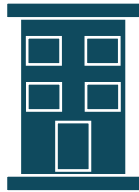
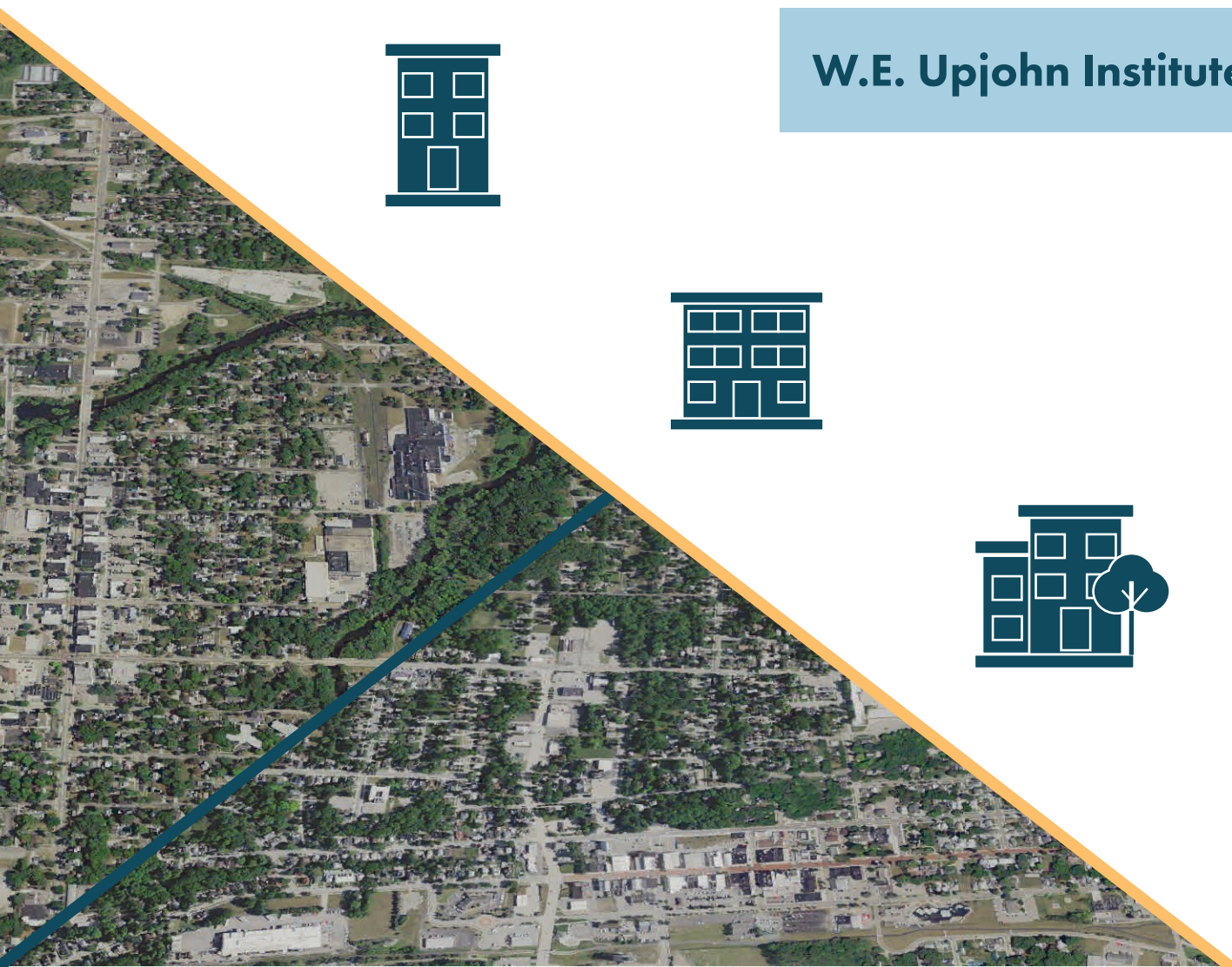


# Montcalm and Ionia Counties Housing Plan



W.E. Upjohn Institute for Employment Research

Spring 2022



# Contents

|  |    |
|--|----|
| <b>Introduction</b> .....                      | 4  |
| Creating This Plan .....                       | 5  |
| Vision .....                                   | 5  |
| Housing Continuum .....                        | 6  |
| <b>Housing Assessment</b> .....                | 7  |
| About the Data .....                           | 8  |
| Geography .....                                | 11 |
| Population and Households .....                | 12 |
| Age .....                                      | 16 |
| Tenure .....                                   | 18 |
| Income to Afford Rent .....                    | 19 |
| Cost Burden .....                              | 24 |
| Housing Units .....                            | 30 |
| Aging Housing Stock .....                      | 31 |
| <b>Housing Supply and Demand</b> .....         | 34 |
| Current Demand .....                           | 35 |
| Housing Preferences .....                      | 36 |
| Impacts of Great Recession .....               | 37 |
| Future Demand .....                            | 38 |
| <b>Strategies and Community Feedback</b> ..... | 39 |
| Challenges and Strategies .....                | 40 |

|  |    |
|--|----|
| <b>Appendix</b> .....                    | 47 |
| Other Strategies .....                   | 48 |
| MSHDA Tools .....                        | 50 |
| MEDC Tools .....                         | 51 |
| Ownership Structures .....               | 52 |
| General Housing Conversation Notes ..... | 54 |

## Charts

|   |    |
|---|----|
| 1. Michigan Population Pyramid, 2019 .....  | 16 |
| 2. Montcalm & Ionia Population Pyramid, 2019 .....                                    | 16 |
| 3. Seniors in Montcalm & Ionia, 2019 .....  | 17 |
| 4. Montcalm & Ionia Income by Age, 2019 .....   | 17 |
| 5. Montcalm & Ionia Owner vs. Renter .....  | 19 |
| 6. Montcalm & Ionia Homeownership by Age .....  | 19 |
| 7. Income and Housing Burden for Renters, 2021 .....                                  | 36 |
| 8. Income and Housing Burden for Owners, 2021 .....                                   | 36 |
| 9. Housing Preferences and Existing Housing Stock .....                               | 37 |
| 10. Units Needed by Income Level Units by Type to Meet Household Formation .....      | 38 |
| 11. Units by Type to Meet Household Formation .....                                   | 38 |
| 12. Producer Price Index: Net Inputs to Residential Construction, United States ..... | 40 |

# Contents

## Images

1. Housing Continuum ..... 6
2. Housing Types ..... 42

## Tables

1. Census Tract to County Subdivision, Montcalm ..... 11
2. Census Tract to County Subdivision, Ionia ..... 11
3. Population 2014–2019, Montcalm ..... 12
4. Population 2014–2019, Ionia ..... 12
5. Tenure by Household Size, Montcalm and Ionia ..... 13
6. Race 2014–2019, Montcalm and Ionia ..... 13
7. Homeownership 2014–2019, Montcalm ..... 18
8. Homeownership 2014–2019, Ionia ..... 18
9. Housing Units 2014–2019, Montcalm ..... 30
10. Housing Units 2014–2019, Ionia ..... 30
11. Year Structure Was Built, Montcalm and Ionia ..... 31
12. Affordable Units to Alleviate Overburdened Renters,  
Estimate 2021 ..... 35
13. Affordable Units to Alleviate Overburdened  
Homeowners, Estimate 2021 ..... 35
14. How Strategies Will Impact Housing Needs ..... 46

## Maps

1. Montcalm Subdivision by Census Tract ..... 9
2. Ionia Subdivision by Census Tract ..... 10
3. Montcalm Population Percent Change, 2014–2019 ..... 14
4. Ionia Population Percent Change, 2014–2019 ..... 15
5. Montcalm Homeownership Percent Change ..... 20
6. Ionia Homeownership Percent Change ..... 21
7. Montcalm Income Needed to Afford Median Rent, 2019 .... 22
8. Ionia Income Needed to Afford Median Rent ..... 23
9. Montcalm Cost-Burdened Homeowners, 2019 ..... 26
10. Ionia Cost-Burdened Homeowners, 2019 ..... 27
11. Montcalm Cost-Burdened Renters ..... 28
12. Ionia Cost-Burdened Renters ..... 29
13. Montcalm Housing Units Percent Change, 2014–2019 ..... 32
14. Ionia Housing Units Percent Change, 2014–2019 ..... 33

1

# Introduction

# Introduction

## Creating This Plan

In 2020 the Upjohn Institute was asked to complete a housing study for Montcalm and Ionia Counties. With some delays due to the Covid-19 pandemic, the plan started to take shape in 2021. Stakeholders decided that Montcalm and Ionia Counties needed a comprehensive housing plan to form a shared vision around how to address housing challenges and opportunities across the entire two county region. The purpose of this plan is to guide the future investments and efforts that are required to sustain housing in Montcalm and Ionia. Financing for the plan was contributed by the United Way of Montcalm-Ionia and the Greenville Area Community Foundation.

## Vision

Montcalm and Ionia are welcoming places for people of all ages who enjoy life on the water, rural living, and small-town character. The housing has a range of options for new and current residents, and owners are able to maintain their homes for future generations. Residents, businesses, organizations, and governments work together to address housing issues because they recognize that the county's housing stock is a shared community asset. As a result, housing options for all types and prices have been created, allowing residents to have economic stability.

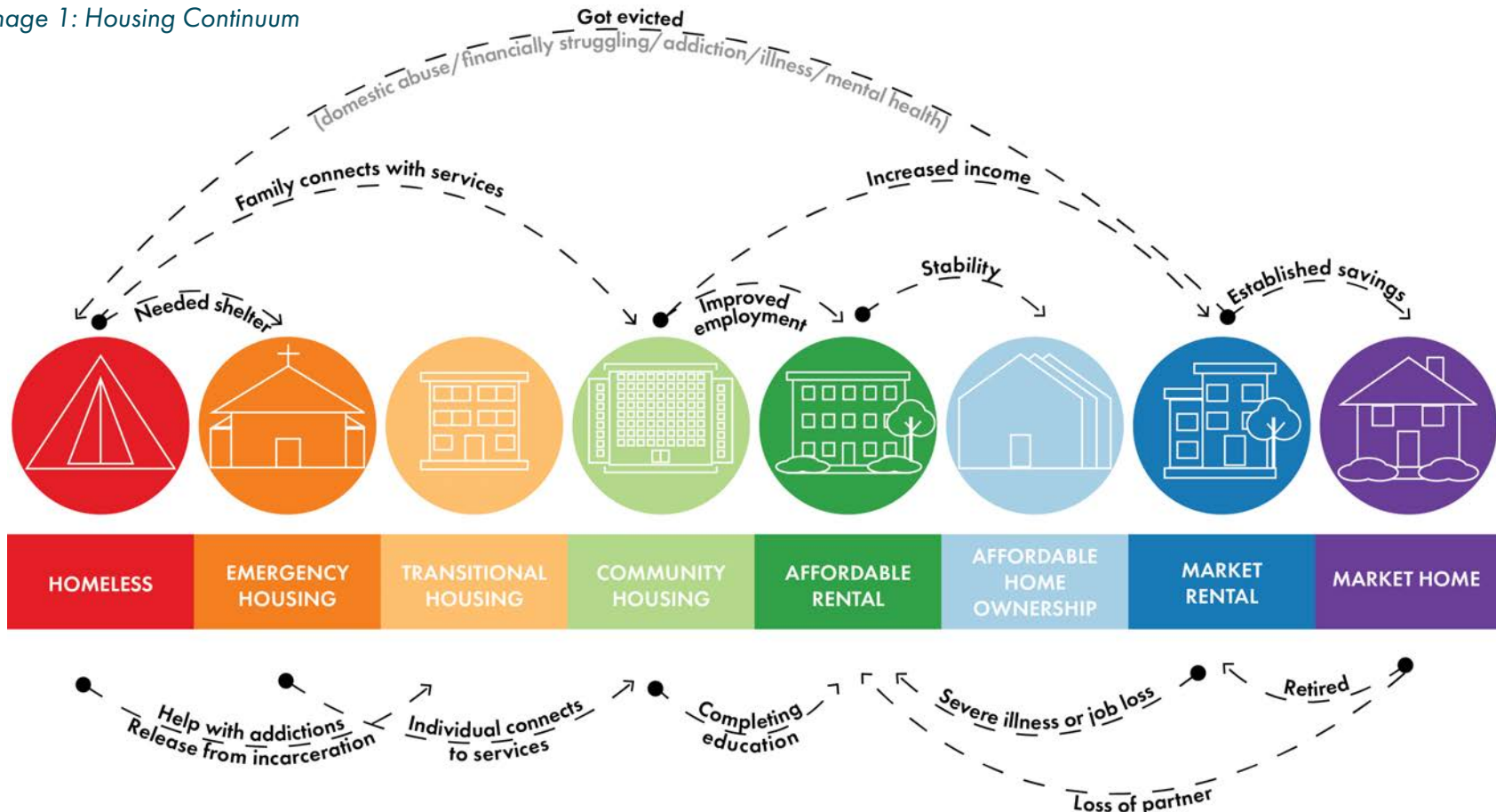
# Introduction

## Housing Continuum

The housing continuum demonstrates the range of housing types in which individuals may live during their lifetimes. A healthy housing market has options for any stage. Individuals can move in any direction at any point in their lives. A healthy community has options

along this continuum in order to allow residents to not only stay in their community through each stage, but, more importantly, to thrive through economic stability.

Image 1: Housing Continuum



These are a few examples of how people might move within the housing continuum.

Source: Housing Continuum Image Courtesy of United Way of Halifax (Canada)

# 2

## Housing Assessment

# Housing Assessment

## About the Data

Most data gathered for this report is sourced by the Upjohn Team from the American Community Survey (ACS), namely the 2019 five-year estimates and the 2014 five-year estimates, which is a product of the US Census Bureau. Census data is collected through a self-reported survey; as such, it is possible that respondents did not provide entirely accurate responses. Nonetheless, the US Census Bureau remains a reliable data source for subjects covered in this report. Not all variables identified in this report were available on the county subdivision level; therefore, data was pulled on the census tract level.

## Data Limitations

Census tracts are generally drawn to contain a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Many of the municipalities in Montcalm and Ionia Counties do not meet the population threshold to have their own census tract individually; therefore, many census tracts often contain multiple municipalities. Furthermore, several municipalities are split across multiple census tracts. Please reference the county subdivision to census tract tables and the county subdivision by census tract maps (Maps 1 and 2 on the following two pages) for a visual representation of the census tract and county subdivision boundaries.

The correctional facilities located in Ionia County create an additional limitation to the data. There are four correctional facilities in Ionia County: the Ionia Correctional Facility, Richard A. Handlon Correctional Facility, and Bellamy Creek Correctional Facility are located in census tract 9822; the Michigan Reformatory is located in census tract 321. Those housed in the correctional facilities are counted toward the population estimates for the tracts in which the facilities are located, but that population is not counted in most other variables, especially those concerning housing. Due to the lack of information available for tract 9822, it is excluded from most analyses in this report.



# Housing Assessment

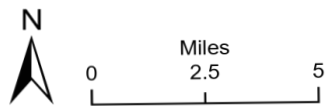
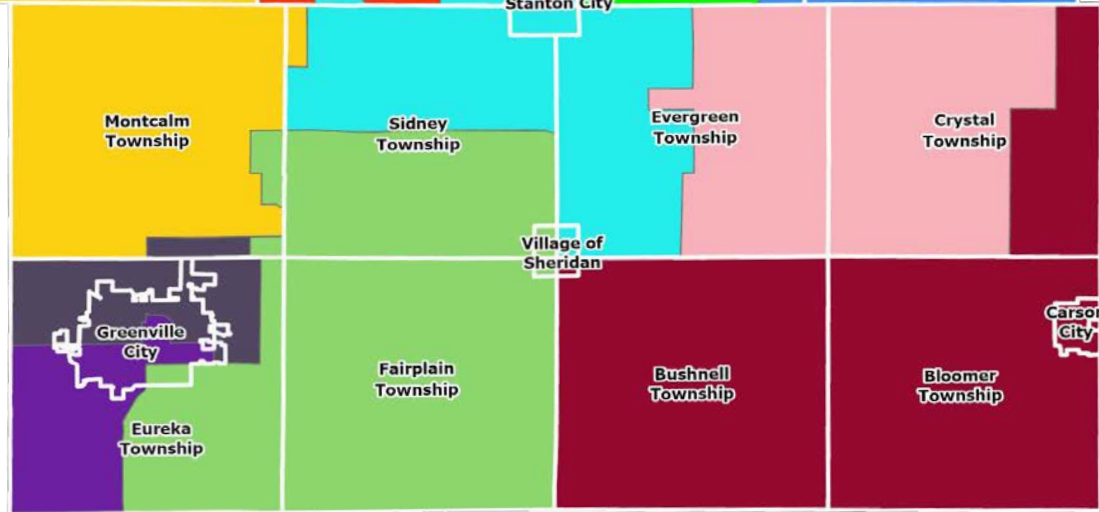
Map 1: Montcalm Subdivision by Census Tract



## Montcalm County

### County Subdivision by Census Tract

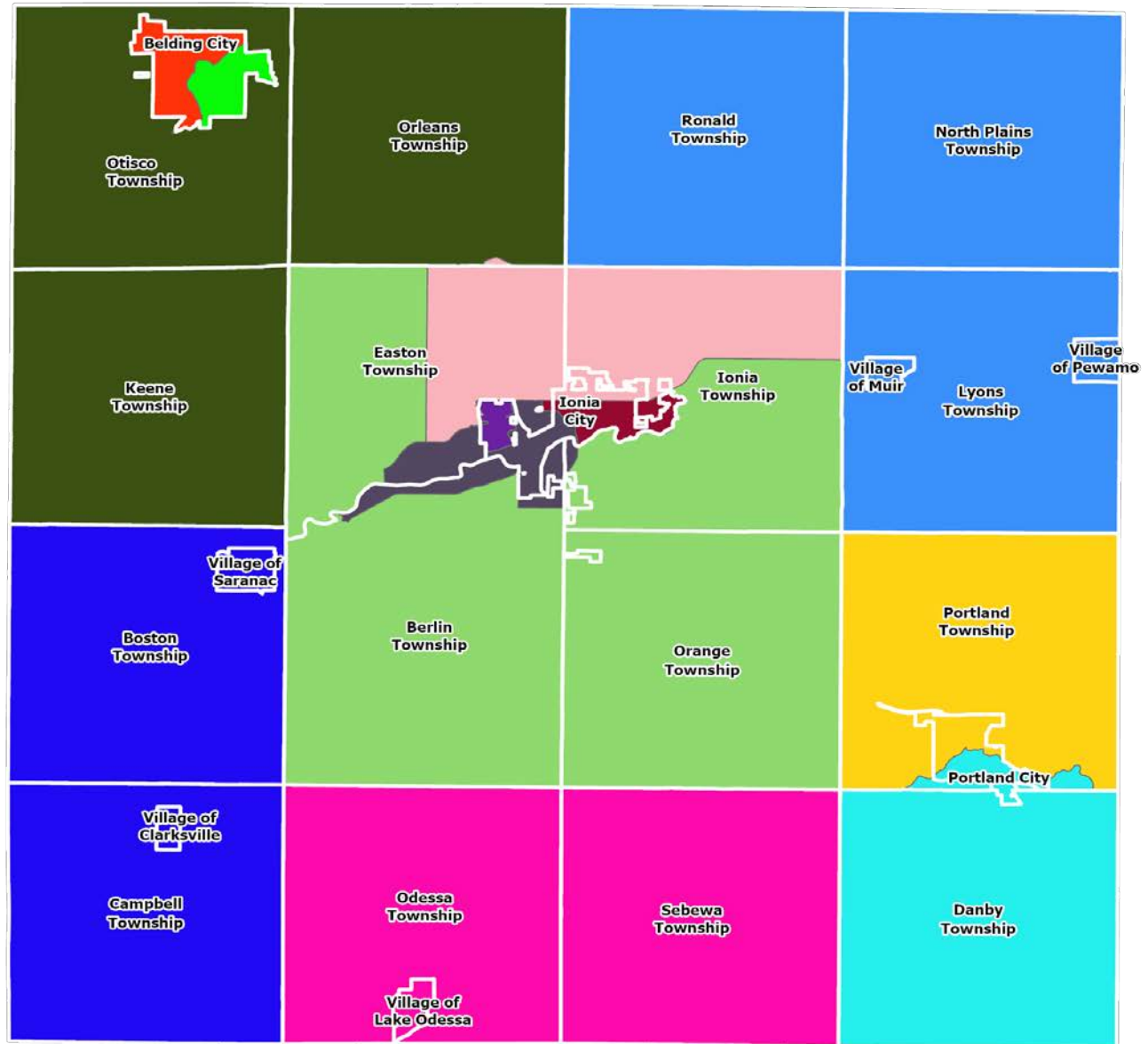
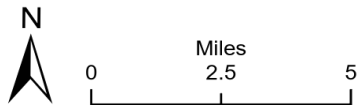
- Census Tract 9701
- Census Tract 9702
- Census Tract 9703
- Census Tract 9704
- Census Tract 9705
- Census Tract 9706
- Census Tract 9707
- Census Tract 9708
- Census Tract 9709
- Census Tract 9710
- Census Tract 9711
- Census Tract 9712
- Census Tract 9713



# Housing Assessment

Map 2: Ionia Subdivision by Census Tract

- Ionia County**  
**County Subdivision**  
**by Census Tract**
- Census Tract 301
  - Census Tract 302
  - Census Tract 303
  - Census Tract 304
  - Census Tract 312
  - Census Tract 313
  - Census Tract 314
  - Census Tract 315
  - Census Tract 316
  - Census Tract 317
  - Census Tract 319
  - Census Tract 321
  - Census Tract 9822



# Housing Assessment

## Geography

Montcalm County and Ionia County are located east of Grand Rapids, northwest of Lansing, and south of Big Rapids. Both Counties are part of the Grand Rapids-Kentwood Metropolitan Statistical Area (along with Kent and Ottawa Counties). Major highways pass through each county. U.S. Route 131 runs through the panhandle of Montcalm County, while Interstate 96 runs through south-central Ionia County. Additionally, M-66 runs north-south through central Montcalm and Ionia Counties, and M-46 runs east-west through northern Montcalm County.

Montcalm County consists of three cities, six villages, and 10 townships. Ionia County consists of three cities, eight villages, and 16 townships. Moreover, both Montcalm and Ionia Counties contain 13 census tracts, for a combined total of 26 census tracts in the analysis area. The most populous villages and cities in Montcalm County are the Greenville City, the Village of Howard City, Stanton City (County Seat), the Village of Lakeview, and Carson City. The most populous cities in Ionia County are Belding, Ionia (County Seat), and Portland. Moreover, these areas are frequently referenced in the report.

*Table 1: Census Tract to County Subdivision, Montcalm*

| Tract | County   | County Subdivision   | Village         |
|-------|----------|--|-----------------|
| 9701  | Montcalm | Richland Township, Ferris Township, Day Township, Home Township                          |                 |
| 9702  | Montcalm | Home Township, Day Township  | Edmore, McBride |
| 9703  | Montcalm | Belvidere Township, Douglass Township, Pine Township                                     |                 |
| 9704  | Montcalm | Cato Township, Belvidere Township  | Lakeview        |
| 9705  | Montcalm | Reynolds Township, Winfield Township, Cato Township                                      | Howard City     |
| 9706  | Montcalm | Pierson Township, Maple Valley Township  | Pierson         |
| 9707  | Montcalm | Pine Township, Montcalm Township, Cato Township, Sidney Township                         |                 |
| 9708  | Montcalm | Stanton City, Sidney Township, Evergreen Township, Douglass Township, Day Township       | Sheridan        |
| 9709  | Montcalm | Evergreen Township, Crystal Township   |                 |
| 9710  | Montcalm | Carson City, Bushnell Township, Bloomer Township, Crystal Township                       | Sheridan        |
| 9711  | Montcalm | Eureka Township, Greenville City, Montcalm Township, Sidney Township, Fairplain Township | Sheridan        |
| 9712  | Montcalm | Eureka Township, Greenville City, Montcalm Township                                      |                 |
| 9713  | Montcalm | Eureka Township, Greenville City   |                 |

Source: 2019 ACS, 5 yr Estimates

*Table 2: Census Tract to County Subdivision, Ionia*

| Tract | County | County Subdivision  | Village              |
|-------|--------|---|----------------------|
| 301   | Ionia  | Ronald Township, North Plains Township, Lyons Township                        | Muir, Pewamo         |
| 302   | Ionia  | Belding City  |                      |
| 303   | Ionia  | Belding City  |                      |
| 304   | Ionia  | Otisco Township, Orleans Township, Keene Township                             |                      |
| 312   | Ionia  | Odessa Township, Sebewa Township  | Lake Odessa          |
| 313   | Ionia  | Boston Township, Campbell Township  | Clarksville, Saranac |
| 314   | Ionia  | Portland Township, Portland City  |                      |
| 315   | Ionia  | Danby Township, Portland City   |                      |
| 316   | Ionia  | Easton Township, Ionia Township, Ionia City                                   |                      |
| 317   | Ionia  | Easton Township, Ionia Township, Ionia City                                   |                      |
| 319   | Ionia  | Easton Township, Ionia Township, Ionia City, Berlin Township, Orange Township |                      |
| 321   | Ionia  | Easton Township, Ionia Township, Ionia City, Berlin Township                  |                      |
| 9822  | Ionia  | Ionia City  |                      |

Source: 2019 ACS, 5 yr Estimates

# Housing Assessment

## Population and Households

In order to design an effective housing plan, it is vital to consider the unique demographics of a community and how the current housing supply may or may not serve their needs. Such background information helps identify opportunities to better match housing supply to housing need.

### Population

In 2019, the populations of Montcalm and Ionia Counties stood at 63,413 and 64,300, respectively. From 2014 to 2019, they grew by 0.58% and 0.51%. This is slightly lower than the overall growth

rate for Michigan of 0.78% throughout the same period. The fastest growing census tracts in Ionia County are in the northeast and central townships. Seven out of the 12 non-correctional facility census tracts in Ionia County increased in population between 2014 and 2019. The tract with the largest decrease in population, 321 (Ionia City), lost 12.42% of its population. The fastest growing census tracts in Montcalm County include Pine, Montcalm, Douglass, Day, and Home Townships, along with parts of Greenville City and Belvidere Township. The largest decreases in population occurred in the southeast section of the county: Bushnell Township, Bloomer Township, and Carson City. Stanton City and the surrounding area also decreased in population.

Table 3: Population 2014–2019, Montcalm

| Tract | County   | 2014 | 2019 | Change |
|-------|----------|------|------|--------|
| 9701  | Montcalm | 4390 | 4520 | 2.96%  |
| 9702  | Montcalm | 3300 | 3467 | 5.06%  |
| 9703  | Montcalm | 3094 | 3373 | 9.02%  |
| 9704  | Montcalm | 3175 | 3234 | 1.86%  |
| 9705  | Montcalm | 7997 | 7617 | -4.75% |
| 9706  | Montcalm | 5230 | 5205 | -0.48% |
| 9707  | Montcalm | 4997 | 5591 | 11.89% |
| 9708  | Montcalm | 4852 | 4622 | -4.74% |
| 9709  | Montcalm | 3256 | 3198 | -1.78% |
| 9710  | Montcalm | 7198 | 6704 | -6.86% |
| 9711  | Montcalm | 4915 | 5092 | 3.60%  |
| 9712  | Montcalm | 5537 | 5910 | 6.74%  |
| 9713  | Montcalm | 5105 | 4880 | -4.41% |

Source: 2019 ACS, 5 yr Estimates

Table 4: Population 2014–2019, Ionia

| Tract | County | 2014 | 2019 | Change  |
|-------|--------|------|------|---------|
| 301   | Ionia  | 6276 | 6761 | 7.73%   |
| 302   | Ionia  | 2897 | 2906 | 0.31%   |
| 303   | Ionia  | 2867 | 2812 | -1.92%  |
| 304   | Ionia  | 6946 | 6579 | -5.28%  |
| 312   | Ionia  | 4954 | 5120 | 3.35%   |
| 313   | Ionia  | 8209 | 8036 | -2.11%  |
| 314   | Ionia  | 4667 | 4703 | 0.77%   |
| 315   | Ionia  | 5629 | 5687 | 1.03%   |
| 316   | Ionia  | 5722 | 5395 | -5.71%  |
| 317   | Ionia  | 4301 | 4597 | 6.88%   |
| 319   | Ionia  | 6039 | 6502 | 7.67%   |
| 321   | Ionia  | 2318 | 2030 | -12.42% |
| 9822  | Ionia  | 3151 | 3172 | 0.67%   |

Source: 2019 ACS, 5 yr Estimates

# Housing Assessment

## Household Size

The total number of households in Montcalm and Ionia increased by 1,518 households between 2014 and 2019. This is an increase of 3.3%, a higher growth rate than that of the population. The number of relatively small households (1–3 persons) and relatively large households (6 and above) is increasing, while the number of medium size households (4–5 persons) is decreasing. While remaining the smallest category of households, the number of households with 7 or more people had the highest growth rate, increasing by 51.5%.

Table 5: Tenure by Household Size, Montcalm and Ionia

| Household size       | 2014           |                 | 2014           |                 | 2019           |                 | 2019           |                 |
|----------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|
|                      | Owner Occupied | Renter Occupied | Owner Occupied | Renter Occupied | Owner Occupied | Renter Occupied | Owner Occupied | Renter Occupied |
| 1-person Household   | 8,047          | 17.7%           | 3,327          | 7.3%            | 7,777          | 16.6%           | 3,837          | 8.2%            |
| 2-person Household   | 13,863         | 30.6%           | 2,376          | 5.2%            | 14,659         | 31.3%           | 2,804          | 6.0%            |
| 3-person Household   | 5,424          | 12.0%           | 1,613          | 3.6%            | 5,703          | 12.2%           | 1,568          | 3.3%            |
| 4-person Household   | 4,868          | 10.7%           | 1,160          | 2.6%            | 4,129          | 8.8%            | 1,476          | 3.1%            |
| 5-person Household   | 2,428          | 5.4%            | 694            | 1.5%            | 2,396          | 5.1%            | 551            | 1.2%            |
| 6-person Household   | 767            | 1.7%            | 277            | 0.6%            | 946            | 2.0%            | 251            | 0.5%            |
| 7 + person Household | 381            | 0.8%            | 134            | 0.3%            | 657            | 1.4%            | 123            | 0.3%            |

Source: 2019 ACS, 5 yr Estimates

## Race

The majority (94.5%) of residents in Montcalm and Ionia Counties identify as White. The racial demographic proportions of the two counties have not changed greatly from 2014 to 2019. These estimates exclude Ionia County tract 9822 to not count already housed, incarcerated individuals.

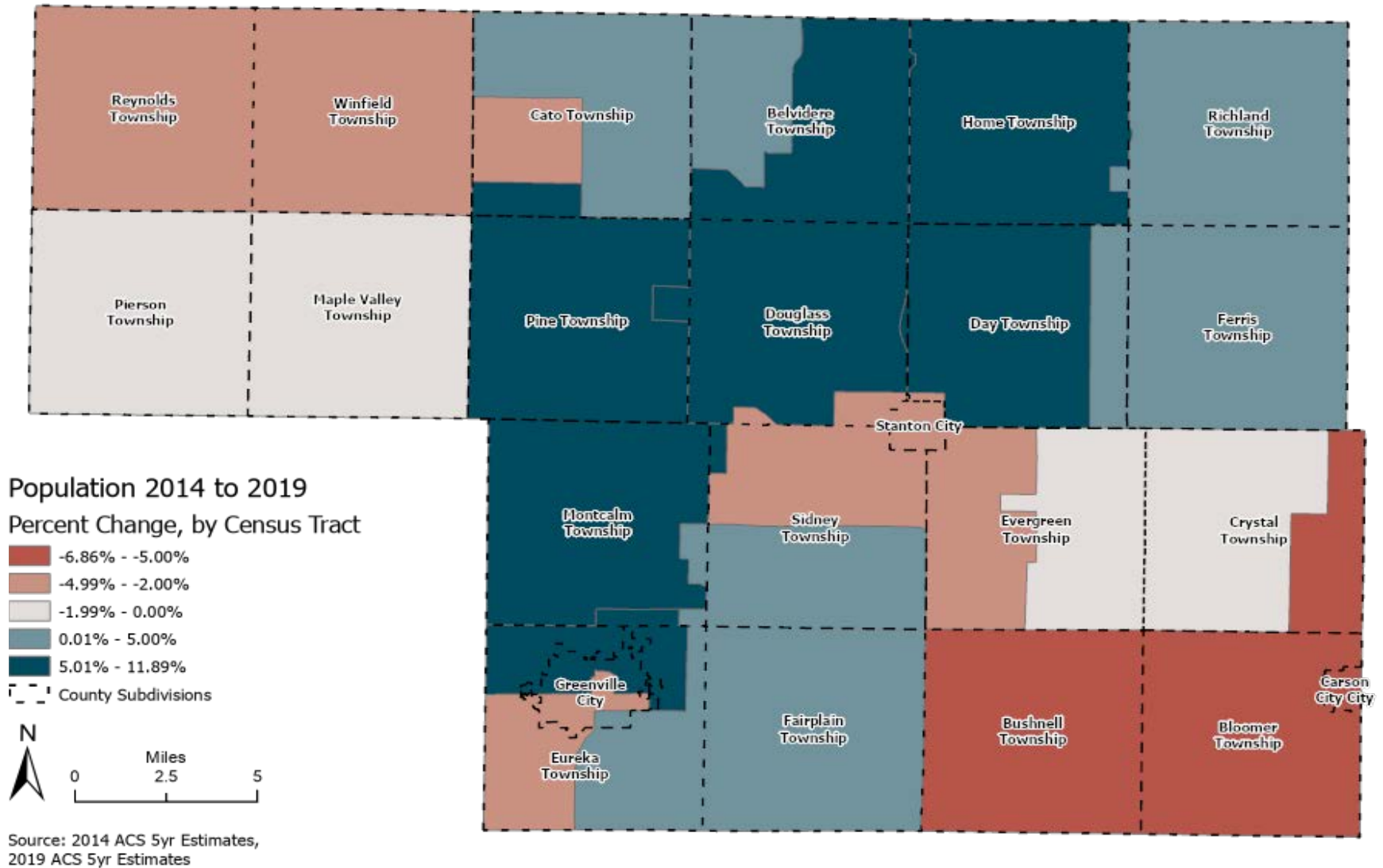
Table 6: Race 2014-2019, Montcalm and Ionia

| Race                               | Population 2014 |       | Population 2019 |       |
|------------------------------------|-----------------|-------|-----------------|-------|
| Two or More Races                  | 3,543           | 2.8%  | 2,484           | 2.0%  |
| White                              | 117,555         | 92.5% | 117,649         | 94.5% |
| Black or African American          | 3,888           | 3.1%  | 2,755           | 2.2%  |
| Some Other Race                    | 2,036           | 1.6%  | 1,653           | 1.3%  |
| Hispanic Ethnicity<br>*Of Any Race | 4,951           | 3.0%  | 5,100           | 4.1%  |
| Total Population                   | 127,022         | 100%  | 124,541         | 100%  |

Source: 2019 ACS, 5 yr Estimates

# Housing Assessment

Map 3: Montcalm Population Percent Change, 2014–2019



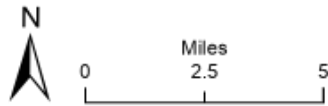
# Housing Assessment

Map 4: Ionia Population Percent Change, 2014–2019

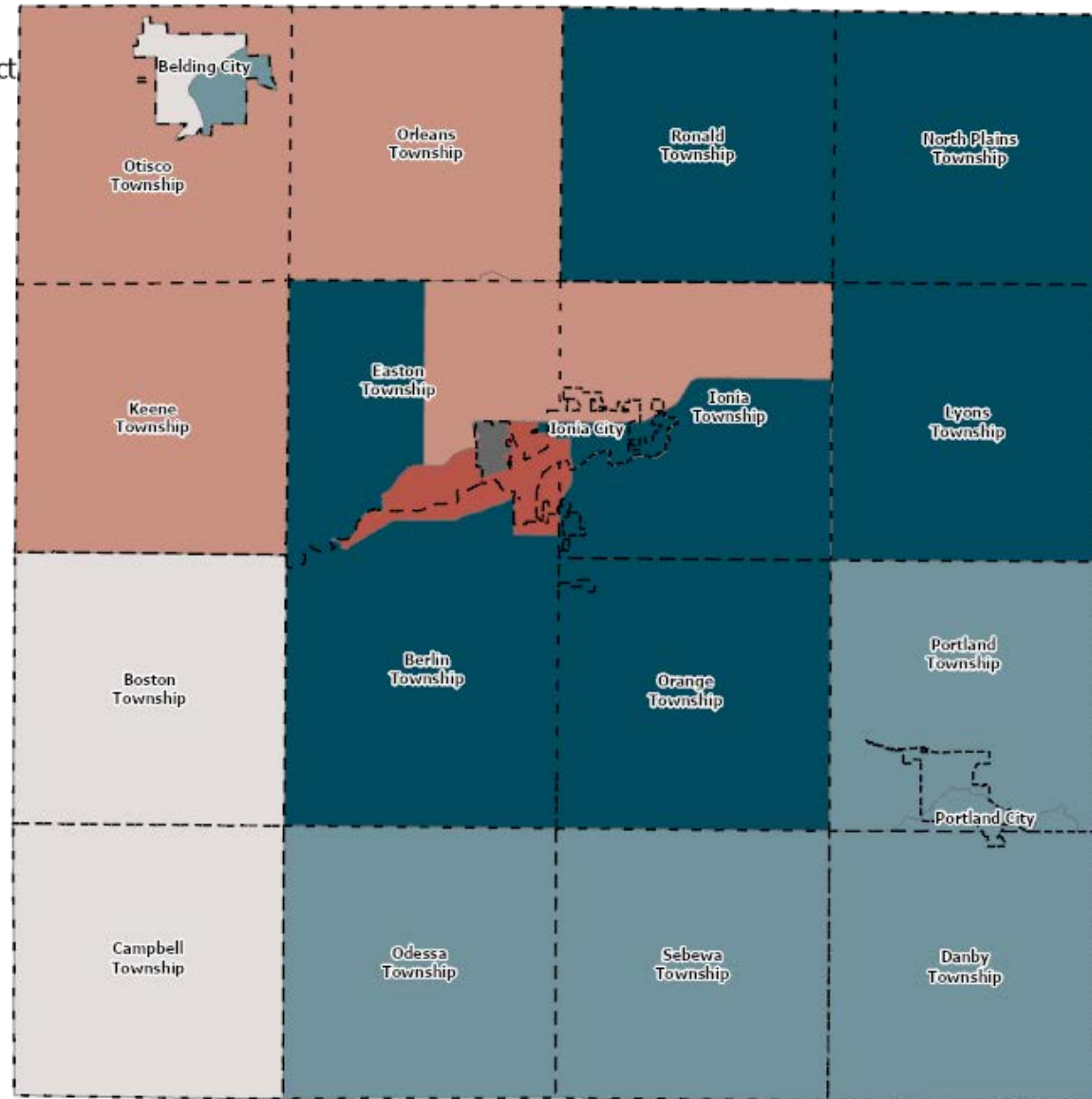
Population 2014 to 2019  
Percent Change, by Census Tract

- 12.42% - -6.00%
- 5.99% - -3.00%
- 2.99% - 0.00%
- 0.01% - 5.00%
- 5.01% - 7.73%
- NULL

County Subdivisions



Source: 2014 ACS 5yr Estimates,  
2019 ACS 5yr Estimates

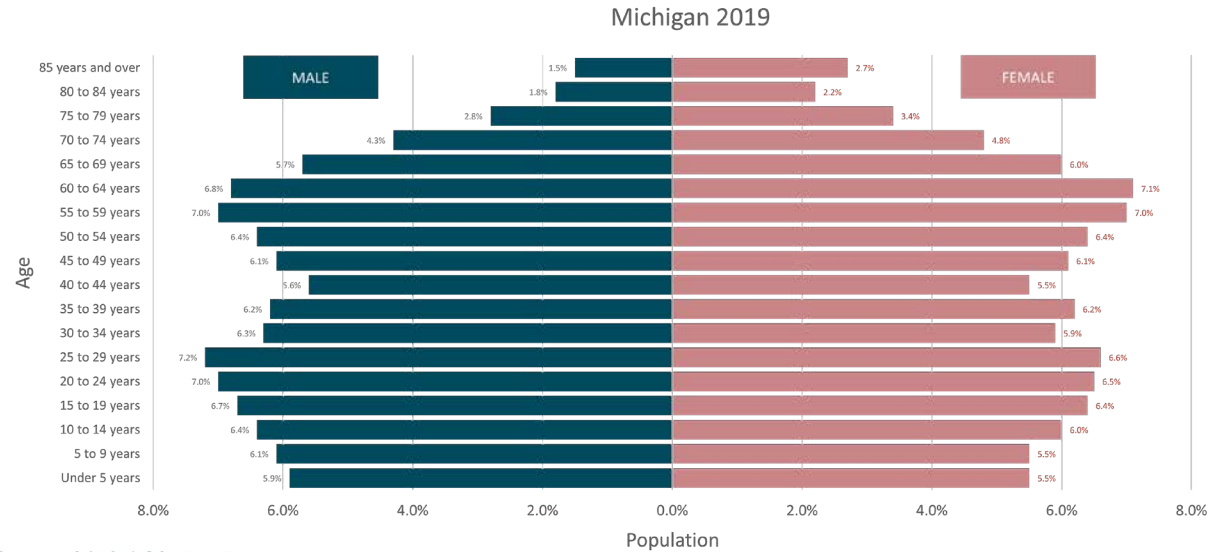


# Housing Assessment

## Age

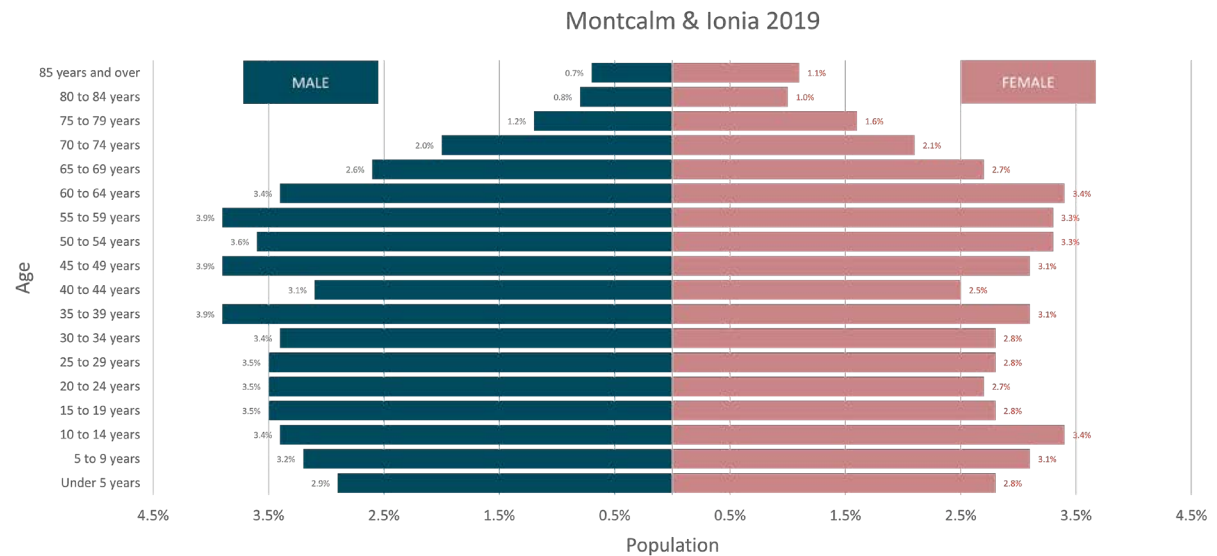
In 2019, 77.2% of the residents of Montcalm and Ionia Counties were adults. The median age in Montcalm County (40.7 years) is slightly higher than that of the state of Michigan overall (39.7 years), while the median age in Ionia County (38.7 years) is slightly lower.

Chart 1: Michigan Population Pyramid, 2019



Source: 2019 ACS, 5 yr Estimates

Chart 2: Montcalm & Ionia Population Pyramid, 2019



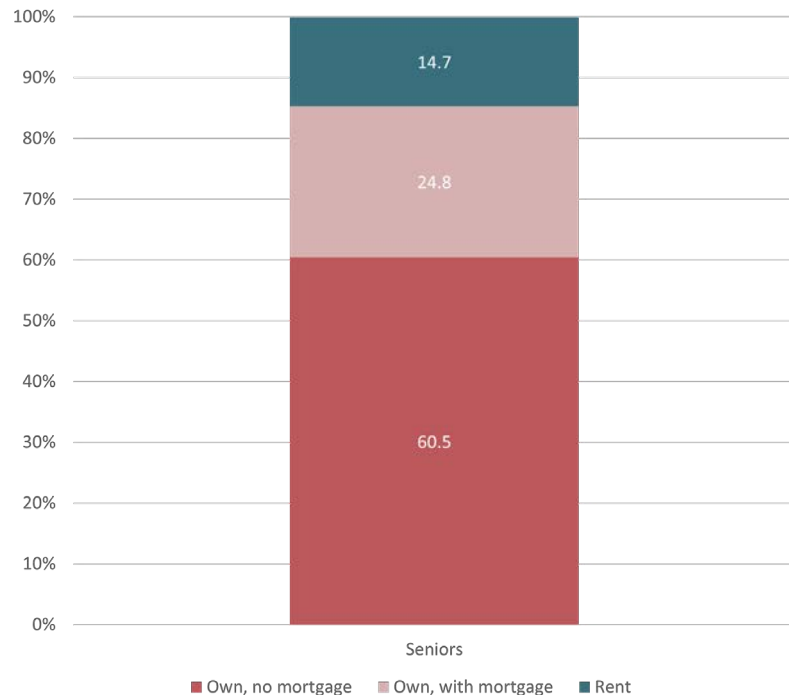
Source: 2019 ACS, 5 yr Estimates



# Housing Assessment

Of the overall population in the two counties, 15.8% is comprised of senior-aged individuals, those 65 years or older. Of those seniors, 85.3% own the homes they live in; the remaining 14.7% rent. Just shy of one-third (29%) of seniors who own homes have a mortgage. This is lower than the national rate for the same group, which is 37%. The portion of seniors in the two counties that have a rent or mortgage payment is 39.5%. This is consequential because seniors are more likely to have lower incomes.

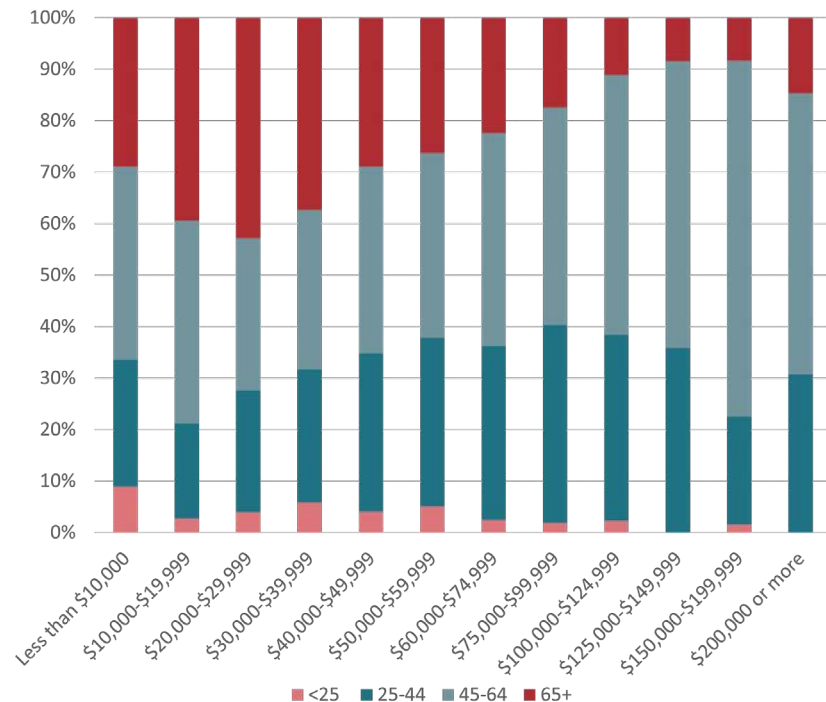
Chart 3: Seniors In Montcalm & Ionia, 2019



Source: 2019 ACS, 5 yr Estimates

Thirty-seven percent of seniors make less than \$30,000 per year, 21% make less than \$20,000 per year and 5.7% make less than \$10,000 per year. The median income needed to afford rent ranges from \$18,240 to \$34,423, indicating potential difficulty for some groups of seniors to afford rent. The median annual cost of homeownership for those with mortgages in the two counties is \$31,692, also indicating a potential struggle. Other issues that may affect senior residents in particular include aging housing stock with the associated costly repairs and the limited availability of smaller housing units for seniors who wish to downsize.

Chart 4: Montcalm & Ionia Income by Age, 2019



Source: 2019 ACS, 5 yr Estimates

# Housing Assessment

## Tenure

The rate of homeownership in Ionia and Montcalm Counties decreased by 1.5 percentage points between 2014 and 2019. In 2019, 77.4% of residents owned their homes, while the remaining 22.6% rented. Homeownership rates generally increase with age. Approximately three-quarters of the 35–44-year-old group own their homes.

While the overall rate of homeownership decreased, it increased for specific age groups. The proportion of residents under age 25

who own their home increased by 15.1 percentage points over the five-year period. The rates of homeownership amongst the 25–34-year-old group and the 85 and older group also increased slightly. In Montcalm County, the largest increase in the rate of homeownership occurred in Stanton City and the surrounding area. The largest decline in the rate of homeownership occurred in Pine and Montcalm Townships. In Ionia County, the largest increase in the rate of homeownership occurred in Boston and Campbell Townships, while the largest decline occurred in Danby Township and parts of Belding City and Portland City.

Table 7: Homeownership 2014–2019, Montcalm

| Tract | County   | 2014<br>% Homeowners | 2019<br>% Homeowners | Change |
|-------|----------|----------------------|----------------------|--------|
| 9701  | Montcalm | 85.4%                | 82.3%                | -3.7%  |
| 9702  | Montcalm | 74.6%                | 69.8%                | -6.4%  |
| 9703  | Montcalm | 88.1%                | 88.9%                | 0.9%   |
| 9704  | Montcalm | 81.3%                | 75.1%                | -7.7%  |
| 9705  | Montcalm | 84.4%                | 84.0%                | -0.5%  |
| 9706  | Montcalm | 85.8%                | 85.6%                | -0.2%  |
| 9707  | Montcalm | 91.1%                | 81.1%                | -11.0% |
| 9708  | Montcalm | 69.5%                | 77.9%                | 12.0%  |
| 9709  | Montcalm | 85.3%                | 82.4%                | -3.4%  |
| 9710  | Montcalm | 79.1%                | 75.5%                | -4.6%  |
| 9711  | Montcalm | 78.6%                | 82.3%                | 4.7%   |
| 9712  | Montcalm | 72.8%                | 73.2%                | 0.6%   |
| 9713  | Montcalm | 60.1%                | 58.0%                | -3.6%  |

Source: 2019 ACS, 5 yr Estimates

Table 8: Homeownership 2014–2019, Ionia

| Tract | County | 2014<br>% Homeowners | 2019<br>% Homeowners | Change |
|-------|--------|----------------------|----------------------|--------|
| 301   | Ionia  | 85.3%                | 84.0%                | -1.5%  |
| 302   | Ionia  | 71.9%                | 64.3%                | -10.7% |
| 303   | Ionia  | 57.4%                | 53.9%                | -6.1%  |
| 304   | Ionia  | 86.7%                | 81.3%                | -6.2%  |
| 312   | Ionia  | 81.0%                | 80.3%                | -0.9%  |
| 313   | Ionia  | 81.8%                | 88.7%                | 8.4%   |
| 314   | Ionia  | 85.2%                | 86.7%                | 1.7%   |
| 315   | Ionia  | 80.0%                | 71.5%                | -10.6% |
| 316   | Ionia  | 69.1%                | 69.2%                | 0.1%   |
| 317   | Ionia  | 66.9%                | 61.8%                | -7.6%  |
| 319   | Ionia  | 79.0%                | 78.8%                | -0.3%  |
| 321   | Ionia  | 80.3%                | 72.3%                | -10.0% |

Source: 2019 ACS, 5 yr Estimates

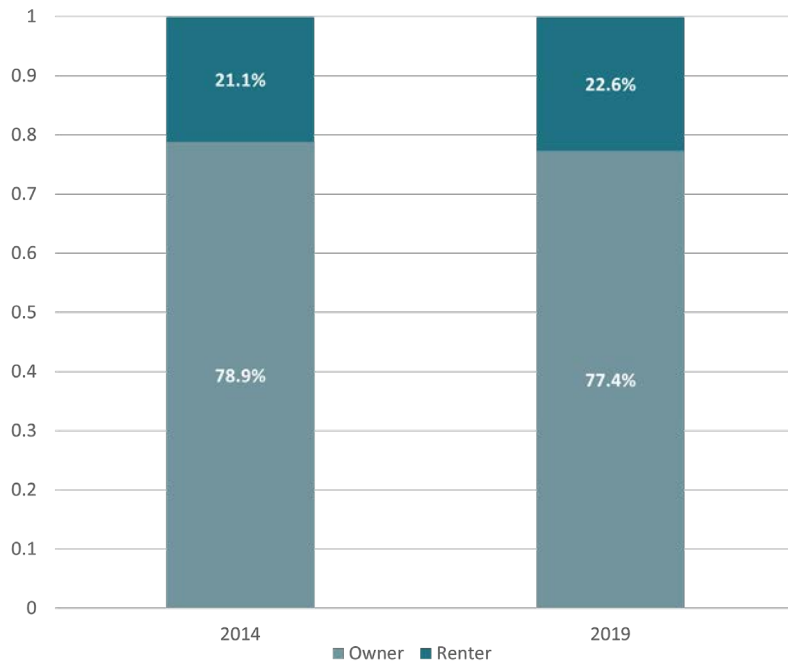
# Housing Assessment

## Income to Afford Rent

In Montcalm County, tracts 9706 (Pierson and Maple Valley Townships) and 9712 (northern portion of Greenville City and Eureka Township) have the highest incomes needed to afford median rent, between \$28,001 and \$28,114. Tracts 9703, 9711, and 9713 have the lowest incomes needed to afford median rent, between \$20,262 and \$22,000. While the approximately \$8,000 difference seems small, it roughly equates to working for 40 hours a week at \$11 an hour versus \$15 an hour.

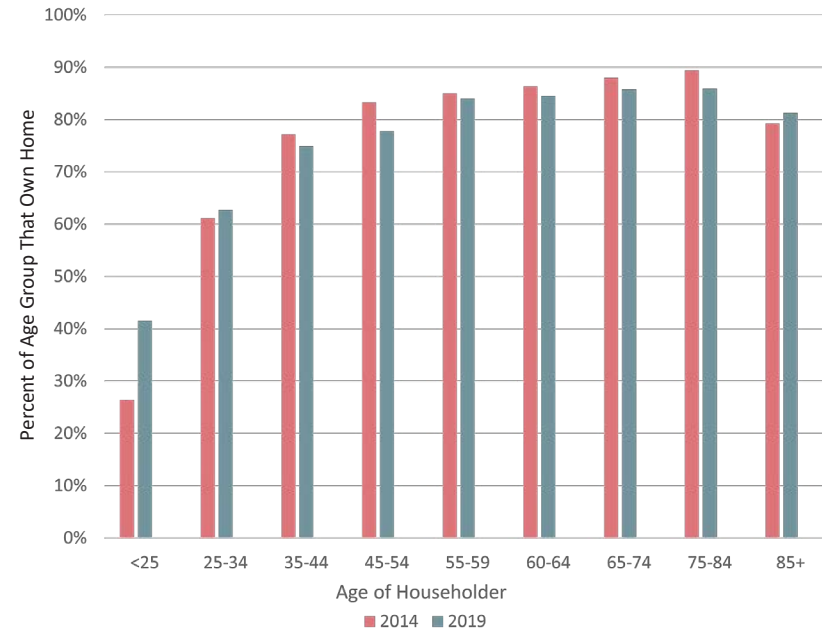
Tracts 302 (east portion of Belding City), 314 (Portland Township and northern portion of Portland City), and 315 (Danby Township and southern portion of Portland City) in Ionia County have the highest incomes needed to afford median rent, between \$30,000 and \$34,423. Moreover, tracts intersecting Ionia City also have a higher income needed to afford median rent, between \$26,001 and \$28,000. Tract 313 has the lowest income needed to afford median rent at \$18,240. Ionia County has a much larger income range needed to afford median rent (\$18,240 to \$34,423) than Montcalm County (\$20,262 to \$28,114).

Chart 5: Montcalm & Ionia Owner vs. Renter



Source: 2019 ACS, 5 yr Estimates

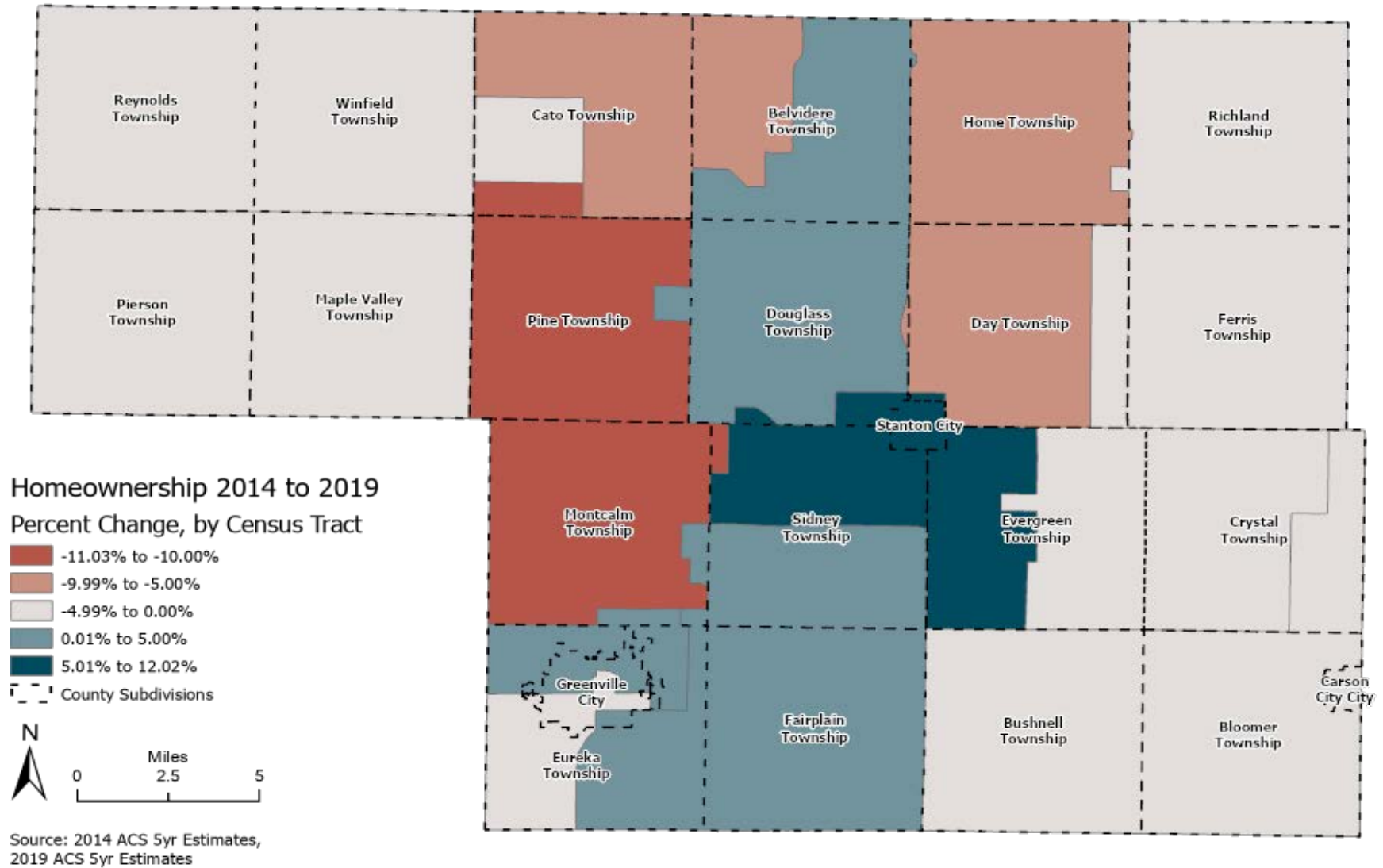
Chart 6: Montcalm & Ionia Homeownership by Age



Source: 2019 ACS, 5 yr Estimates

# Housing Assessment

Map 5: Montcalm Homeownership Percent Change, 2014–2019

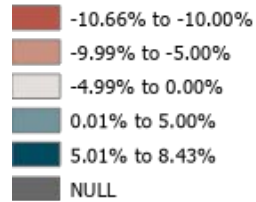


# Housing Assessment

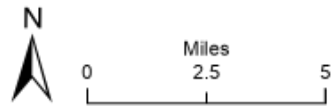
Map 6: Ionia Homeownership Percent Change, 2014–2019

## Homeownership 2014 to 2019

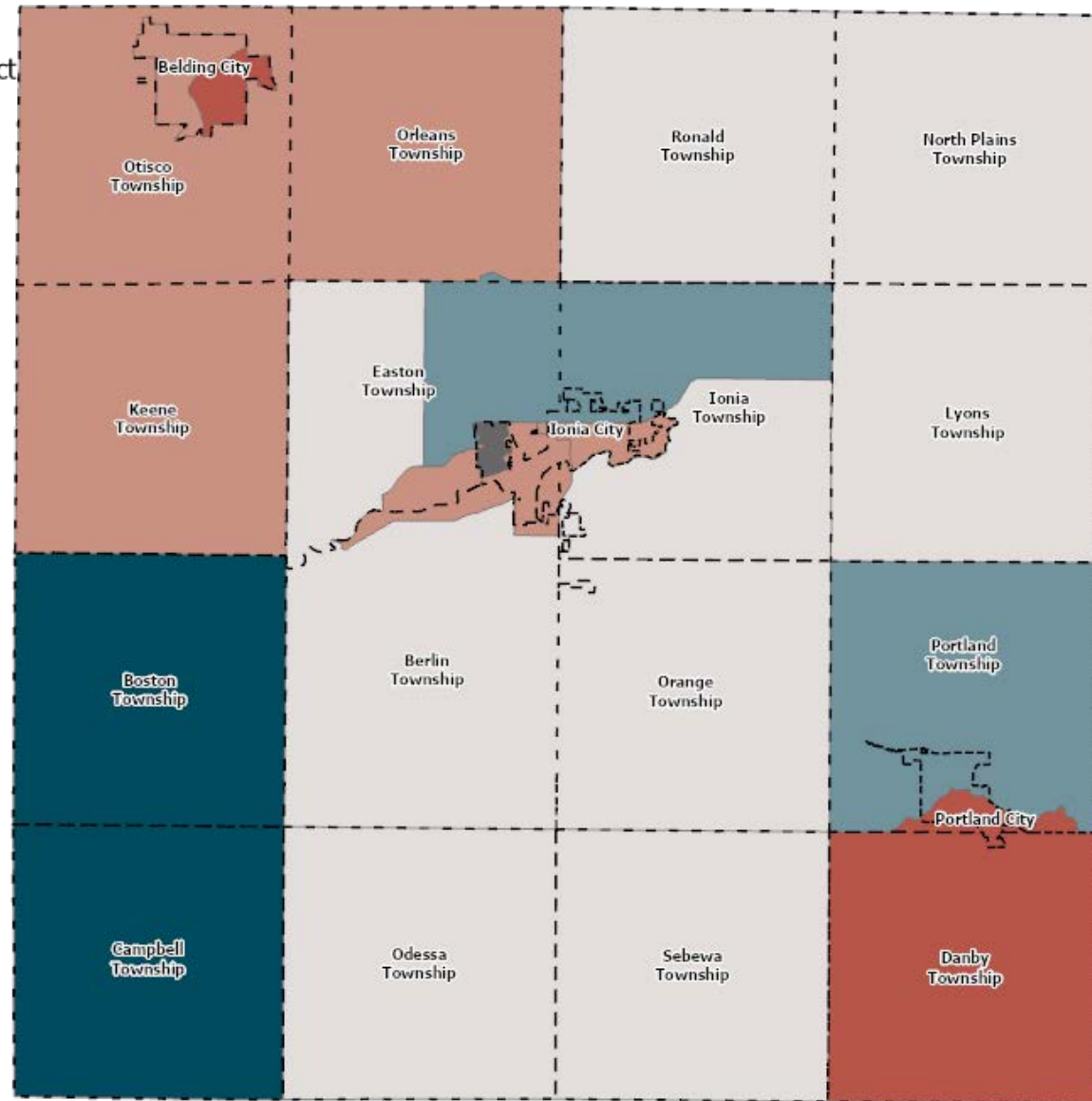
Percent Change, by Census Tract



County Subdivisions

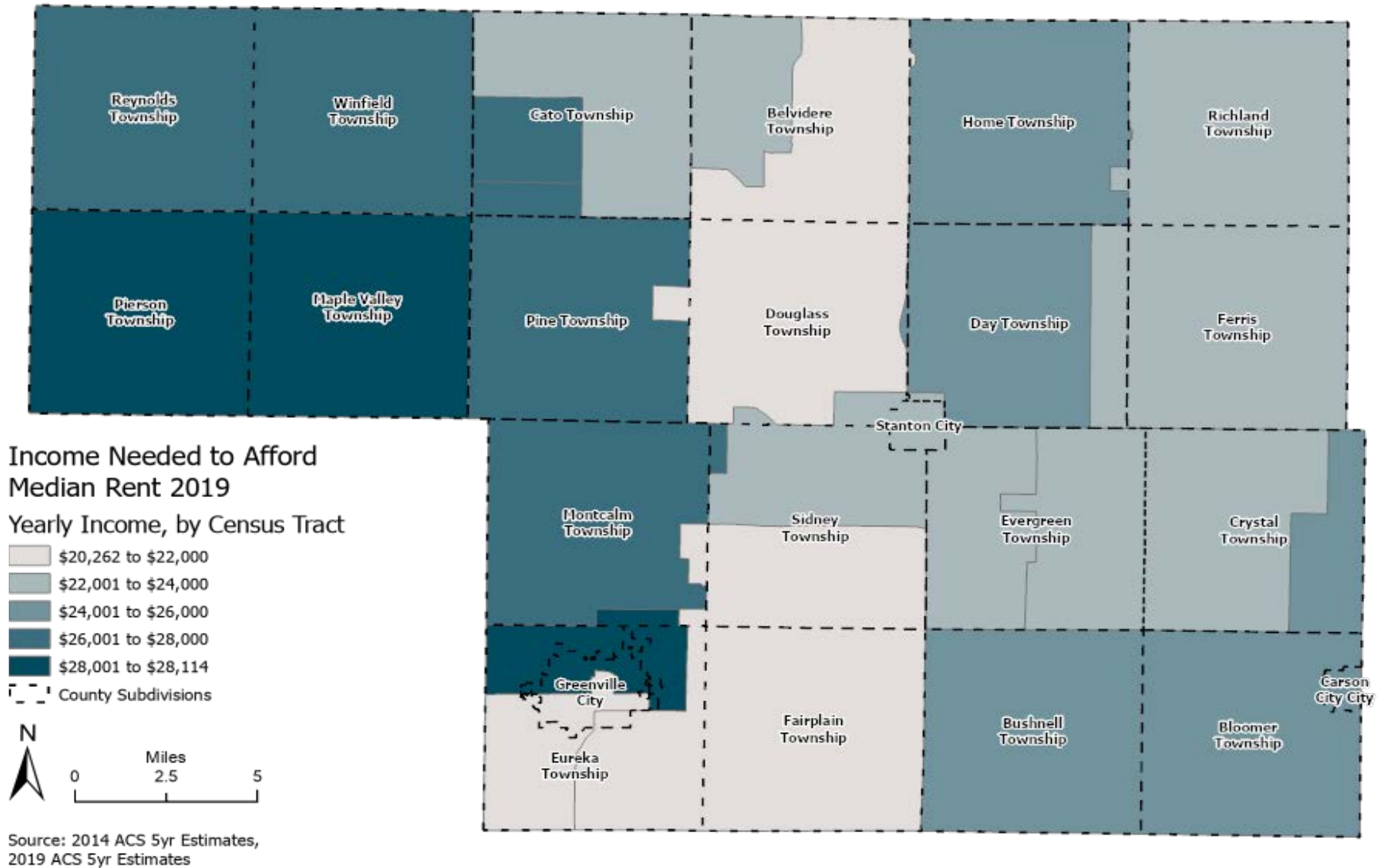


Source: 2014 ACS 5yr Estimates,  
2019 ACS 5yr Estimates



# Housing Assessment

Map 7: Montcalm Income Needed to Afford Median Rent, 2019



# Housing Assessment

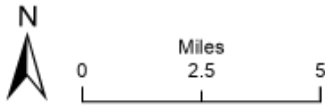
Map 8: Ionia Income Needed to Afford Median Rent, 2019

## Income Needed to Afford Median Rent 2019

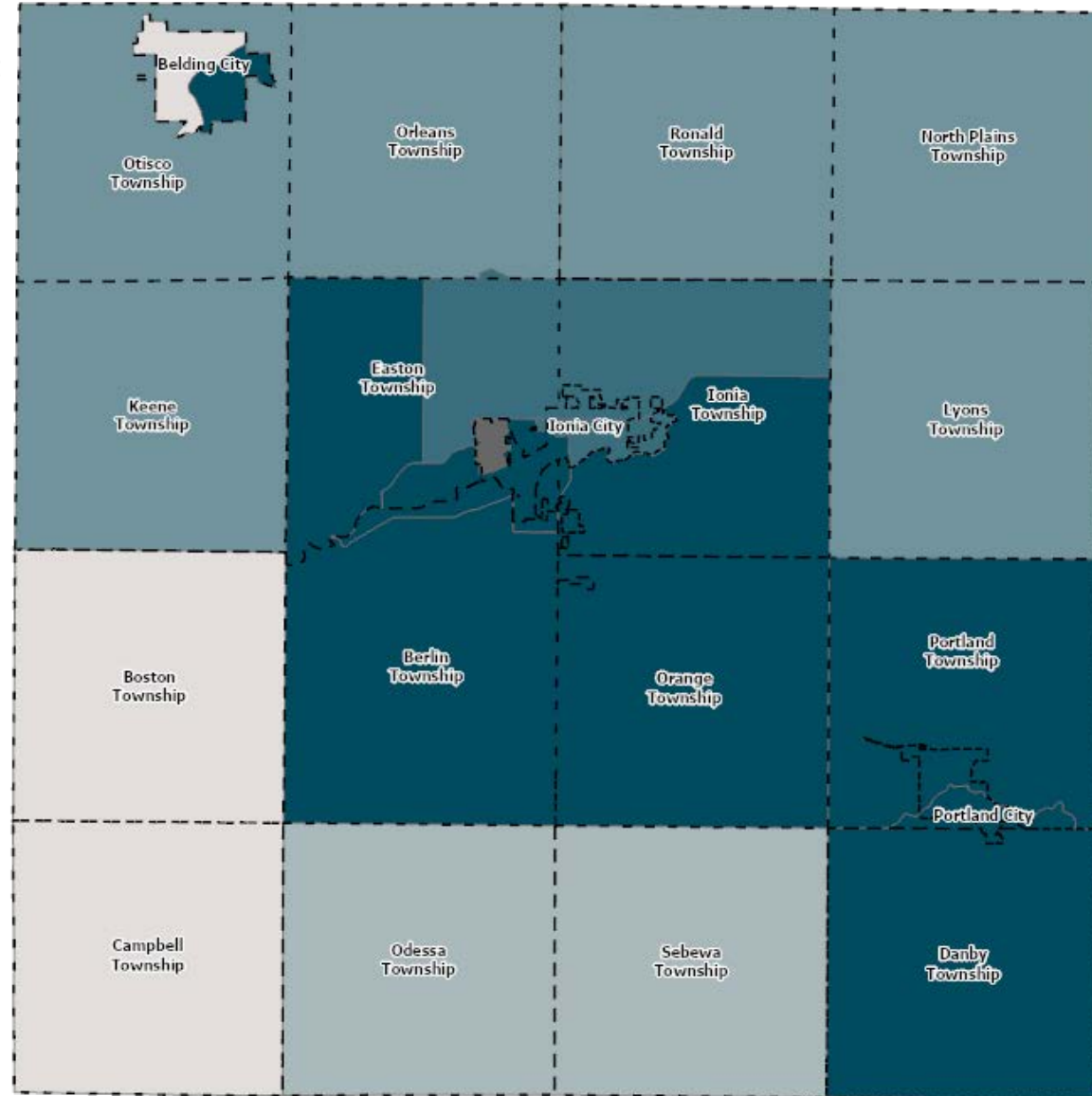
### Yearly Income, by Census Tract



County Subdivisions



Source: 2014 ACS 5yr Estimates, 2019 ACS 5yr Estimates



# Housing Assessment

## Cost Burden

A household (owning or renting) is cost burdened when it is spending more than 30% of household income for housing (rent or mortgage plus utilities, taxes, insurance, etc.). Severe cost burden is when a household is spending more than 50% of household income for housing.

### **Cost-Burdened Homeowners**

Of the 13 census tracts in Montcalm County, tract 9703 (Douglass and Belvidere Townships) has the highest percent of cost-burdened homeowners at 25.7%. Tract 9706 (southeast portion of Greenville City and Eureka Township) has the lowest percent of cost-burdened households at 14.1%. Moreover, most census tracts in Montcalm County have a homeowner cost burden rate lower than 20%. Although tract 9703 has the highest percent of cost-burdened homeowners, only 25% of those homeowners are severely cost burdened.

Over half of cost-burdened homeowners are severely cost-burdened in tracts 9702 (majority of Home and Day Townships), 9706 (Pierson and Maple Valley Townships), and 9709 (half of Evergreen and Crystal Townships). All three of the mentioned census tracts have an overall homeowner cost burden of 16% or less, but over half of those cost burdened are severely cost burdened. This highlights a dichotomy in Montcalm County, where the total number of cost-burdened homeowners is generally low, but those who are burdened are likely to be severely cost burdened.

Of the 12 census tracts observed in Ionia County, tract 316 (east portion of Easton Township, north portion of Ionia City, north portion of Ionia Township) has the highest percent of cost-burdened homeowners at 26.1%. Furthermore, over half of cost-burdened homeowners are severely cost burdened in tracts 301 (Ronald, North Plains, and Lyons Townships), 303 (west portion of Belding City), and 316. Again, tract 316 has not only the highest percent of cost-burdened homeowners in Ionia County, but also the highest percent of severely cost-burdened homeowners in Ionia County. Overall, tracts with the highest percent of cost-burdened homeowners intersect Ionia or Belding City. Tract 314 (Portland Township) has the lowest percent of cost-burdened households at 11.29%.



# Housing Assessment

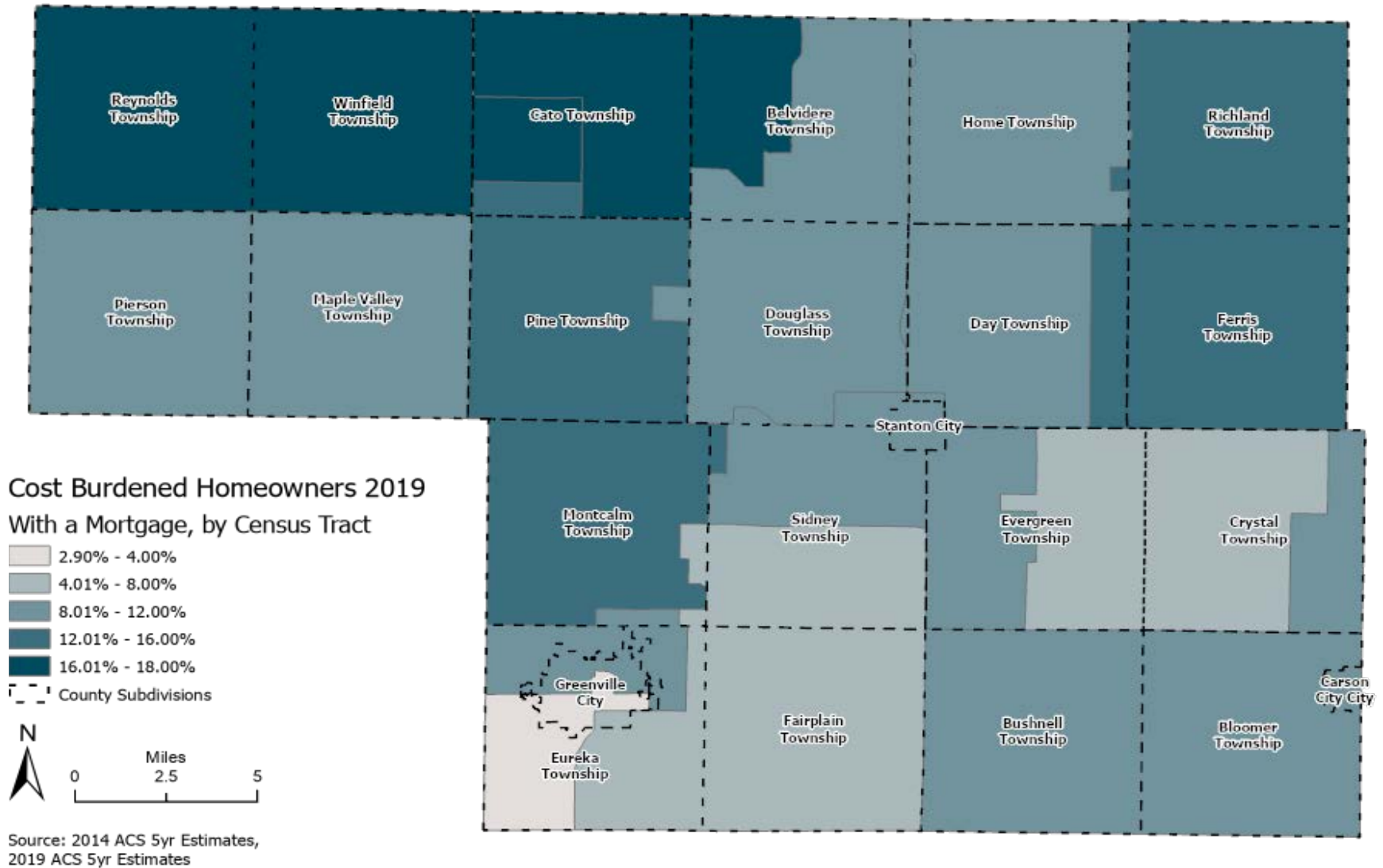
## **Cost-Burdened Renters**

Tracts 9702 (majority of Home and Day Townships), 9709 (half of Evergreen and Crystal Townships), and 9712 (northern portion of Greenville City and Eureka Township) have the highest percent of cost-burdened renters in Montcalm County, between 52.5% and 60.5%. However, tract 9702 is the only one of these three tracts where over half of the cost-burdened renters are severely cost burdened. Additionally, over half of the cost-burdened renters are severely cost burdened in seven of the 13 tracts in Montcalm County. The percent of renters is generally low in most of Montcalm County, apart from tracts 9702 and 9713 (southwest portion of Eureka Township and Greenville City) that are between 30.0% and 42.0%. Tract 9701 (Richland and Ferris Townships) has the lowest percent of cost-burdened renters in Montcalm County, at 19.9%; however, over half of the cost-burdened renters in this tract are severely cost burdened. The cost of rent is an important consideration when observing cost burden in the county; Montcalm County's panhandle (Reynolds, Pierson, Maple Valley, Winfield, Cato, and Pine Townships) has some of the highest median rents in the county, a monthly cost of between \$751 and \$820. The higher median rent is a contributing factor to the amount of renters that are severely cost burdened in the panhandle.

In Ionia County, the highest percent of cost-burdened renters reside in tract 321 (west portion of Ionia City, south portion of Easton Township, and north portion of Berlin Township) at 55.2%. Tract 304 (Keene, Otisco, and Orleans Townships; excluding Belding City) has the lowest percent of cost-burdened renters at 19.2%. Tracts where over half of cost-burdened renters are severely cost burdened include tract 302 (east portion of Belding City), 312 (Odessa and Sebewa Townships), 313 (Boston and Campbell Townships), and 317 (Ionia City). Readers of this plan should note that tracts within Ionia and Belding City also have the highest percent of renters in the county (30.0% to 46.1%), and the median monthly rent in those tracts is \$900.

# Housing Assessment

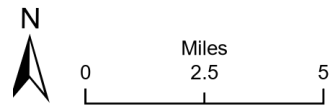
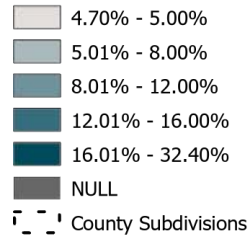
Map 9: Montcalm Cost-Burdened Homeowners, 2019



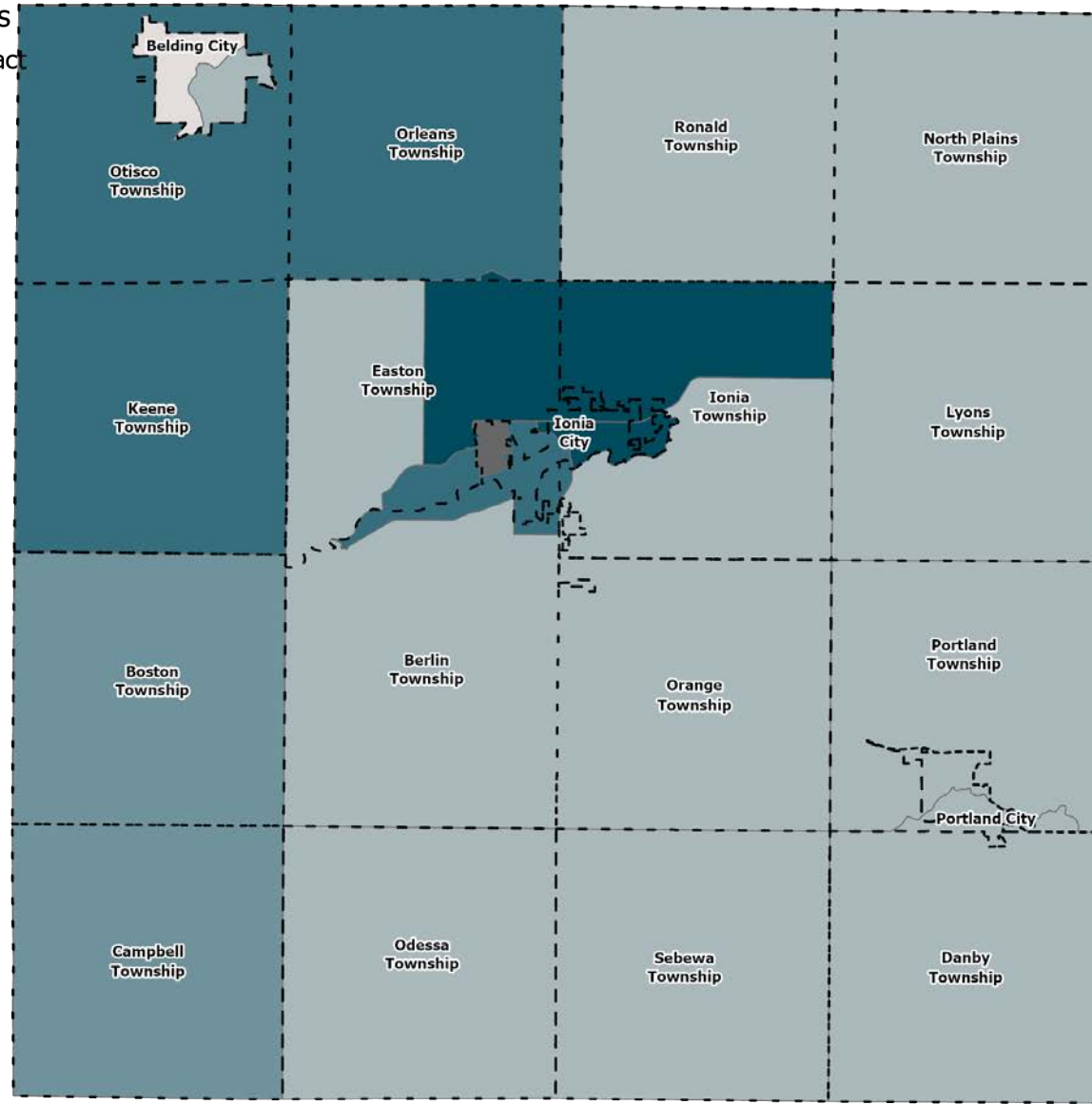
# Housing Assessment

Map 10: Ionia Cost-Burdened Homeowners, 2019

Cost Burdened Homeowners  
With a Mortgage, by Census Tract

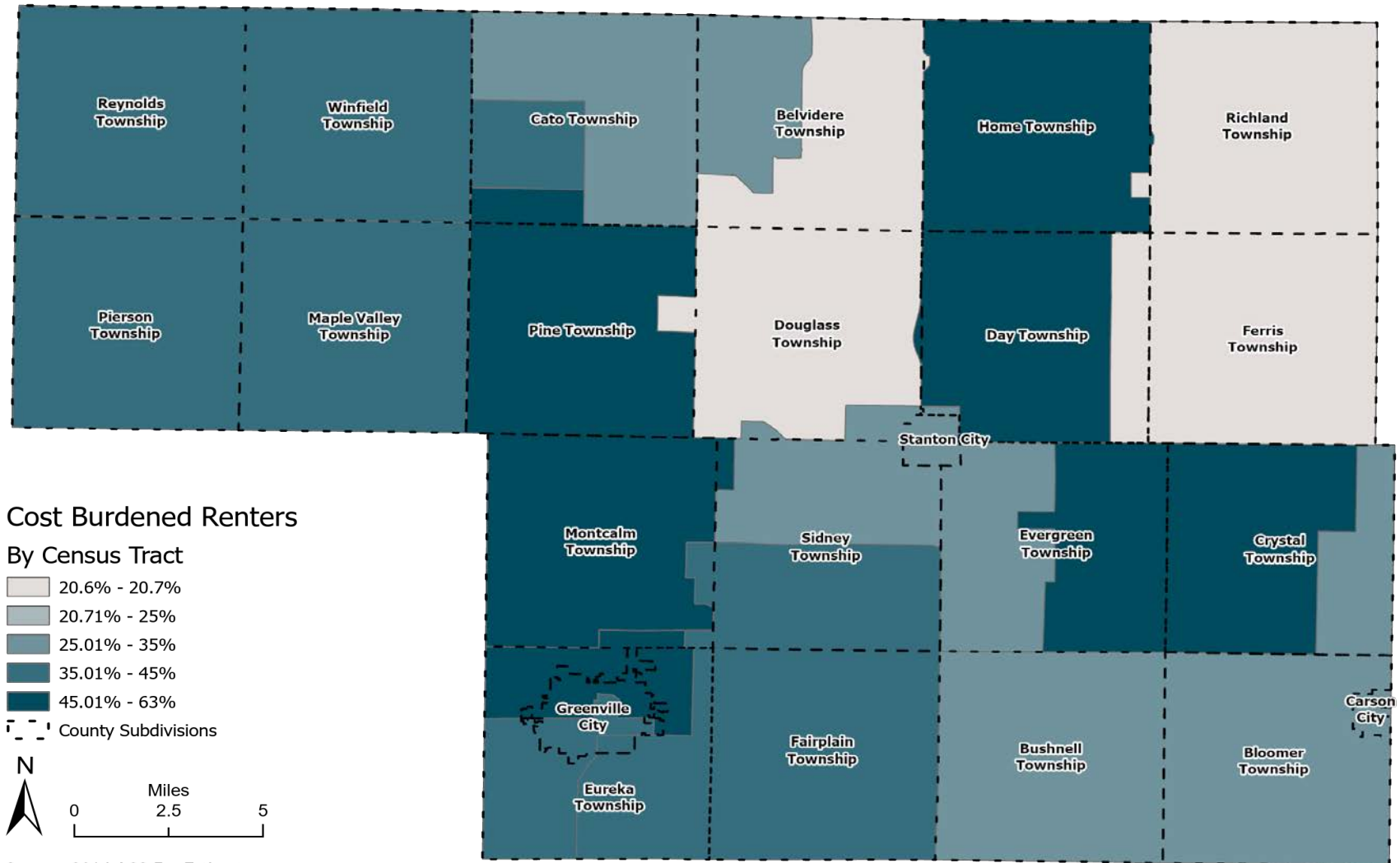


Source: 2014 ACS 5yr Estimates,  
2019 ACS 5yr Estimates



# Housing Assessment

Map 11: Montcalm Cost-Burdened Renters, 2019



# Housing Assessment

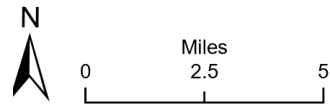
Map 12: Ionia Cost-Burdened Renters, 2019

## Cost Burdened Renters

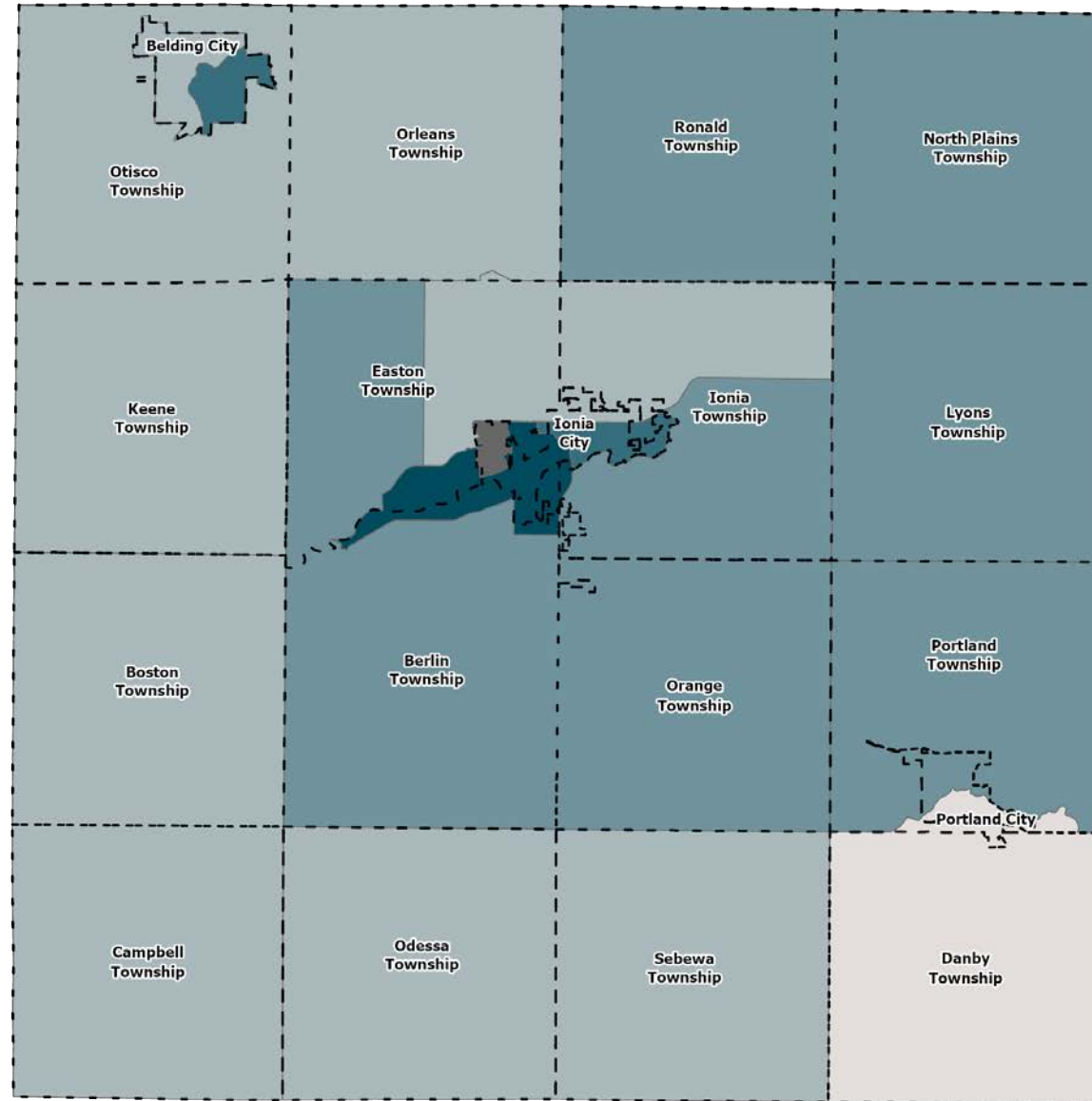
### By Census Tract

- 14% - 20%
- 20.01% - 25%
- 25.01% - 35%
- 35.01% - 45%
- 45.01% - 50%
- NULL

County Subdivisions



Source: 2014 ACS 5yr Estimates, 2019 ACS 5yr Estimates



# Housing Assessment

## Housing Units

Between 2014 and 2019, the number of households in Montcalm and Ionia Counties grew by 3.7%. The number of housing units increased by 1.4%. This indicates a net decrease in the countywide vacancy rate since the number of households increased by a greater number than housing units increased. The number of households increased by 824 over the five-year period, while the number of housing units only increased by 756.

Table 9: Housing Units 2014-2019, Montcalm

| Tract | County   | 2014 Housing Units | 2019 Housing Units | Change  |
|-------|----------|--------------------|--------------------|---------|
| 9701  | Montcalm | 1,937              | 2,099              | 8.36%   |
| 9702  | Montcalm | 1,499              | 1,572              | 4.87%   |
| 9703  | Montcalm | 1,728              | 1,838              | 6.37%   |
| 9704  | Montcalm | 1,837              | 1,773              | -3.48%  |
| 9705  | Montcalm | 3,289              | 3,203              | -2.61%  |
| 9706  | Montcalm | 2,538              | 2,573              | 1.38%   |
| 9707  | Montcalm | 2,179              | 2,573              | 18.08%  |
| 9708  | Montcalm | 2,269              | 2,241              | -1.23%  |
| 9709  | Montcalm | 2,030              | 1,943              | -4.29%  |
| 9710  | Montcalm | 1,973              | 1,971              | -0.10%  |
| 9711  | Montcalm | 1,949              | 2,188              | 12.26%  |
| 9712  | Montcalm | 2,453              | 2,404              | -2.00%  |
| 9713  | Montcalm | 2,471              | 2,220              | -10.16% |

Source: 2019 ACS, 5 yr Estimates

The largest decrease of housing units in Ionia County (8.3%) occurred in the east half of Belding City (tract 302), corresponding with the decrease in the rate of homeownership. Ionia City and the surrounding area saw the greatest increase in housing units. In Montcalm County, Montcalm Township (specifically tract 9707) had the greatest increase in housing units (18.1%), while the southwest portion of Eureka Township had the greatest decline (10.2%).

Table 10: Housing Units 2014-2019, Ionia

| Tract | County | 2014 Housing Units | 2019 Housing Units | Change |
|-------|--------|--------------------|--------------------|--------|
| 301   | Ionia  | 2,677              | 2,651              | -0.97% |
| 302   | Ionia  | 1,094              | 1,003              | -8.32% |
| 303   | Ionia  | 1,278              | 1,334              | 4.38%  |
| 304   | Ionia  | 2,803              | 2,707              | -3.42% |
| 312   | Ionia  | 2,086              | 2,112              | 1.25%  |
| 313   | Ionia  | 3,352              | 3,341              | -0.33% |
| 314   | Ionia  | 1,752              | 1,807              | 3.14%  |
| 315   | Ionia  | 2,276              | 2,343              | 2.94%  |
| 316   | Ionia  | 2,395              | 2,541              | 6.10%  |
| 317   | Ionia  | 1,812              | 1,847              | 1.93%  |
| 319   | Ionia  | 2,412              | 2,503              | 3.77%  |
| 321   | Ionia  | 720                | 778                | 8.06%  |

Source: 2019 ACS, 5 yr Estimates

# Housing Assessment

## Aging Housing Stock

Even with proper maintenance, buildings break down over time. As such, assessments of housing unit availability must consider unit age. Twenty-seven percent of structures in Ionia County and 17.2% of structures in Montcalm County were built in or before 1939. In the coming years, it is likely that a significant number of houses will need major repairs or will no longer be tenable.

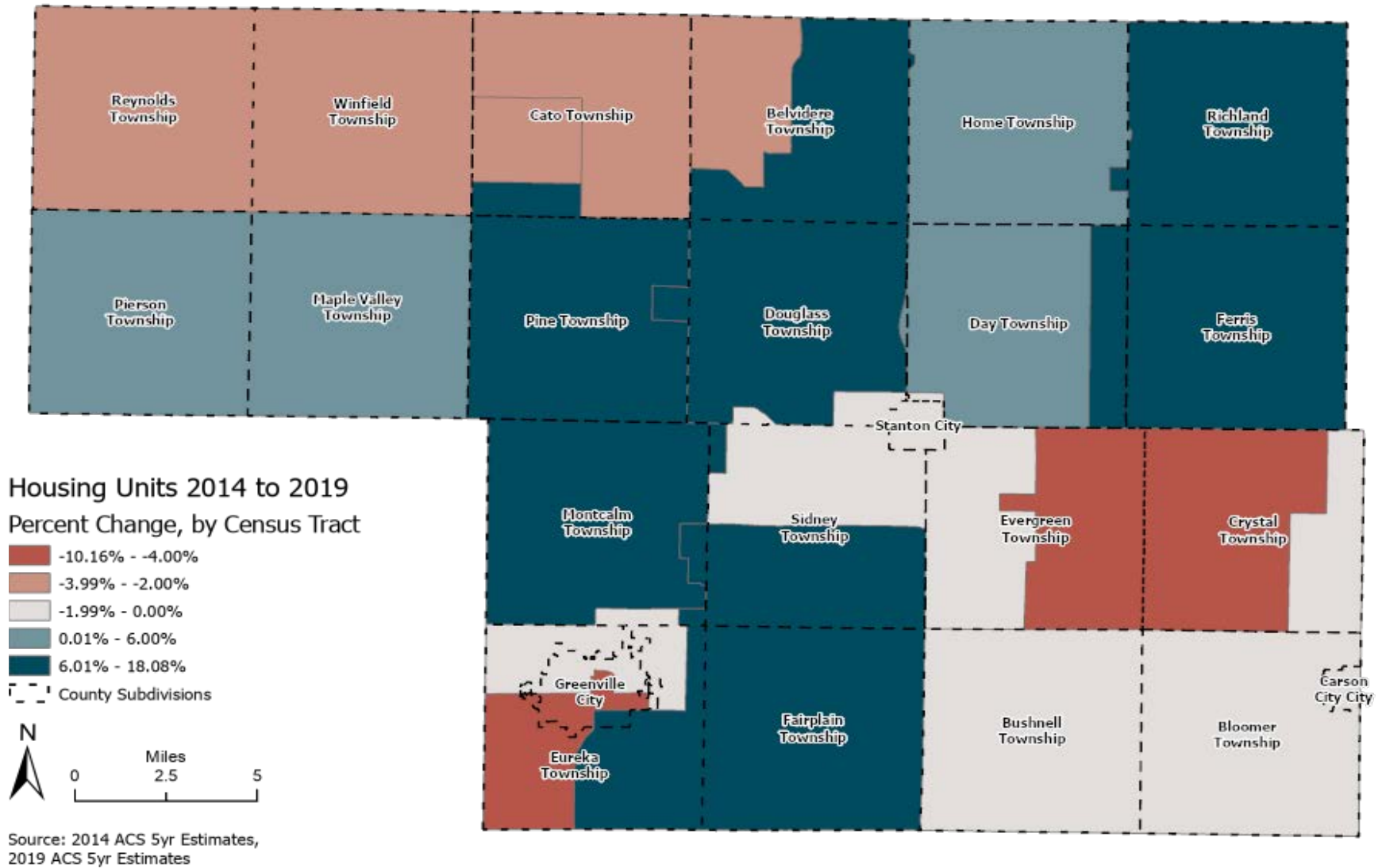
*Table 11: Year Structure Was Built, Montcalm and Ionia*

| Year Built      | Michigan | Ionia | Montcalm |
|-----------------|----------|-------|----------|
| Median Year     | 1971     | 1973  | 1976     |
| 2014 or later   | 1.3%     | 1.4%  | 1.3%     |
| 2010 to 2013    | 1.2%     | 0.9%  | 1.0%     |
| 2000 to 2009    | 9.8%     | 12.2% | 12.2%    |
| 1990 to 1999    | 13.2%    | 15.0% | 18.4%    |
| 1980 to 1989    | 9.9%     | 10.3% | 11.1%    |
| 1970 to 1979    | 15.4%    | 14.7% | 14.6%    |
| 1960 to 1969    | 11.9%    | 6.6%  | 8.6%     |
| 1950 to 1959    | 14.9%    | 7.8%  | 9.4%     |
| 1940 to 1949    | 7.6%     | 4.2%  | 6.2%     |
| 1939 or earlier | 14.8%    | 27.0% | 17.2%    |

Source: 2019 ACS, 5 yr Estimates

# Housing Assessment

Map 13: Montcalm Housing Units Percent Change, 2014–2019

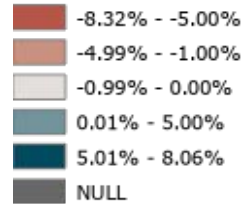




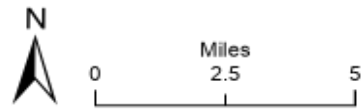
# Housing Assessment

Map 14: Ionia Housing Units Percent Change, 2014–2019

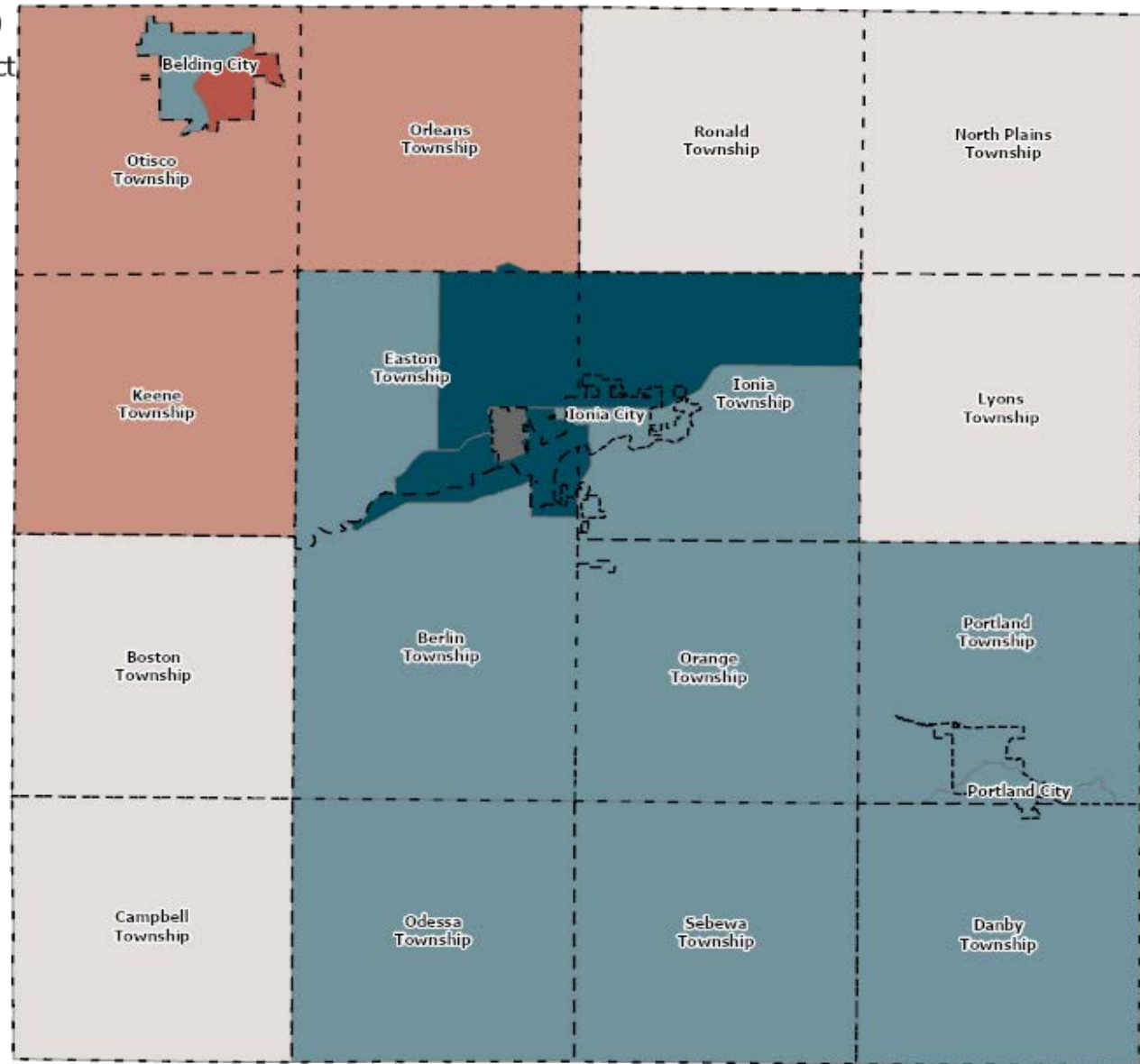
Housing Units 2014 to 2019  
Percent Change, by Census Tract



County Subdivisions



Source: 2014 ACS 5yr Estimates,  
2019 ACS 5yr Estimates



# 3

## Housing Supply and Demand

# Housing Supply and Demand

## Current Demand

In order to determine housing needs, we must first examine the current state of supply and demand. It is important to understand the current demand so that housing strategies can account for that pent-up demand. We will show three different elements of the housing market in order to better demonstrate the current needs. First, we will show housing cost-burden levels for renters and owners. Next, we will look at housing preference types. Finally, we will look at household formation levels and how those compare to past building trends.

Tables 13 and 14 show the total households in the area by income and housing cost burden. Overburdened households are considered to be paying greater than 30 percent of their income toward housing costs. These figures further separated the overburdened, showing the “heavily burdened” as those paying 50 percent or more toward housing. Overburdened households are in need of more appropriate housing, demonstrating a need to construct housing that meets their budget.

There are over 4,000 overburdened renting households in the region. Shown in Chart 8, these households are concentrated on the lower end of the income spectrum, most below \$35,000 per year. These households would need rental units below \$875 per month in order to be unburdened. Chart 11 shows the number of units needed by price in order to relieve housing burden. While it is unrealistic to expect that any area can completely eliminate housing burden, it is important to understand the magnitude of need.

Chart 9 shows at first glance considerably fewer overburdened homeowners, but the scale is very different from renters. Nearly 80 percent of the region owns their home, and over 6,300 are

Table 12: Affordable Units to Alleviate Overburdened Renters, Estimate 2021

| Annual Income      | Units | Rent Per Month (\$) |
|--------------------|-------|---------------------|
| <\$20,000          | 2,229 | <\$500              |
| \$20,000 to 34,999 | 1,354 | 500 to 874          |
| \$35,000 to 49,999 | 262   | 875 to 1,249        |
| \$50,000 to 74,999 | 95    | 1,250 to 1,874      |
| \$75,000 to 99,999 | 11    | 1,875 to 2,499      |
| \$100,000 or more  | 136   | 2,500 and higher    |

Table 13: Affordable Units to Alleviate Overburdened Homeowners, Estimate 2021

| Household Annual Income | Units | Payment Per Month (\$) | Estimated Home Price (\$)* |
|-------------------------|-------|------------------------|----------------------------|
| <\$20,000               | 2,549 | <\$500                 | Less than 75,000           |
| \$20,000 to 34,999      | 1,835 | 500 to 874             | 75,000 to 132,000          |
| \$35,000 to 49,999      | 1,139 | 875 to 1,249           | 133,000 to 187,000         |
| \$50,000 to 74,999      | 653   | 1,250 to 1,874         | 188,000 to 283,000         |
| \$75,000 to 99,999      | 121   | 1,875 to 2,499         | 284,000 to 377,000         |
| \$100,000 or more       | 61    | 2,500 and higher       | 378,000 and higher         |

\* Purchase price with 5% down, 4.3% interest, 30 year fixed, PMI, and property taxes.

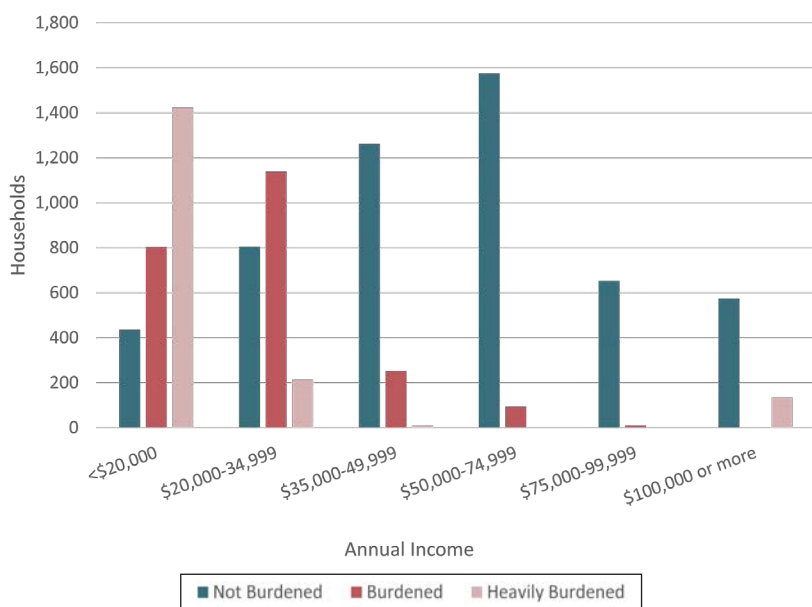
overburdened. Overburdened homeowners are spread through more income ranges than renters, with over 1,100 households at \$35,000 to \$49,999 per year. These households would need homes between \$100,000 to \$175,000 (depending on property taxes and loan parameters) to afford payments of \$875 to \$1,275 per month.

# Housing Supply and Demand

## Housing Preferences

The types of homes preferred are different than existing homes. Census data allow us to build a profile of various family types, income levels, and age of primary householder along with the type of housing the household occupies (sample includes Newaygo and Oceana counties). This profile was compared to a national survey of housing preferences by these same demographic characteristics. Many people prefer housing types that do not exist, or exist only in small numbers in Montcalm and Ionia Counties. These types include single-family attached, small condo developments, and low-rise apartments. Chart 10 compares the estimated preferences to the existing housing stock of the area.

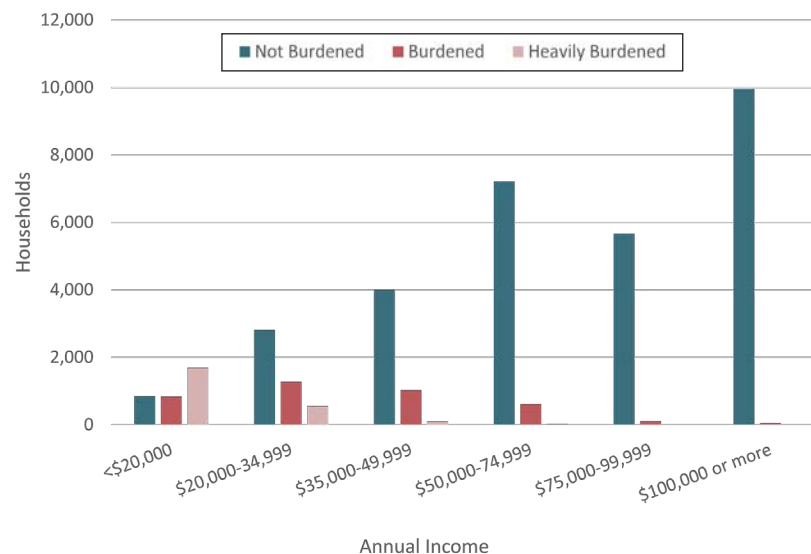
Chart 7: Income and Housing Burden for Renters, 2021



Source: 2019 ACS, 5 yr Estimates

Constructing higher-density housing may offer a solution to improving affordability while also meeting preferences for a variety of housing types. The current housing market suggests there are thousands of households that are in homes they cannot afford and types they do not prefer. Development in affordable mid-density types would create more affordability than single-family detached and more quality than mobile homes. Higher-density options that fit with the character of the communities in Montcalm and Ionia Counties may include duplexes, triplexes, and other small multi-family developments, small apartment or condo developments, and mid-sized apartment and condo developments. This solution would require zoning amendments for most areas and considerable infrastructure investment if suitable building locations are not already available. Developers and local leaders should also keep in mind the negative impacts of concentrating low-income residents; higher-density development should aim to mix incomes and ages to maximize the benefits of income diversity.

Chart 8: Income and Housing Burden for Owners, 2021



Source: 2019 ACS, 5 yr Estimates

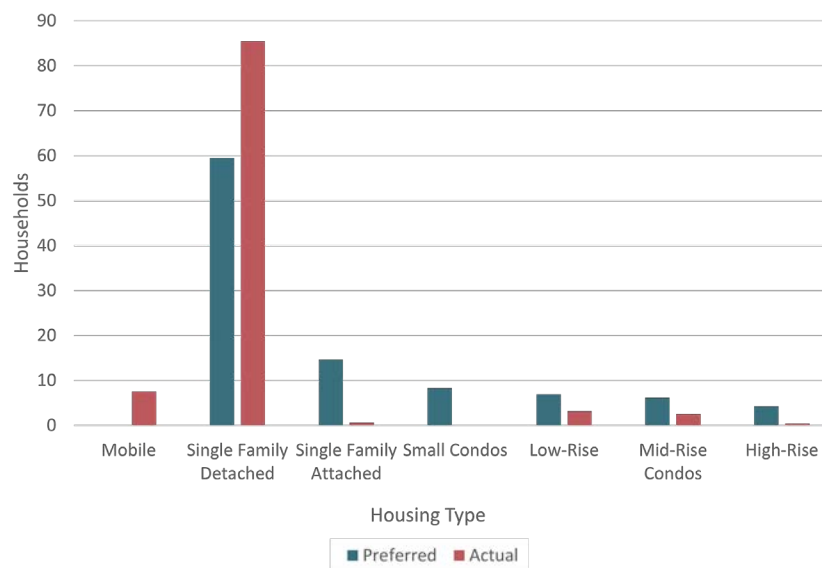
# Housing Supply and Demand

## Impacts of Great Recession

The Great Recession continues to impact the housing market in several ways. First, the overproduction of housing prior to the Great Recession led to very limited construction after the Great Recession; lenders were less enthusiastic about new construction, homebuilders were left with many unsold homes or lots, and fewer people were looking to purchase homes. Annual home building remains below the pre-bubble level. Second, those in the construction trades sought work in other markets or other occupations. Third, many homes fell into disrepair and were demolished; many of these homes would have been targets for investment as the market strengthened. Finally, the disruption to employment in 2008–2010 slowed the rate of household formation, that is, the rate that people create new households by existing households.

In order to determine if there is a gap in housing production, we used the pace of new unit construction and compared it to an estimate of new households, had the rates prior to the Great Recession continued. Using 2020 data, the estimated need for new units in Ionia County is 816, or an additional 3.2 percent of the existing housing units. In Montcalm County, the gap is 1,682, or 5.8 percent. These are rough estimates of how many new households would exist if the rate of household formation had not slowed following the great recession.

Chart 9: Housing Preferences and Existing Housing Stock



Source: 2019 ACS, 5 yr Estimates

# Housing Supply and Demand

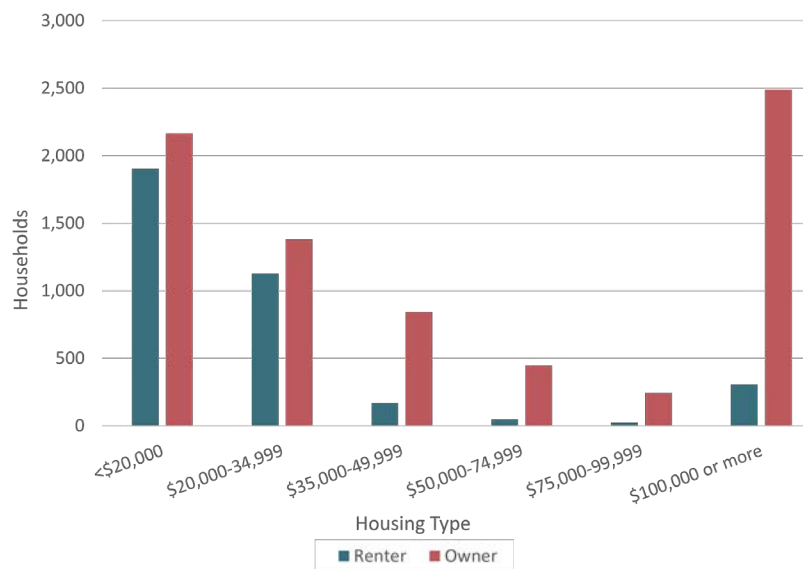
## Future Demand

According to our data, the area’s housing needs are about demographic and preferential mismatch rather than rising population. According to Claritas household estimates, the area is projected to grow by 1.5 percent, or 708 households, from 2021 to 2026. While this growth is modest, it is more aggressive than the growth rate from 2010 to 2010. The increased households are projected to be at the higher end of the income spectrum, \$100,000 per year or more. There is some potential for growth due to unformed households, as stated previously, but these groups will remain constrained as long as there is a lack of affordable housing options in the area. Chart 12 combines projected growth with units needed if households were in units at their unburdened price point. Need is greatest at the lower end of the income spectrum to provide affordable housing and at the higher ends to meet projected growth.

A comprehensive housing strategy needs to encourage building at every price point. Population growth is most likely at the highest end of the market. According to Upjohn Institute research, increasing the supply at higher price points can have the effect of pushing down prices at the lower end of the market. However, both area household income and type preferences suggest that demand exists for a more diverse range of home choices.

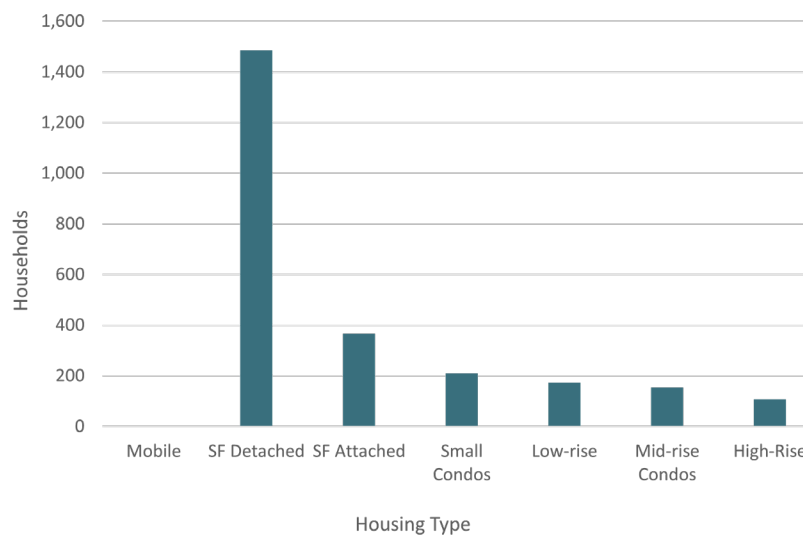
Rather than the net change from Claritas, Chart 11 shows the housing units needed based on the 2,948 unformed households discussed earlier. This may overestimate the amount of single-family detached, as this group may not be able to afford these houses. However, there is a potential market for hundreds of alternate types of units.

Chart 10: Units Needed by Income Level



Source: 2019 ACS, 5 yr Estimates

Chart 11: Units by Type to Meet Household Formation



# 4

## Strategies and Community Feedback

# Strategies and Community Feedback

## Challenges and Strategies

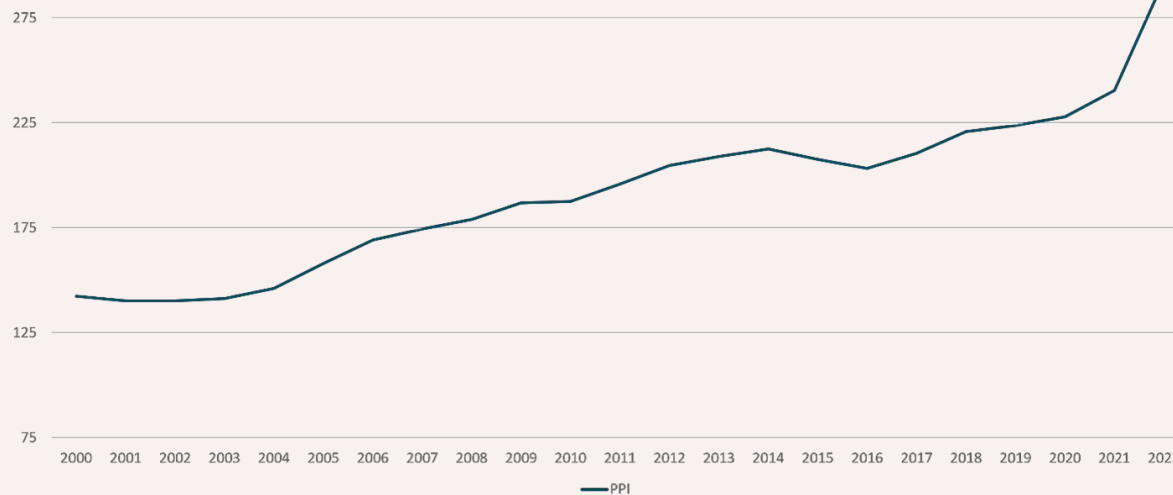
Solving the housing crisis cannot be done by a single group or with a single solution. As such, many individuals and organizations were asked to contribute to the creation of this housing plan, including local landlords, realtors, developers, employers, municipalities, nonprofit agencies, university and school staff, and residents. Partners and stakeholders have contributed critical direction and innovative ideas to the planning process, which has in turn shaped the strategies of this plan. Stakeholder input on these strategies is vital as their knowledge of local conditions and politics helps determine which are likely to succeed. Over six community meetings were held to discuss the challenges and opportunities for Montcalm

and Ionia Counties. Around 100 people participated to express their vision for the future and address challenges. These conversations and the data collected for this plan produced the following list of Challenges & Strategies. Abbreviated notes from these meetings can be found on page 54.

## Challenges

The following challenges were discussed during community feedback sessions. Some of these issues were also discussed in the Housing Assessment chapter of this plan.

Chart 12: Producer Price Index: Net Inputs to Residential Construction, United States



Source: FRED Graph Observations Index Jun 1986 = 100, Not Seasonally Adjusted

## Cost of Construction

Construction costs have increased dramatically during the pandemic and they continue to rise. This has caused delays in housing developments and limited the number of projects completed. Some areas with higher market values will not see a large change in construction because either the high market rents can support the additional costs or there are more incentives available to fill the gaps created. Areas with lower market rents or areas that need targeted affordability will see a greater impact to development as returns are lower and gaps in financing are larger.



# Strategies and Community Feedback

## ***Too Few Creative Financing Options to Address the Changing Environment***

The existing tools are not enough to fill the gaps in affordable housing needs. Other funding sources are needed to make an impact.

## ***Limited Amount of Available Housing of All Types and Price Points***

All price points include market rate and affordable/workforce housing options. As Tables 13 and 14 on page 43 show, we are undersupplying other forms of housing. See the appendix for more examples.

## ***Fear of Affordable Housing: “Not in My Backyard”***

The word affordable can mean different things to different people. The housing term simply means that an individual does not pay more than 30 percent of their take home income toward rent or mortgage. It is almost impossible for individuals who make around the current minimum wage to secure housing that utilizes less than 30 percent of their income. Everyone needs housing that fits their budget. Many who struggle to secure appropriately priced housing have day jobs that could look like many entry-level positions, such as teachers, firefighters, retail workers, or food service workers. Affordable homes can go to sisters, brothers, friends, mothers, and fathers.

## ***Separate Programming vs. Collaborative Programming***

When programming is built in coordination with other funds and services, efficiency can be created. It is easier to request grant programs around a broader common mission and goal. This coordination of programming will require organizations to work together toward a common goal.

## ***Old Housing Stock***

Montcalm and Ionia Counties have an aging housing stock. Older homes have more costly repairs needed to maintain the house long-term. Those who are struggling financially are not able to afford the substantial repairs that older homes require. Sixty percent of homes in Ionia County were built before 1980; similarly, 56 percent of homes in Montcalm County were built before 1980. This is only slightly lower than the state average of about 65 percent. Refer to Table 12.

## ***Lack of Broadband Access***

Remote working will open up financial opportunities for many people in the counties by expanding work at home options. This will also allow people to live in Montcalm and Ionia who have otherwise found commuting from the area prohibitive.

## ***Number of Developers and People in Construction Trades***

Forty-eight percent of the existing construction workforce is projected to retire in the next 15 years. Construction companies are currently challenged by labor shortages. The current and future labor constraints do, and will, continue to add to the delays in new housing developments as well as rehabilitation projects for homeowners or developers.

## ***Growing ALICE Population***

The Asset Limited and Income Constrained, Employed (or ALICE) population are individuals that make more than the federal poverty level but less than the basic cost of living for the county. A recent United Way Montcalm-Ionia ALICE report showed that this population has grown since 2016 in both Montcalm and Ionia counties.

# Strategies and Community Feedback

## Strategies

Strategies labeled with [High] will have the largest impact over the entire housing continuum with limited additional resources. Low [Low] priority strategies are those that may be more challenging to administer or that have significant barriers and a narrower impact on the housing continuum. We have highlighted some of the strategies here and added additional strategies to the appendix.

### [High] Zoning Updates

Changing zoning regulations impacts all housing types and target incomes. Removing regulatory barriers to development can give developers more flexibility to create solutions that meet community needs for both price and type of housing. Relaxed regulations can also allow developers to build more cost-efficient housing.

### Accessory Dwelling Units:

Reports of people living in garages and sheds are at an all-time high, according to stakeholder and community meetings. Formalizing these units can ensure people have a safer place to live by requiring standards and permits for the dwelling. Accessory dwelling units, also known as ADUs, granny flats, or in-law suites, can take numerous forms, such as a basement unit, a second-story unit above a garage, or a detached building on the property of the existing home. ADUs will allow a subtle or unnoticeable increase in density in both rural and urban locations. Prices for ADUs are lower due to the smaller size. Increasing the number of ADUs is beneficial for those looking to downsize or live close to family, or who need affordable housing. It also allows communities to increase the density without changing much of the visual existing landscape. See the appendix for an example ordinance.

### Density Increase:

Allowing an increase in density—through adjustments to setbacks, minimum lot sizes, minimum dwelling sizes, and floor area and lot coverage ratios—can assist in attracting new construction and infill projects. Locating more homes near existing municipal services can also aid in decreasing transportation costs for the residents and help construction costs by utilizing existing water and sewer infrastructure. Developers can find construction efficiencies in the construction of buildings with multiple units; duplexes and triplexes are types of buildings that fit with single family homes but offer lower costs per unit. Efficiencies can also be found in additional stories as plumbing can be stacked and the increased density units creates more revenue to pay debts. This strategy is helpful for allowing more housing in areas that are already well developed. For new developments on rural lots, sites could be split to allow larger density to one side of the site while leaving the remaining portion for farming or trails.

Image 2: Housing Types



Source: ABC of ADUs by AARP and Orange Splot LLC

# Strategies and Community Feedback

## **[High] Infrastructure Expansion**

Expanding or improving municipal water and sewer systems makes development more cost-effective. Bringing water and sewer infrastructure to development sites is a large expense that can make certain areas undevelopable without municipal support. Finding the funds to address infrastructure is often challenging for municipalities. A list of resources is found in the appendix. Resources include grants and loans from USDA and MSHDA.

## **[Medium] Targeted Grants**

Collaborative stakeholder grants are needed to help address some of the most difficult challenges. Those most frequently expressed in the discussions included funding for the following:

### **Redevelopment and New Construction Projects:**

Because of the logistical and financial challenges of implementing water and sewer infrastructure, supporting partnerships through the development process by creating gap financing programs could reduce some barriers. Development grants could cover gaps in projects for transitional housing, shelters, workforce/affordable, and mixed-income projects.

### **Homeowner Repair:**

There is a large need for flexible dollars to help fill gaps in existing programming. Weatherization programs are serviced in Montcalm and Ionia Counties through EightCAP. These programs help with some energy efficiency cost saving measures but cannot address many housing repair needs. Additional dollars are needed to cover foundation, roof, water heater, insect or water damage, plumbing, heating and cooling, well or septic, or mold issues. These are issues

that impact not just the health and safety of homeowners but the longevity in which the house can remain livable and a part of the housing stock. Additionally, these grants could help seniors or individuals through tough financial times, preventing homes from falling into disrepair as well as housing insecurity.

### **Creation of a Tool Lending Library:**

Allowing individuals the opportunity to rent equipment affordably can remove barriers for motivated Do It Yourself homeowners. This can empower homeowners to affordably maintain or improve their homes. Classes could be added to provide training and guidance.

### **Funding for Transitional Housing:**

To ensure the health of the community, all housing options along the housing continuum are needed. Gap funding for transitional housing developments has been identified as a missing link in the housing options in Montcalm and Ionia Counties.

## **[High] Construction Training Programs**

Expanding or improving municipal water and sewer systems makes development more cost-effective. Bringing water and sewer infrastructure to development sites is a large expense that can make certain areas undevelopable without municipal support. Finding the funds to address infrastructure is often challenging for municipalities. A list of resources is found in the appendix. Resources include grants and loans from USDA and MSHDA.

# Strategies and Community Feedback

## **[High] Transportation Services**

More transportation services are needed for the senior population who have chosen to remain in their homes. Dial-a-ride service is limited as it currently does not service many rural areas. Creating collaborative programming and expanding the existing service to cover more areas will limit duplication and create efficiencies. Partnerships with the Area Agency on Aging, EightCAP, or even volunteers, like local students, have the opportunity to add support to the existing systems.

## **[High] Redevelopment Ready**

This program ensures that your community has the steps in place to make a smooth process for developers looking to build in your community. The Redevelopment Ready Community Program was designed by developers and urban planners to help iron out common sticking points in the local approval process. This program is free, and guidance can be found at [[www.miplace.org/programs/redevelopment-ready-communities/](http://www.miplace.org/programs/redevelopment-ready-communities/)].

Many communities in Montcalm and Ionia have engaged in the program but have not completed the process to receive certification.

Montcalm County:

Stanton, Howard City, Edmore, Carson City, Greenville

Ionia County:

Muir, Lake Odessa, Ionia

## **[High] Federal Home Loan Bank of Indianapolis and Michigan**

The bank offers financing through grants and loans for affordable housing and community development activities in Michigan and Indianapolis. Local banks can sign up to be members and offer numerous services to the community.

The Community Investment and Housing department partners with developers, nonprofit organizations, and public agencies. [<https://www.fhlbi.com/products-services/community-investment-and-housing>].

### **Affordable Housing Grants:**

These grants are submitted in partnership with a bank and developer. Funds can be used to help fill gaps in projects. More information can be found online. [<https://www.fhlbi.com/products-services/community-investment-and-housing/affordable-housing-program>]

### **Homeownership Initiatives:**

Homeownership Opportunities Program (HOP) helps first-time homebuyers with down payment assistance.

Neighborhood Impact Program (NIP) assists income-eligible homeowners with home repairs.

Accessibility Modifications Program (AMP) aids seniors and households with disabled family members with home modifications that will allow them to remain in their current homes.

# Strategies and Community Feedback

## **[High]** **USDA Single Family Housing Loan Program**

[<https://www.rd.usda.gov/programs-services/single-family-housing-programs>]

### **Single Family Housing Direct Home Loan:**

Loan funds may be used to help low-income individuals or households purchase homes in rural areas. Funds can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage facilities.

A housing course is required, and Michigan State University Extension for Ionia County and Inner City Christian Federation (ICCF) in Kent County are the closest course providers.

Habitat for Humanity of Michigan services packages for the entire state. Currently there is not a dedicated location for this funding opportunity in Montcalm and Ionia Counties.

More information can be found at [<https://www.rd.usda.gov/programs-services/single-family-housing-programs/single-family-housing-direct-home-loans/mi>].

### **Single Family Housing Repair Loan and Grants:**

Also known as the Section 504 Home Repair program, this provides loans to very-low-income homeowners to repair, improve, or modernize their homes or grants to elderly very-low-income homeowners to remove health and safety hazards.

These dollars are limited and have to be applied for through the local USDA office. [<https://www.rd.usda.gov/programs-services/single-family-housing-programs>]

There are also grants and loans dedicated to water and waste disposal. Inquiries should start with their local USDA representative.

## **[High]** **American Association of Retired Persons (AARP) Foundation Funding**

Older adults are a growing percentage of the low-income population in Montcalm and Ionia Counties, as discussed on page \_\_\_. Intentional funding should be focused on this population. Organizations can apply for project funding online at [<https://www.aarp.org/aarp-foundation/grants/info-2021/advancing-effective-solutions.html>]

# Strategies and Community Feedback

Table 14: How Strategies Will Impact Housing Needs

| Strategies                      |   |   |   |
|---------------------------------|---|---|---|
| Zoning                          | X | X | X |
| Expanding Infrastructure        | X | X | X |
| Local Housing Trust Fund        | X | X | X |
| Tax Increment Financing (TIF)   | X | X | X |
| Construction Training           | X | X | X |
| Preserve Existing (home repair) | X | X | X |
| Targeted Grants                 | X | X | X |
| Redevelopment Ready             | X | X | X |
| Rental Subsidies                |   | X | X |
| LIHTC                           |   | X | X |

5

Appendix

# Appendix

## Other Strategies

### **[Low] Local Housing Fund**

This is a general fund established by donors, millage dollars, or a trust fund for the sole purpose of funding affordable housing development projects.

Housing Trust Funds are established by elected government bodies at the city, county, or state level when a source or sources of public revenue are dedicated, by ordinance or law, to a distinct fund with the express and limited purpose of providing affordable housing. Where legal barriers exist to dedicating public funds to a housing trust fund, housing advocates have worked around this in a variety of ways. In such circumstances, a housing trust fund may be implemented with appropriated funds, or funds that do not go through a budget process (such as state housing finance agency reserve funds or something structured as part of a bond package).

### **[Medium] Foundations**

Foundations have traditionally been providing grants to local communities. Three foundations top the list in Michigan, with each awarding over \$100 million annually to recipients. Those foundations include the W.K. Kellogg Foundation [[www.wkkf.org](http://www.wkkf.org)], the Kresge Foundation [[www.kresge.org](http://www.kresge.org)], and the Charles Stewart Mott Foundations [[www.mott.org](http://www.mott.org)]. The Johnson Center for Philanthropy [<https://johnsoncenter.org>] is a regional source of information and training for nonprofit organizations. The Council of Michigan Foundations [[www.michiganfoundations.org](http://www.michiganfoundations.org)] provides many resources on a statewide basis as well.

Recently, there has been a significant shift in strategy by an increasing number of community and regional foundations to deploy resources toward community development philanthropy. This strategy enables foundations to focus their capital in local and regional markets to help create new businesses and jobs, as well as provide access to needed community services.

### **[Low] Crowdfunding/Crowdgranting**

Crowdfunding or Crowdgranting is a system that utilizes an existing platform to raise small amounts of money from multiple individuals. There are a few different types to raise money. Depending on the type, there may or may not be an expected return for the individual. All are completed through online platforms, and sometimes there are rewards or presales. Examples include Kickstarter and GoFundMe, which tend to be donation based. Investment and equity examples are Localstake, Wefunder, and SeedInvest. All of these programs would require extensive outreach and community support. They generally will cover smaller programs or small project gaps.

### **[High] Rental Subsidies**

Providing additional rent assistance can reduce the financial burden of market rate units when affordable units are not available. Section 8 or housing vouchers are the typical rental subsidies provided. Additional rental assistance through county-focused programming will help more people stay in their homes when financing gets tight. Keeping people in the homes they own or rent is more effective than providing services once they are homeless.



# Appendix

## **[High]** *Inclusionary Housing Programs*

This is a program where local policies might require or encourage developers to dedicate a portion of the new residential units to lower than market rate residents. This could be any percent the municipality decides. Municipalities could provide tax credits, grants, or other incentives in exchange for the lower than market rate affordable units.

## **[Medium]** *Michigan Tax Increment Financing (TIF)*

The state of Michigan has enacted legislation to allow communities to create unique organizations for utilization of Tax Increment Financing, which include Downtown Development Authority (DDA); Local Development Financing Authority (LDFA); Brownfield Redevelopment Authority (BRA); Corridor Improvement Authority (CIA); Neighborhood Improvement Authority (NIA); and Waterfront TIF. Municipalities can divert property tax revenue increases to subsidize community development projects. The municipality does forgo the future tax revenues. Using TIF for a project can help with environmental clean-up, and with improvements in land use, housing, infrastructure, public facilities, and building structures.

## **[Medium]** *Michigan Tax Abatement Obsolete Property Rehabilitation Act (OPRA)*

Public Act 146 of 2000 enables the redevelopment and rehabilitation of older, obsolete buildings into vibrant commercial and mixed-use projects that are located in qualified local units of government. Local units of government can approve buildings that are contaminated, blighted, or obsolete for inclusion in the program. Once entered into the program, real estate taxes on a property are frozen for a period up to 12 years. This enables developers to make substantial improvements to a building without bringing about an increase in property taxes. Additionally, the state treasurer has the capability to exempt one-half of the school operating millage for up to six years on 25 projects per year.

# Appendix

## Michigan State Housing Development Authority (MSHDA) Tools

### **[Medium]** Michigan Homeowner Assistance Fund (MIHAF)

The Homeowner Assistance Fund was established under Section 3206 of the American Rescue Plan Act of 2021 (ARPA). This program is designed to mitigate hardships associated with the coronavirus pandemic by providing funds to prevent homeowner mortgage delinquencies, defaults, foreclosure, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship on or after January 21, 2020, or for those homeowners who experience a coronavirus pandemic financial hardship that began before January 21, 2020, but continued after that date. [<https://www.michigan.gov/mshda/homeownership/mihaf-homeowner-assistance>]

### **[Medium]** Low-Income Housing Tax Credits

These tax credits are managed by the MSHDA. The credits allow investors in affordable rental housing to claim a credit against their tax liability annually for 10 years. Projects include new construction or rehabilitation. If a project receives enough points to qualify for credits, the owner agrees to maintain both rent and income restrictions for a period of at least 18 years. The application process is very competitive, with limited funds available and a demand for funding sources that outweighs the supply. Approximately one in four projects is funded.

### **[Medium]** Small-Scale Housing Rental Pilot Program (April 22nd, 2022)

Small-scale development can have a significant impact on smaller rural communities, which is where the pilot funding will be focused. The financed units will be constructed and made available to low-, moderate-, and middle-income households within the state of Michigan. [<https://www.michigan.gov/mshda/neighborhoods/small-scale-housing-rental-program>]

# Appendix

## Michigan Economic Development Corporation (MEDC) Tools

### **[Medium]** *Community Development Block Grants (CDBGs)*

Program funds are made available through grants and loans to local units of government (city, village, township, county). The Michigan Economic Development Corporation will approve projects in communities that do not receive a direct allocation of federal funds (non-entitlement communities). The CDBG program initiatives include building rehabilitation, loan programs, business assistance, façade improvements, planning, public facilities and improvements, rental assistance, and other innovative project support. To access these dollars, communities should contact MEDC to talk about their project.

### **Updating Water Infrastructure -WRI Program (Due May 13th, 2022)**

A water infrastructure program is currently available. The program will not fund the extension of existing infrastructure but it would help to cover cost in the Capital Improvement Plan, freeing up financing for other projects.

<https://www.miplace.org/programs/community-development-block-grant/cdbg-funding-round/>

### **[Medium]** *Michigan Community Revitalization Program (MCRP)*

The MCRP offers loans or grants to eligible residential, commercial, and mixed-use projects located on sites that are contaminated, functionally obsolete, blighted, or historic in nature. The exact amount of financial assistance is established through a financial analysis. Projects receive funding based on eligible expenses in the project. Developments are expected to leverage financing with other sources and show local financial support. Each county has a Community Assistance Team member at the Michigan Economic Development Corporation who they can work with to submit applications.

### **[Medium]** *Public Spaces Community Places*

This program works with local nonprofits or municipalities to help fund public spaces like parks, splash pads, trail heads, and other community spaces. This program is a collaborative effort with MEDC and Patronicity, in which local residents can use crowdfunding to engage with the development of strategic projects in their communities. The funds that are raised by the community will be matched by a grant from MEDC.

# Appendix

## Ownership Structures

### **[Low]** Community Land Trusts (CLTs)

CLTs are community-based nonprofit entities that access, acquire, and maintain land in perpetuity within a “trust” under certain obligations and responsibilities for housing. Residential and commercial tenants who take title to this land own the homes, businesses, and retail stores, through a long-term renewable ground lease agreement that is subject to easements. CLTs can be used for many community development activities but are primarily utilized for the assurance of long-term housing affordability. A CLT is able to divide the ownership of the land for commercial and residential purposes, thereby safeguarding public and private investments for the benefit of the community. In essence, the CLT sells the improvements (homes) on the land to low- to moderate-income home buyers for a price that excludes the value of the land and at a price that is well below the appraised value of the improvements, usually between 60 and 70 percent of the appraised value. The benefits to the community are that the public and private investments are rejuvenated continually and generationally. The buyer agrees to abide by a sales formula if they ever sell the home and is also able to recoup all of the principal payments as well as improvement costs in some cases. Sellers also agree to limit the appreciation in the property they can recoup in a sale. A key challenge to the CLT is the financing for the initial project as larger subsidies are needed to fill the gaps in selling homes at a more affordable price.

### **[Low]** Cooperatives

Cooperatives are formed as organizations for the purpose of marketing and purchasing the products and services of its members and/or shareholders, in this case housing. The principles of a cooperative include voluntary and open membership; democratic control by its members; equitable contribution of capital by its members; self-help, reliance, and sufficiency; and sustainable development best practices and policies for the community at large. Housing cooperatives can be high-rise apartment buildings, garden-style apartments, townhouses, single-family homes, and senior housing. Mobile home park cooperatives usually own the land, utilities, and community facilities; their members own the individual mobile homes.

**Market Rate:** Shareholders/homeowners can buy or sell for whatever the market will support.

**Limited Equity:** There are some restrictions on the return from the sale of your ownership. Members benefit from below-market interest rate mortgage loans, grants, real estate tax abatement, or other features that make the housing more affordable to both the initial and future residents for a specified period of time.

**Leasing:** Affordability is provided through shared resources and sometimes below-market rents. Some leasing cooperatives allow outgoing members to take a portion of the organization’s cash reserves built up while they were in occupancy.

# Appendix

## **[Low]** Resident Ownership

Resident-owned communities (ROCs) is a preservation strategy used in manufactured housing developments. Manufactured housing is one critical source of affordable homeownership in the United States. Of the 6.8 million manufactured homes in this country, approximately 43 percent are located in the nation's 50,000 manufactured home communities, where residents rent the land beneath their homes. This is often a precarious arrangement for homeowners, but strategies like resident ownership, in which homeowners form cooperatives to purchase their communities, can provide more secure land tenure for millions of American families. This structure could also be used in new tiny home communities.

# Appendix

## General Housing Conversation Notes

- Portland School apartments are new.
- People are packing into small houses to create affordability. There is limited availability.
- Renovate the apartments we already have.
- Landlords need to be held to higher standards.
- Renters will not complain about landlords because they have nowhere else to go.
- How often do inspectors go into rental units to see if they are meeting code?
- No starter-home options available.
- Rehabilitation services could prevent many from becoming homeless.
- Need for a local nonprofit developer; there are many in Grand Rapids.
- Some churches are working on separate programs, and there is a lack of coordination—a missed opportunity for better efficiencies.
- Contractors low on time and few and far between.
- No/limited financing to expand water and sewer.
- Wraparound services, homebuyer education, supportive services for financing home repair.
- Taxes are hindering for new construction.
- Getting everyone to work on the goal together.
- Fear of unaffordability.
- Better transportation options.
- Awareness of the problem—Chamber.
- AARP funding.
- The elderly are staying in their larger homes.
- No options for different housing stock; people go to Grand Rapids.
- Want info on numbers of people who work from home.
- Broadband access is an issue; there is a subcommittee for this.
- The homeless population is growing.
- Around 50 people call every week looking for housing.
- More senior housing and age in place.
- The homeless population is getting older.
- Families are living in tents and trailers.
- Add a construction program at the college.
- Can't get decent housing under \$250,000 and from the banking side to work.
- People living in sheds garages.
- Dream—small affordable homes, cottage duplex—people can't afford a bigger home.

There were three subject specific work groups. Stakeholders from the community met to discuss the challenges and create goals around different housing challenges.

# Appendix

## **Market Rate**

Is defined by whatever the market will bear for a price of a housing unit, rental, or for purchase.

- Health care support and partnerships.
- Grant dollars.
- Smaller communities need houses too.
- How do they highlight the development team?

Goal 1: Create more ease of development process.

Goal 2: Creative funding/Foundation exchange/grant dollars.

Goal 3: Zoning change process.

## **Supportive Housing**

Is defined by supporting financially, physically, and/or mentally for an individual to have stable housing.

- Get stakeholders together.
- There is a gap of income that is not served.
- Not many landlords accept vouchers.

Goal 1: Homeless housing services and traditional housing. Find more building space for homeless shelters using hotels or empty schools.

Goal 2: Existing home repair and rehabilitation services, adapt home for elderly needs.

Goal 3: Incentives for affordable housing.

## **Market Rate**

There are many types of senior housing.

- Small cottage courts.
- More and more seniors do not want to be in nursing homes because of Covid.
- HOPE network housing?
- Many incomes are below poverty and on a fixed income.
- Dial-a-ride service is limited (funding to expand existing city programs)
  - Area agency on aging, wheelchair van, dial-a-ride, students help with driving.

Goal 1: Transportation for those who stay in their homes.

Goal 2: Create new housing with some assistance through health care but mostly independent.

Goal 3: Create co-living development could provide housing for multiple ages.