

# Memo

**To:** City Council  
**From:** Bryan Myrkle, Community Development Director  
**Date:** October 5, 2018  
**Re:** Low to Moderate income survey

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As you will likely remember, one of the recommendations given to us by the MEDC during Project Rising Tide was to undertake a community income survey.

## **Benefit**

Cities that are officially designated as “Low to Moderate Income” have access to a range of assistance programs not currently available to Charlotte. This includes downtown façade improvement grants and public infrastructure assistance specifically designated for qualifying communities.

The local projects we have specifically spoken to the MEDC about include both downtown building façade improvements, as well as potential help with M-50 improvements, which could be very, very expensive if pursued.

The potential benefits of getting this designation are very positive for the city, but there is some basic risk associated with survey if it doesn't provide the results we are looking for. Most specifically, the city would have to cover the expense and would get no benefit.

## **Context**

Following the 2010 Census, 49.5% of city households were deemed to be of low or moderate income. The threshold for qualifying is 51%, so we were very close. It also seemed likely that as the economy worsened for

a few years thereafter, that Charlotte may have crossed that threshold and would qualify for the Low/Mod status if a new survey was taken.

However, as time has gone on, the economy has picked-up again, and it's not as easy to predict how the survey results may come out.

I have talked to two different people who have access to commercially available research data that could give us insight as to a possible outcome. I cannot speak to the methodology of this data collection, but it is market research that can be purchased by private entities looking to make economic and financial decisions. This data seems to indicate that some portions of the city might still qualify, but others likely would not – taken as a whole, it seems very possible that the overall economic condition of Charlotte households is better now than in 2010, pushing us further away from the necessary income qualifications (which is not all bad!).

The survey also has to be certified by an official certifying agent preselected by the MEDC. We have been working with a professor at the University of Michigan – Dearborn who is available to do this. He has also cautioned us, saying that it will be difficult to obtain results strong enough to overturn census data. He says this due to both proposed methodology and regional economic trends.

There is also another census looming in 2020, and when that data is released, sometime between 2020 and 2023 (approx.), it will override any results from this survey, good or bad.

### **Cost**

Without knowing the exact methodology or availability of survey consultants willing to undertake this project, the City budgeted \$10,000 for the survey in the current fiscal year.

We released a request for proposals earlier this year and received two very good proposals from reputable firms able to do the work. However, depending on local response rate, the cost for either proposal will range from \$20,000 to \$25,000.

This is obviously more than we have budgeted, but could be justified based on the potential for significant financial assistance coming to the city if the results are favorable.

## **Decision**

I believe your decision as to whether to pursue this survey comes down to your willingness to take a risk – with the possibility of a significant reward and the possibility of no reward at all.

The potential return on investment here is large if the survey is successful.

Should the city decide to pursue significant improvements to M-50 and qualifies for assistance based on this income designation, the benefit could be measured in the millions of dollars.

With all of the recent development activity in Charlotte and the renewed sense of energy surrounding downtown, this may be a time when greater risk can be tolerated. That said, there are certainly other things the city could do with the money it would spend on this survey.

If Council indicates a desire to pursue the survey, I will come back to your next meeting with a recommendation for which firm and methodology to pursue, as well as a proposed implementation schedule.

If it does not, I will inform the State of Michigan and the two respondents that we are not moving forward with the project.

*Please contact me at (517) 543-8853 if you have any questions about this memo prior to your meeting.*