

HOUSING TRENDS IN MARQUETTE COUNTY

AGENDA

Introduction & Definitions

Sarah Lucas, LSCP

Housing Needs Assessment: Overview & Key Findings

Emily Bosch Soucy, CUPPAD

City of Marquette Ad Hoc Housing Committee

Evan Bonsall, Marquette City Commissioner

Marquette County Housing Programs

Anne Giroux, Marquette County

Questions & Discussion



COSTS & BARRIERS

Construction/building costs

Infrastructure

Labor

Taxes

Zoning that restricts the type or amount of homes that can be built

Public opposition

Limited funding for housing, especially in small towns and rural areas

SOLUTIONS

Grants, low-interest loans, financial partnerships to lower development and infrastructure costs

Land donations

Tax incentives

Zoning changes for more diverse housing options

Building public support and understanding

Legislative or policy change for more tools and funding

PARTNERS

Builders & developers

Nonprofits

Local governments

Philanthropy

State/federal agencies

Public



ACRONYM	HOUSING TERM	DESCRIPTION
AMI	Area Median Income	Used to determine household eligibility for income-restricted housing units
MSHDA	Michigan State Housing Development Authority	Provides development grants, rental vouchers, and other programs for housing
LIHTC	Low-Income Housing Tax Credit Program	Largest funding resource for affordable/low-income housing development
MEDC	Michigan Economic Development Corporation	Provides grants or loans for some types of residential development
HUD	US Department of Housing and Urban Development	Provides development grants, rental vouchers, and other programs for housing
CDBG	Community Development Block Grant	Federal grant to local/county governments administered by MSHDA for certain housing programs



TERM	WHAT IS IT?	WHAT INCOMES DOES IT SERVE?	ALSO KNOWN AS...
Affordable housing	Housing that costs 30% or less of a household's budget	All	Low-income housing Workforce housing
Attainable Housing	Homes that are deemed "affordable" to a group of people within a specified income range. This term is often used interchangeably with "workforce housing."	No "official" income level. It may include incomes up to 120% of AMI.	Affordable housing Market-rate housing Workforce housing
Low-Income Housing	Rental or for-sale housing that's made affordable, through subsidies, to low- and moderate-income households. Deed restrictions or other controls limit the resale price or rent for a specified number of years. Affordability may be guaranteed for periods of time ranging from 10 years to perpetuity.	60% of AMI (rental) 80% of AMI (ownership)	
Supportive Housing	A combination of housing and services for those facing complex challenges such as homelessness or very low incomes, and/or serious, persistent issues like substance abuse or addiction, mental illness, disability, dementia, and HIV/AIDS. Housing is coupled with social services like job training, life skills training, alcohol/drug abuse programs, and case management.	No "official" income limits. Depending on the market, may be up to 120% AMI.	Affordable housing Market-rate housing
Market Rate Housing	Housing that's sold at full-market value without restrictions or income eligibility.		Workforce housing
Workforce Housing	Housing that's affordable to parts of the workforce earning low, moderate, and entry-level incomes like teachers, police officers, medical technicians, construction workers, and retail and restaurant staff. Workforce housing may include both rentals and homeownership opportunities, and is generally located near employment centers. It may be either subsidized or unsubsidized.	No "official" income limits. Depending on wages and the market, it may be up to 120% AMI.	Market-rate housing

	2-Person Household			4-Person Household			
	Income	Affordable Rent	Affordable Home Price	Income	Affordable Rent	Affordable Home Price	
Low-income rental threshold	30% AMI	\$16,560	\$414	\$41,400	\$20,700	\$517	\$51,750
	60% AMI	\$33,120	\$828	\$82,800	\$41,400	\$1,035	\$103,500
Low-income ownership threshold	80% AMI	\$44,160	\$1,104	\$110,400	\$55,200	\$1,380	\$138,000
Workforce housing	100% AMI	\$55,200	\$1,380	\$138,000	\$69,000	\$1,725	\$172,500
	120% AMI	\$66,240	\$1,656	\$165,600	\$82,800	\$2,070	\$207,000
	150% AMI	\$82,800	\$2,070	\$207,000	\$103,500	\$2,587	\$258,750

Income and rent data from [MSHDA](#). Affordable home price based on 30% of household income plus taxes/insurance (approximately 2.5 times annual income)



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Marquette County Housing Needs Assessment

Marquette County Housing Initiatives: Panel and Discussion - April 27, 2021

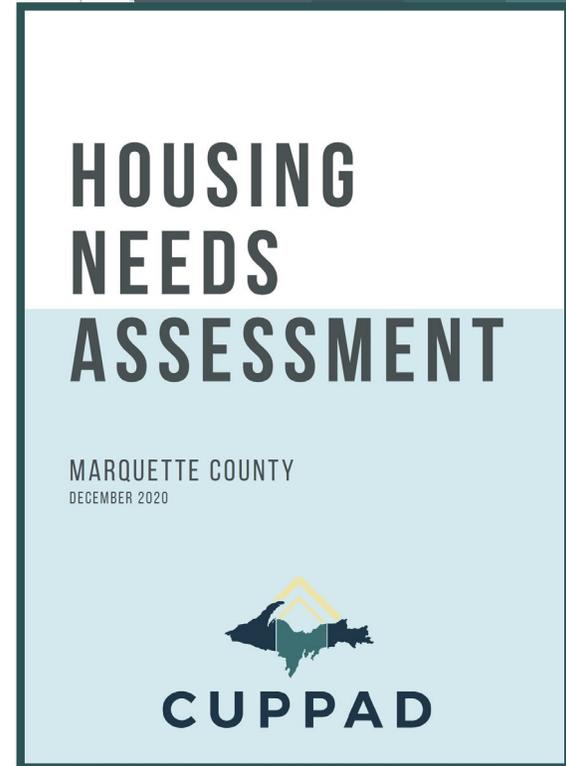
Presented by: Emily Bosch Soucy, Writing and Communications Consultant



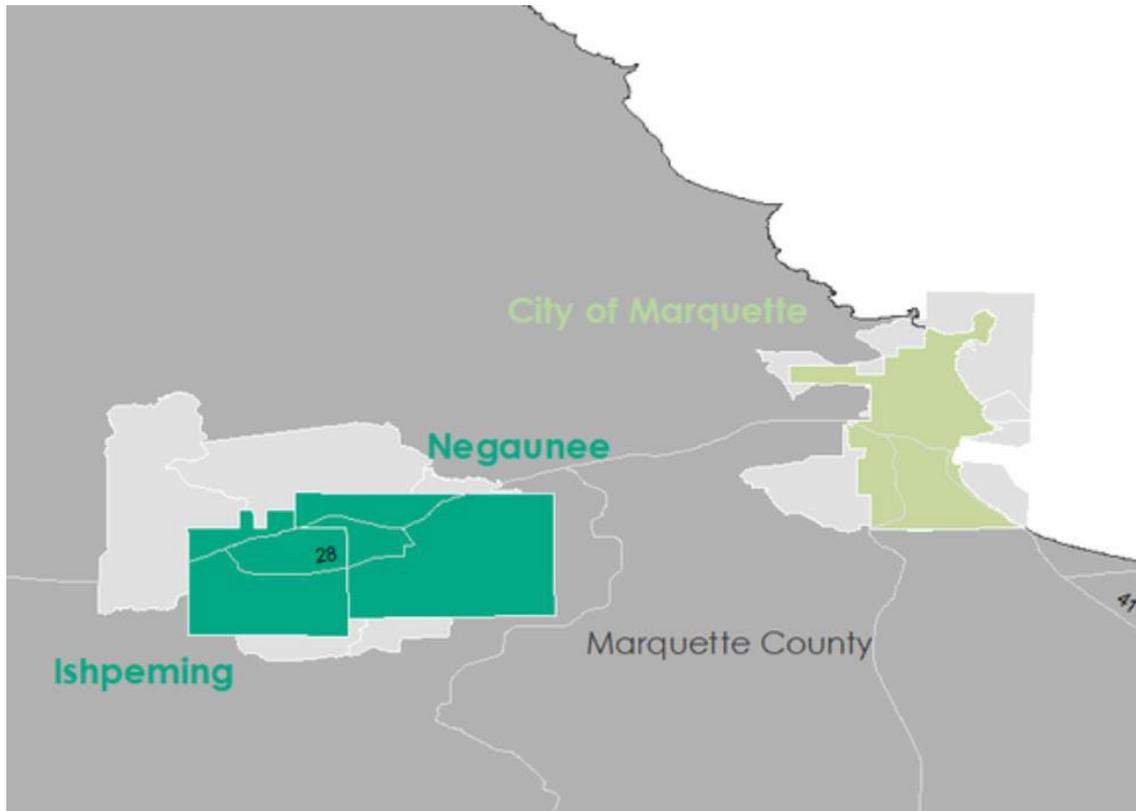
CUPPAD

Overview

- ▶ Completed by CUPPAD in late 2020 for Dickinson & Marquette Counties. Intended to complete for all six central U.P. counties
- ▶ Variety of data sources to analyze demographic, socioeconomic, and existing housing market conditions + trends
- ▶ Data includes county level and local market study areas
- ▶ Provided preliminary data presentations within study areas to focus groups who would verify data and provide local perspectives on challenges and opportunities
- ▶ Focus groups consisted of: Planners, EDOs, developers, realtors, lenders, employers, local elected officials, landlords
- ▶ Summarized the needs, opportunities, and challenges with a sensitivity to the unique conditions of each study area
- ▶ Intended to be a snapshot of current conditions



Study Areas



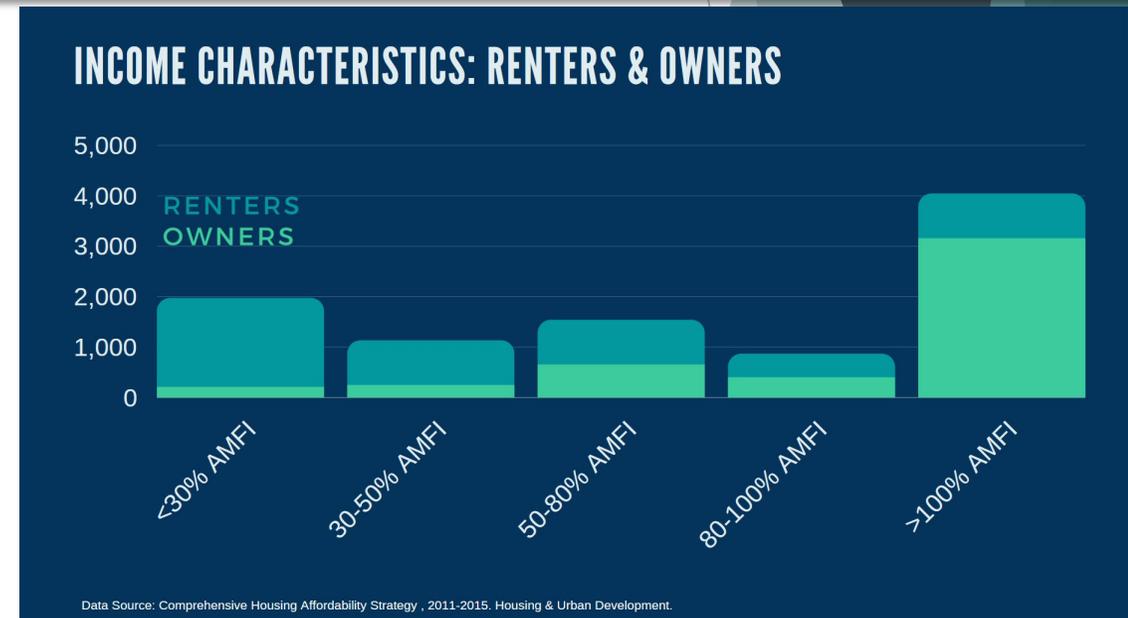
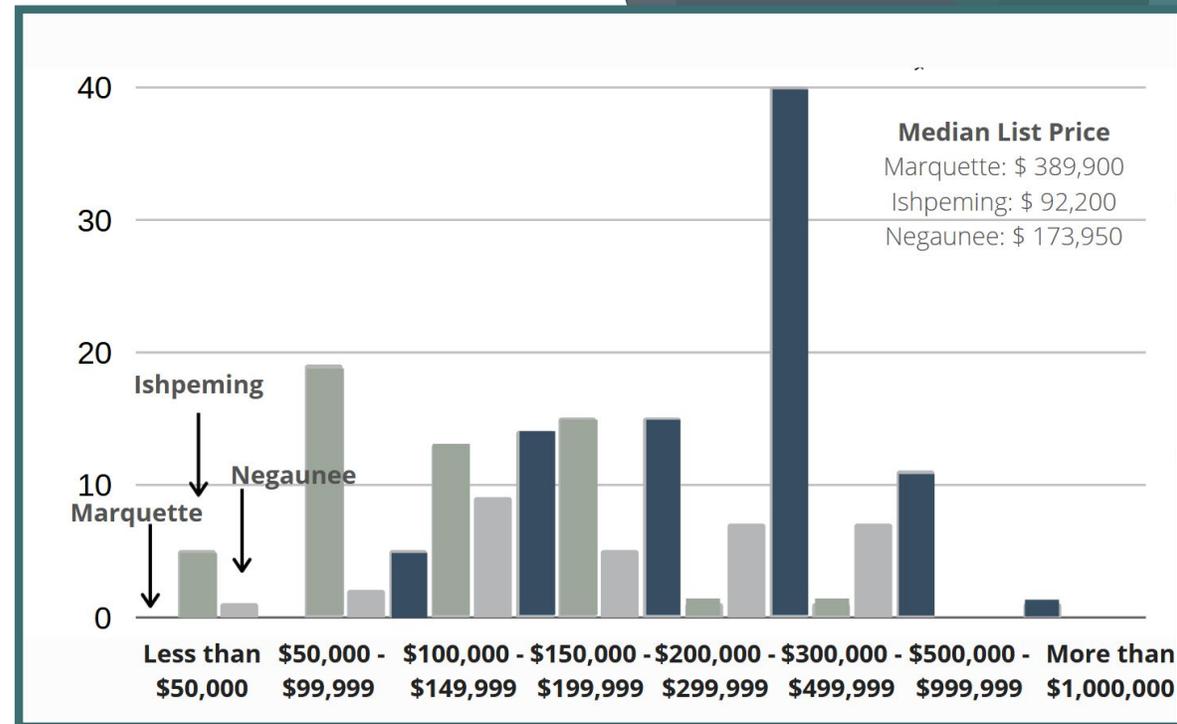
- ▶ Marquette County:
 - ▶ City of Ishpeming
 - ▶ City of Negaunee
 - ▶ City of Marquette
 - ▶ Township of Marquette

Understanding the Changing Environment

- ▶ The market assessments: TMAs (2016) and MSHDA Market Scans (2019)
- ▶ Current housing data: Census Bureau, Zillow, Realtor.com, MLS, MIT Living Wage Calculator, United Way
- ▶ Understanding trends and projecting future outcomes
- ▶ Socioeconomics
- ▶ Focus groups: presenting and verifying the data, learning local nuances and industry insights
- ▶ Refining the resulting plan
- ▶ Updating the data when possible

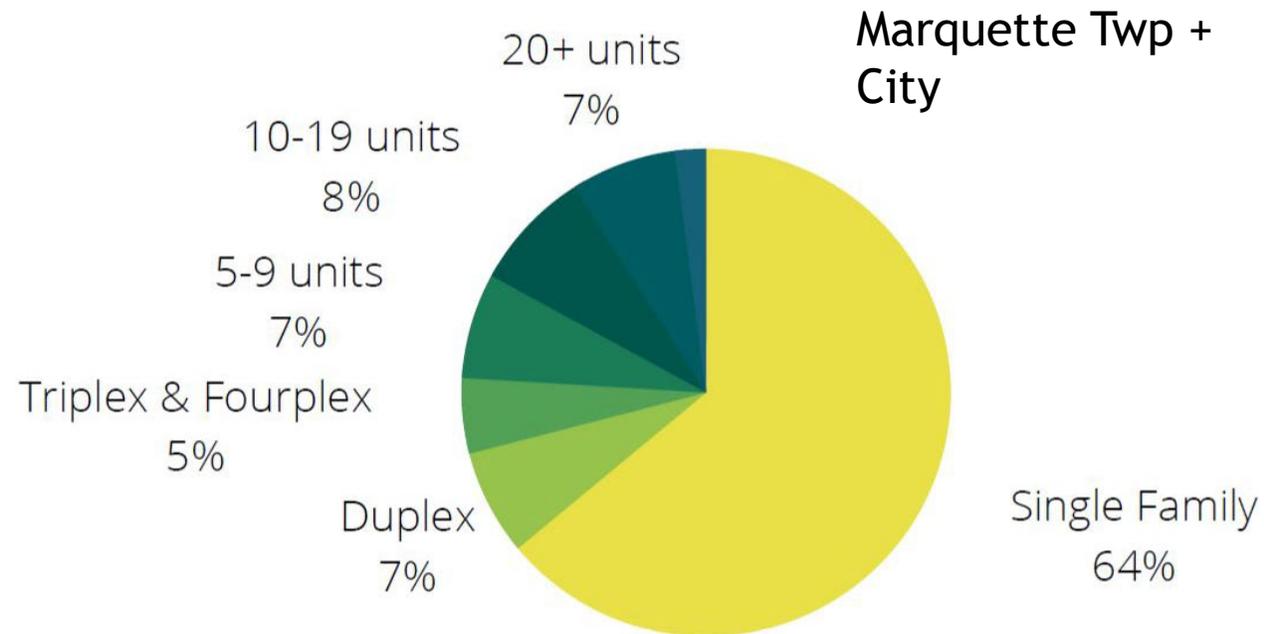
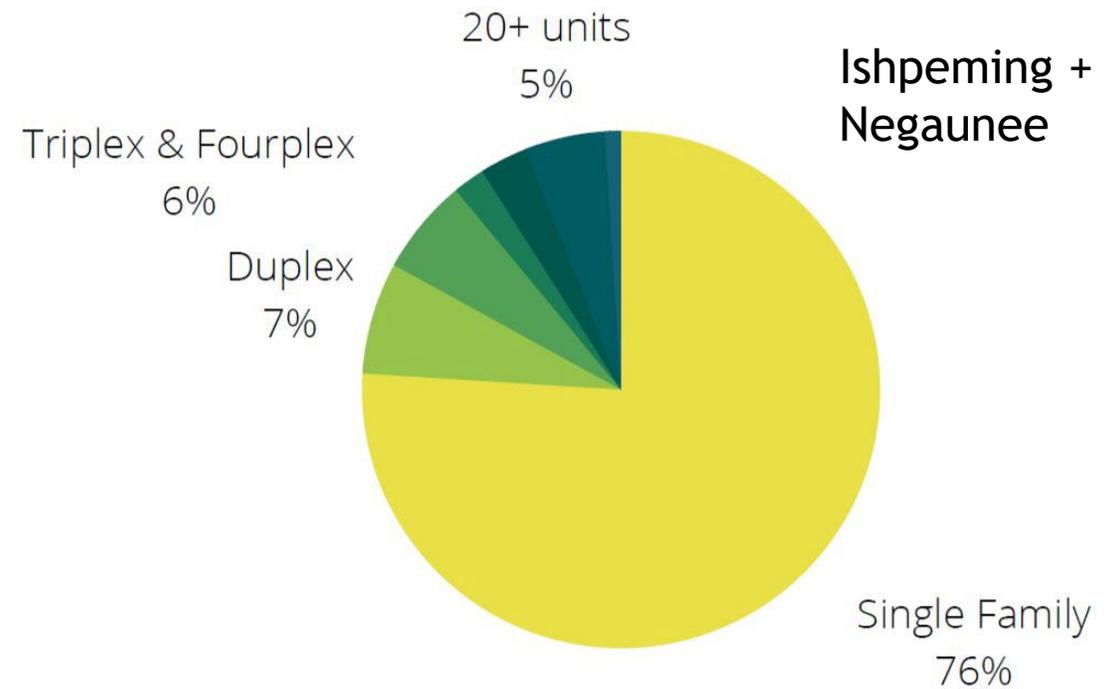
Key Findings

- ▶ **Hot Housing Market: “Absolutely Crazy”**
 - ▶ Marquette County ranks highest in percent change in housing prices of MI’s 83 counties
- ▶ Home prices are **rising** almost twice as fast than incomes (2000-2017)
 - ▶ Median household incomes have risen 36%
 - ▶ Home sale prices have risen 68%
- ▶ **Housing affordability** challenges persist for renters
 - ▶ Over half of Marquette County renters spend more than 50% of monthly income on rent
 - ▶ Median rental price for all housing types is over \$1,000/month
 - ▶ Rental stock is low and in high demand



Key Findings

- ▶ One third of all households are headed by someone of **retirement age**
 - ▶ Largest age group in the county: 45-64
 - ▶ Older people looking to downsize don't have many options in their communities
- ▶ High demand for **mixed** housing formats
 - ▶ Currently dominated by single family housing
 - ▶ Condos and townhome prices are higher than single family homes
 - ▶ "Missing middle", ADUs



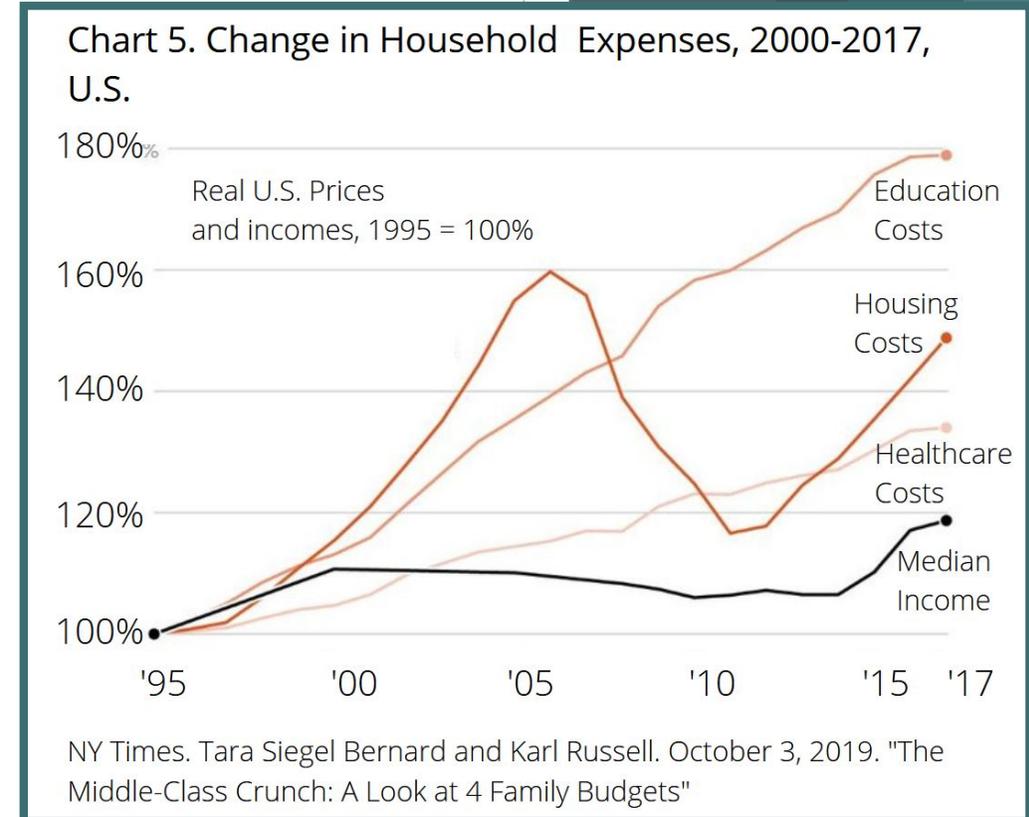
Key Findings

- ▶ A large proportion of homes are older (built pre-WWII) and need significant upgrades
 - ▶ 40% homes in Marquette City
 - ▶ 72% homes in Ishpeming and Negaunee
 - ▶ Sell for less but are less likely to be adequately maintained
- ▶ Housing tenure and occupancy rates: City of Marquette
 - ▶ Two types: renters and owners, with varying degrees
 - ▶ Average home ownership rates in MQT: 70%
 - ▶ Homeowners living mortgage-free: 43%
 - ▶ Rentals: 30%
 - ▶ Secondary homes, camps, or seasonal rentals: 17%
 - ▶ Vacant: 8%



Further Impacts

- ▶ Living wage and family income
 - ▶ A closer look reveals having to choose between housing costs and other necessities like healthcare and education
 - ▶ Single family households headed by women earn the least (cost of childcare not included)
 - ▶ Spillover impacts: childhood hunger, learning challenges, homelessness, poor health
- ▶ Talent attraction and retention; Workforce Development
 - ▶ More than half of households in the City and Township of Marquette are non-families, due to Northern Michigan University
 - ▶ Students look for rentals close to campus
 - ▶ Young professionals/ families cannot find housing to suit their needs



Focus Group Highlights: Negaunee and Ishpeming

- ▶ New construction is too expensive; potential homeowners cannot afford it, developers cannot make a profit
 - ▶ Cost of materials
 - ▶ Skilled labor shortage
- ▶ Many homes have undergone ad hoc rehab efforts and are in a state of disrepair
- ▶ Lack of buildable land in Negaunee and Ishpeming with road access and utilities due to mining activities of the past
- ▶ Educational programs that could teach people about housing: how to care for aging homes, how to build affordable new homes, how to become homeowners
- ▶ Aging homeowners who want to sell but have no comparable options in their community



Source:
<https://fortune.com/2021/04/20/lumber-prices-2021-chart-price-of-lumber-wood-costs-latest-update-april-2021-why-is-wood-so-expensive/>

Focus Group Highlights: Marquette City + Township

- ▶ Marquette is largely built out, limited buildable land within the City
- ▶ Changes in zoning codes are needed for multi-family developments, ADUs
- ▶ Chronic skilled labor shortage, limited opportunities, and high demand keep the sale prices high
- ▶ Improved public transit capability helps affordability. More transit-oriented development to better serve the workforce
- ▶ “Missing middle” housing, need more in between single-family homes and apartments, lack of low-income housing
- ▶ High construction costs make it hard to build without extra financing to bridge the gap
- ▶ Condos and modular homes seem to have a negative connotation when they don't have to

Next Steps

- ▶ Housing Needs Assessments in the remaining counties
 - ▶ Alger
 - ▶ Delta
 - ▶ Menominee
 - ▶ Schoolcraft
- ▶ Local housing action plans
 - ▶ Study area jurisdictions should consider HAPs as a means of developing policy and priorities
- ▶ Continued work with partners on housing discussions and initiatives

Thank You!

- ▶ Link: [Marquette County Housing Needs Assessment](#)
- ▶ Link: [Dickinson County Housing Needs Assessment](#)

Questions? Comments?

<https://cuppad.org>

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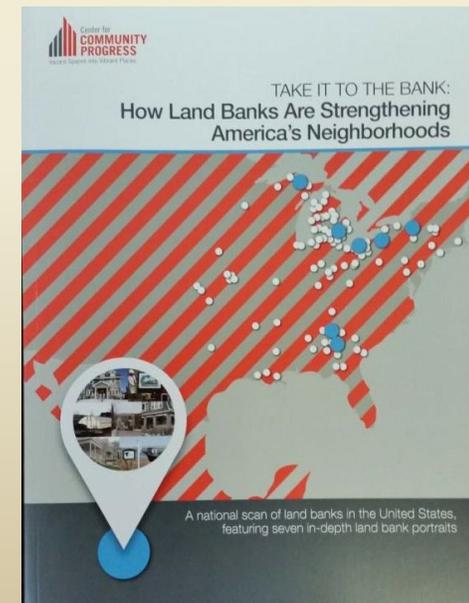




Marquette County Land Bank Authority

The mission of the Marquette County Land Bank Authority is to work collaboratively with local governmental units and community organizations, in determining the best way to return tax-foreclosed properties to the tax roll, while eliminating blight, providing affordable housing and economic development opportunities and revitalizing communities.

- Created May, 2009
- 5 member board
- Staff support from County
- Have raised over \$1.3 million for blight elimination
- Featured in National Publication in 2014



Creation of Land Bank Authorities in Michigan

In 2003, the governor signed into law the Land Bank Fast Track Act P.A. 258.

- The legislation established the State Land Bank Authority, which serves counties where the state acts as the foreclosing governmental unit (FGU).
- The legislation also allowed the creation of land banks at the county level.

Under the legislation, land banks were given important tools including:

- The ability to acquire, hold and dispose of properties
- The power to pursue expedited quiet title
- The room to be creative in finding new productive uses for once-forgotten property

With this legislation, Michigan opened the door for communities to reclaim, reinvest in and rebuild their neighborhoods. Land Banks are designed to:

- Promote economic growth
- Receive, acquire, hold, manage, develop and sell/convey property, including tax-foreclosed property
- Facilitate the re-use of vacant, blighted, obsolete and abandoned properties
- Eliminate loss of local control due to typical property tax auction sales
- Eliminate low-end speculation
- Assemble land for redevelopment
- Support local priorities and land-use plans
- Support local affordable housing initiatives
- Increase land sale proceeds due to higher property values
- Facilitate demolition and blight removal
- Layer with other redevelopment tools, i.e., Brownfield

Year	Number of parcels acquired	Blighted structures demolished	Side lot transfers to adjoining property owners	Sales to private ownership	Transfers to local units of government	Currently retained by Land Bank/Available for sale
2009	7	3	2	2	2	1
2010	18	6	6	11	0	6
2011	19	6	3	7	2	10
2012	11	4	7	3	0	10
2013	8	17	0	2	0	12
2014	15	1	5	1	0	16
2015	15	12	3	4	0	21
2016	28	8	5	3	0	32
2017	23	22	6	9	0	55
2018	21	10	7	9	0	46
2019	9	13	7	5	0	36
2020	6	0	4	5	1	32
TOTAL	180	102	55	61	5	

Key Partner:

Marquette County Habitat for Humanity

423 and 425 W. Spring Street, Marquette. Through a partnership with Habitat for Humanity and by utilizing the tax increment financing tools available through the newly created Marquette County Brownfield Redevelopment Authority, the Land Bank was able to demolish the two blighted structures and sell the property to Habitat, where a new duplex residential unit has been built which has provided two families with new homes.



Key Partner: Marquette County Habitat for Humanity



430 Bluff, Marquette City

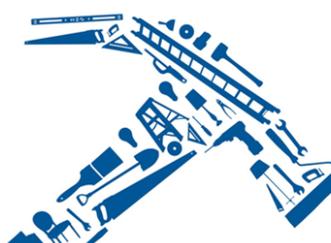


207 Maple, Ishpeming City



Habitat for Humanity
Homeowner Repair Program

*In partnership with Community Action Alger-Marquette and
the Marquette County Land Bank Authority*



Hematites Building Better Neighborhoods

Beginning in January 2016, the students in the Advanced Construction classes at Ishpeming High School began renovating this house on behalf of the Land Bank. It was completed and sold in 2019.



Purchase price of home \$30,000

Sales price of home \$90,000

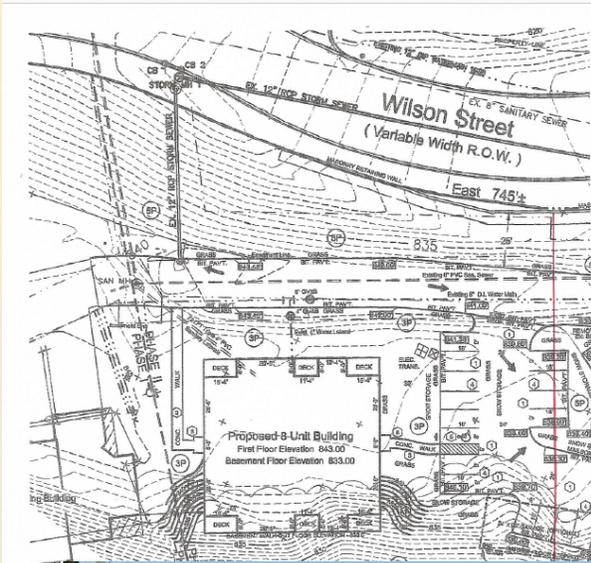


Total renovation costs \$75,573
Grant funds received \$75,000

Funds provided to program \$50,000
Funds retained for future purchase \$30,000

Housing Initiatives

Osprey Court, Marquette



613 W. Division, Ishpeming

THANK YOU!

Anne Giroux

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