Data Driven Housing Investment with the American Community Survey

Jessica Deegan
ACS Users Group Meeting, May 2014
Our Mission

Minnesota Housing finances affordable housing for low- and moderate-income households while fostering strong communities.
Use of ACS for Targeting Housing Funding

Policy Research

Allocating Funds

Program Evaluation
What is the need for affordable housing now?

How will changing demographics affect that need in the future?

Where should investments be made?

How should employment, transportation, and schools interrelate with housing investments?
Senior Housing

- **Project:**
  ACS summary and PUMS data used to evaluate trends in income, disability and cost burden among older Minnesotans
Households with a disability are older, poorer and disproportionately renters.
Senior Housing Policy Findings

Housing cost burden increases as households grow older.

Percentage of Cost Burdened Households, by Age

Senior Housing Policy Findings

Rural counties have higher proportions of seniors aging in place.

US Census American Community Survey, 2007-2011 Summary
FUNDING PRIORITIES FOR AFFORDABLE HOUSING

American Community Survey
Consolidated Annual Request for Proposals

- **Project:**
  Utilize ACS and other local and national data sources to prioritize highly competitive funding, including Low Income Housing Tax Credits.
Published LIHTC Policy Objectives (geographically based)

- **Economic Integration**: Moderate to high income areas close to job
- **Access to Transportation**: Proximity to transit, high frequency network, and bus service
- **High Need Foreclosure Areas**: Areas with a high rate of foreclosure relative to the state
- **Workforce Housing**: Cities with job growth (or top job communities) and 5 or 10 mile buffer
- **Preservation**: Jobs & Household growth; Cost Burdened Renters
- **Qualified Census Tracts**: Designated for the purposes of the Low-Income Housing Tax Credit under Section 42 of the Internal Revenue Code of 1986.
Community Profiles Tools

• Include:
  – 30 data layers to profile economic, demographic and housing characteristics of markets (census tract and county).
  – Overlay maps depicting the geographic priorities in the Housing QAP and annual consolidated Request for Proposals.
## Data Layers and Themes: Census Tract and County

<table>
<thead>
<tr>
<th>Economy and Workforce</th>
<th>Household Demographics</th>
<th>Rental Housing Market</th>
<th>Homeowner Housing Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Jobs</td>
<td>Age of Population</td>
<td>Median Rent</td>
<td>Homeownership Costs</td>
</tr>
<tr>
<td>Change in Jobs 2005-2010</td>
<td>Population from Communities of Color</td>
<td>Subsidized Vacancy Rate</td>
<td>Homeownership Rate</td>
</tr>
<tr>
<td>Median Distance to Work</td>
<td>Total Households</td>
<td>Age of Housing</td>
<td>Foreclosures</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>Change in Households</td>
<td>Share built by year</td>
<td>Age of Housing</td>
</tr>
<tr>
<td></td>
<td>Cost Burdened Households</td>
<td>Number of rental units by size of structure</td>
<td>Share built by year</td>
</tr>
<tr>
<td></td>
<td>Median Income</td>
<td></td>
<td>Home Sales Price</td>
</tr>
<tr>
<td></td>
<td>Homeless Population</td>
<td>Number of Rental Units by Bedroom Size</td>
<td>Change in Home Sales Price</td>
</tr>
<tr>
<td></td>
<td>Poverty Rate</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Total Jobs
- Change in Jobs 2005-2010
- Median Distance to Work
- Unemployment Rate
- Age of Population
- Population from Communities of Color
- Total Households
- Change in Households
- Cost Burdened Households
- Median Income
- Homeless Population
- Poverty Rate
- Median Rent
- Subsidized Vacancy Rate
- Age of Housing
- Share built by year
- Number of rental units by size of structure
- Number of Rental Units by Bedroom Size
- Homeownership Costs
- Homeownership Rate
- Foreclosures
- Age of Housing
- Share built by year
- Home Sales Price
- Change in Home Sales Price
A Common Dataset for Evaluating Funding Proposals

• Published externally using PolicyMap as vendor.
  – Applicants use tool to score projects against priority areas and evaluate housing markets

• Internal use by underwriters to validate scoring and market studies.
American Community Survey

PROGRAM EVALUATION
Evaluating the Neighborhood Stabilization Program

- **Project:**
  Evaluate of market impact of targeted funding towards foreclosure remediation using ACS and Housing Market Data from CoreLogic
NSP Evaluation, Did Investment Improve Market Positions?

1. Create comparable control groups (non-treatment) areas that are similar in market.

   - Homeownership rate 2010 (ACS)
   - Total Housing Units 2010 (ACS)
   - Foreclosure rate 2008 (CoreLogic)
   - Sales Price 2008 (CoreLogic)
   - Change in Median Sales Price 2006-2008 (CoreLogic)

2. Compare market changes between treatment and non-treatment areas.

   - Change in Median Sales Price (CoreLogic)
   - Change in Foreclosure Rate (CoreLogic)
   - Change in Vacancy Rate (USPS/HUD)
# NSP Results: Comparison between Control and Treatment Groups

<table>
<thead>
<tr>
<th>Block Group Type</th>
<th>All Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Change in Median Sales Price</td>
</tr>
<tr>
<td>Control (Little or No NSP)</td>
<td>-12%</td>
</tr>
<tr>
<td>Treatment (Clustered NSP)</td>
<td>-3%</td>
</tr>
<tr>
<td>All Groups</td>
<td>-8%</td>
</tr>
</tbody>
</table>
LESSONS LEARNED, TIPS & TRICKS

American Community Survey
Creating a Common Geography

Zip to Tract Crosswalk
- HUD USPS Published
- Updated Quarterly
- Allocation method based on residential address

http://www.huduser.org/portal/datasets/usps_crosswalk.html
Margins of Error in Small Geographies

More Reliable

Coefficient of Variance $\leq 30\%$
- Census Tracts
- Medians and shares for broader population statistics

Less Reliable

Coefficient of Variance $>30\%$
- Block Groups
- Complex cross tabs about sub populations

Minnesota Tracts

Median Income

CV>30

CV<=30

Source: ACS 2008-2012 Sample
Minnesota Tracts

Poverty Rate

CV>30

CV<=30

Source: ACS 2008-2012 Sample
MINNESOTA HOUSING

American Community Survey @
For More Information

Contact:

Jessica Deegan
Jessica.deegan@state.mn.us
651.297.3120

www.mnhousing.gov