Placemaking appears to be a nebulous term
  • But there was support among bankers for a checklist/toolkit
• Even though anecdotal, we think these responses help us understand the barriers to and perceptions of placemaking
PLACEMAKING EXAMPLES

- **Campus Martius, Detroit, Michigan**
  - Green, public space & recreational opportunities
  - Attracted big employer: Compuware
- **Stadium District, Lansing, Michigan**
  - Mixed-use development across from Cooley Stadium
  - Walkable to downtown, restaurants, museums
- **Kingsbury Place, Walker, Michigan**
  - Affordable housing
  - Michigan Green Communities project – LEED
- **Durant Hotel, Flint, Michigan**
  - Redevelopment of historic property
  - Lofts and commercial space in downtown area
CAMPUS MARTIUS, DETROIT
CONCLUSIONS

- It appears that some placemaking elements—including proximity to certain types of retail and green space—are associated with higher home values in at least 3 Michigan communities.
- A majority of respondents from the placemaking stakeholder groups—developers, bankers, and local government officials—seem to recognize the importance of placemaking for economic development.
- Barriers to placemaking—such as restrictive zoning, capital access and perceptions about density—appear to still exist in Michigan communities.
POLICY CONSIDERATIONS

• Different cities in our analysis showed different marginal effects of placemaking features => Regional visioning and community values should be taken into consideration in placemaking projects for success.

• Surveys indicate that there are perceived barriers between stakeholder groups and that informational programs about implementation strategies for placemaking projects would be beneficial => State and regional programs that educate stakeholders about placemaking and encourage public-private partnerships are needed in Michigan communities.
POLICY CONSIDERATIONS (CONTINUED)

• Some communities in Michigan, like Lansing, appear to have an abundance of affordable housing for the workforce, while others, like Royal Oak, may not have enough => Placemaking projects should keep in mind that adding features that improve quality of life can make housing unaffordable for certain population segments.

• Eighty-eight percent of respondents in the banking survey indicated that loan assistance programs, supplemental funding and expedited permitting that reduce development costs factor into favorable lending terms => State and regional programs that “de-risk” placemaking for developers and financers are more likely to get off the ground.
FURTHER RESEARCH

- Thanks to a generous grant from the Michigan State Housing Development Authority and the Michigan Association of Realtors, this study will be expanded to include:
  - Hedonic analysis in three more Michigan communities and 6 cities in the Midwest.
  - Survey of households in the hedonic survey to add features like energy efficiency, commute type/time, and placemaking “quality” and visuals.
  - Nationwide survey of homebuyers to determine what placemaking features they are looking for in a house and community.
QUESTIONS?

Thank you!

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EXTRA SLIDES
ACKNOWLEDGEMENTS

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Final Report released in March 2012!
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- Michigan Association of Realtors
- Michigan State Housing Development Authority
- Michigan Association of Home Builders
- Michigan Bankers Association
- Michigan Municipal League
- Michigan Economic Development Corporation
- Michigan Environmental Council
- Council of Michigan Foundations
- Small Business Association of Michigan
- Michigan Suburbs Alliance
TRaverse CITY CASE STUDY

- Traverse City is nestled on Grand Traverse Bay in the northwestern region of the Lower Peninsula.
- Population growing approximately 12% from 2000 to 2010 (Grand Traverse County).
- Traverse City is the smallest case study city, with an area of only 8.4 square miles (of land) and a population of 14,674 people.
- Population density of the city is 1,743 people per square mile, which makes it the least dense case study city.
- Traverse City’s median household income for 2009 was $39,327.

<table>
<thead>
<tr>
<th>Category 1</th>
<th>All Sold Properties</th>
<th>$25,000 - $2,900,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 2</td>
<td>Workforce</td>
<td>&lt;$210,000</td>
</tr>
<tr>
<td>Category 3</td>
<td>Affordable</td>
<td>&lt;$105,000</td>
</tr>
</tbody>
</table>
TRAVERSE CITY: 
SALES INFO & LOT ATTRIBUTES

- Study included 1,212 observations (home sales), with an $R^2$ of 0.852.
- Peak year of sales was 2008. The years 2002 and 2009 saw lower priced sales.
- Sales in spring are lower, relative to summer months, when people are more likely to move.
- Older properties are associated with lower values, about $2,279 per year older. This is the opposite finding from the Lansing case study.
## Traverse City: Building Attributes

<table>
<thead>
<tr>
<th>Building Characteristic</th>
<th>Sale Price</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Bedroom</td>
<td>$54,784</td>
<td></td>
</tr>
<tr>
<td>Additional Square Foot of Space</td>
<td>$128</td>
<td></td>
</tr>
<tr>
<td>Vinyl Siding (Versus Aluminum)</td>
<td>($40,674)</td>
<td></td>
</tr>
<tr>
<td>Additional Fireplace</td>
<td>$22,265</td>
<td></td>
</tr>
<tr>
<td>Neighborhood Characteristics</td>
<td>Sale Price Effect</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------------------</td>
<td>-------------------</td>
<td></td>
</tr>
<tr>
<td>Additional $1 in Median Household Income within Census Block Group (2005-2009)</td>
<td>$1.77</td>
<td></td>
</tr>
<tr>
<td>% Increase in Poverty Level within Census Tract (2005-2009)</td>
<td>($162)</td>
<td></td>
</tr>
<tr>
<td>% Increase in Population with an Associate’s Degree</td>
<td>$350</td>
<td></td>
</tr>
<tr>
<td>% Increase in Population with a Bachelor’s Degree</td>
<td>$165</td>
<td></td>
</tr>
<tr>
<td>% Increase in Population with a graduate/professional degree</td>
<td>($142)</td>
<td></td>
</tr>
</tbody>
</table>
## TRAVERSE CITY: COMMUNITY ATTRIBUTES

<table>
<thead>
<tr>
<th>Community Characteristic</th>
<th>Sale Price Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Foot Closer to Great Lakes Bay</td>
<td>$24</td>
</tr>
<tr>
<td>Additional Home Furnishings Store within ½ to 1 mile</td>
<td>$12,439</td>
</tr>
<tr>
<td>Additional Building Material/ Gardening Equipment Supplier within ¼ mile</td>
<td>($31,416)</td>
</tr>
<tr>
<td>Additional Grocery Store within ¼ to ½ mile</td>
<td>$21,456</td>
</tr>
<tr>
<td>Additional Drinking Establishment within ¼ to ½ mile</td>
<td>($28,487)</td>
</tr>
<tr>
<td>Additional Religious Organization within ¼ to ½ mile</td>
<td>($13,551)</td>
</tr>
</tbody>
</table>
• Inner-ring suburb of Detroit
• 57,236 people and an area of 11.8 square miles,
• 4,850.5 people per square mile and makes it the densest case study city.
• Royal Oak is known to feature many placemaking attributes, some of which relate to its proximity to Detroit.
• median household income for 2009 was $54,754.

<table>
<thead>
<tr>
<th>Category 1</th>
<th>All Sold Properties</th>
<th>$20,000 - $844,120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 2</td>
<td>Workforce</td>
<td>&lt;$295,000</td>
</tr>
<tr>
<td>Category 3</td>
<td>Affordable</td>
<td>&lt;$147,000</td>
</tr>
</tbody>
</table>
Study included 7,112 observations (home sales), with an $R^2$ of 0.952.

Peak year of sales was 2004. There was a steep drop between 2007 and 2008.

Sales in winter and fall are lower, relative to summer months, when people are more likely to move.

Older properties are associated with lower values, but only by about $84 per year older. This is the opposite finding from the Lansing case study.
## ROYAL OAK: BUILDING ATTRIBUTES

<table>
<thead>
<tr>
<th>Building Characteristic</th>
<th>Sale Price</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Bedroom</td>
<td></td>
<td>$14,129</td>
</tr>
<tr>
<td>Additional Full Bathroom</td>
<td></td>
<td>$27,637</td>
</tr>
<tr>
<td>Additional Square Foot of Space</td>
<td></td>
<td>$45</td>
</tr>
<tr>
<td>Presence of Garage</td>
<td></td>
<td>$18,857</td>
</tr>
</tbody>
</table>
# ROYAL OAK: NEIGHBORHOOD DEMOGRAPHICS

<table>
<thead>
<tr>
<th>Neighborhood Characteristics</th>
<th>Sale Price Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Point Increase in Income Diversity Index</td>
<td>$470</td>
</tr>
<tr>
<td>One Point Increase in Racial Diversity</td>
<td>($264)</td>
</tr>
<tr>
<td>% Increase in Poverty Level within Census Tract (2005-2009)</td>
<td>($546)</td>
</tr>
<tr>
<td>% Increase in Population with a Bachelor’s Degree</td>
<td>$883</td>
</tr>
<tr>
<td>% Increase in Population with a graduate/professional degree</td>
<td>$1,341</td>
</tr>
<tr>
<td>% Increase in Population Aged 5-17</td>
<td>($39,613)</td>
</tr>
</tbody>
</table>
## ROYAL OAK: COMMUNITY ATTRIBUTES

<table>
<thead>
<tr>
<th>Community Characteristic</th>
<th>Sale Price Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Motor Vehicle &amp; Parts Dealer within ¼ mile</td>
<td>$3,655</td>
</tr>
<tr>
<td>Additional Home Furnishings Store within ¼ to ½ mile</td>
<td>$2,738</td>
</tr>
<tr>
<td>Additional Building Material/ Gardening Equipment Supplier within ¼ mile</td>
<td>($3,675)</td>
</tr>
<tr>
<td>Additional Grocery Store within ¼ mile</td>
<td>($3,200)</td>
</tr>
<tr>
<td>Additional Gas Station within ¼ mile</td>
<td>($6,052)</td>
</tr>
<tr>
<td>Additional Book/Periodical/Music Store within ¼ to ½ mile</td>
<td>$2,796</td>
</tr>
<tr>
<td>Additional Full-Service Restaurant within ¼ to ½ mile</td>
<td>$1,018</td>
</tr>
</tbody>
</table>
Objective: To determine whether placemaking elements had different values in workforce and affordable housing.

Workforce housing = housing priced at 60% to 120% of median household income (HUD).

Affordable housing = housing priced at 30% or less of median household income.

The hedonic model was run using all houses (Category 1), houses between 60-120% of median household income (Category 2), and houses below 60% median household income (Category 3).
WORKFORCE HOUSING IMPLICATIONS

- Houses in the “affordable” categories for the workforce and low-income population (less than 120% of median household income) often had hedonic price impacts in the same direction (positive or negative), though not always.
- For instance, proximity to health stores, limited-service restaurant and religious organizations were associated with higher values for workforce housing in Lansing.
- Examples of placemaking projects that have successfully incorporated workforce housing:
  - Miller’s Court in Baltimore, Maryland
  - New Pennley Place in Pittsburgh, Pennsylvania
  - Noji Gardens in Seattle, Washington
Please assess the general difficulty for implementing a placemaking development in each type of neighborhood/place listed below.

Assess the general level of difficulty that developers could encounter for each type of neighborhood/place where a placemaking development may occur.
In your opinion, please rate the importance of the following elements of placemaking to enhancing the market value of a particular development project.

**Workforce/ Affordable housing**

- **Important**: 40%
- **Neutral/ neither important nor unimportant**: 20%
- **Not important**: 20%
- **Not important at all**: 10%
- **Very important**: 10%
For a hypothetical placemaking development project that would maximize your profits and meet local/state regulations, what portion of the development site would be devoted to:

- a. Subsidized housing
- b. Market rate housing
- c. Office Commercial
- d. Retail Commercial
- e. Green Space
- f. Parking
- g. Other

Choose your answer:

- less than 10%
- 10-25%
- 25-50%
- 50-75%
- greater than 75%
Please indicate your level of agreement or disagreement with the following statement:

“The latest recession has greatly affected my/our institution’s lending terms and practices.”

- Strongly Agree: 61%
- Agree: 39%
Some placemaking projects have been identified as being “long-term,” which means carrying costs may not be absorbed for 10 years or so. How important are tax credits and other abatements in easing this financial challenge?

- Very important: 47%
- Somewhat important: 37%
- Does not matter: 16%
Please indicate your level of agreement or disagreement with the following statements:

“Loan assistance programs, public financing, tax credits, grants or other supplemental funding mechanisms that reduce development costs influence my institution’s decision to lend.”

- Strongly Agree: 19%
- Agree: 69%
- Neither Agree Nor Disagree: 12%
- Disagree: 6%

“Processes, such as expedited permitting or development fast-track approvals that would reduce a project’s timeline would help make lending decisions easier.”

- Agree: 69%
- Neither Agree Nor Disagree: 6%
- Strongly Agree: 25%
Please indicate your level of agreement or disagreement with the following statements: "Incorporating placemaking elements in the design of new development in our community...

1. is necessary for retaining/attracting population.
2. is necessary for retaining/attracting businesses.
3. increases economic development.
4. enhances property values.
5. would enhance the sense of community belonging.
6. typically gains support from the public.
7. is often hindered by the lack of financing.
8. is often challenged by complicated permitting, environmental clean-up, or developer's concerns."