



Charlevoix County Housing Inventory

DRAFT 2014 REPORT



FRAMEWORK
FOR OUR FUTURE
A REGIONAL PROSPERITY PLAN

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Council of Governments**
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Acknowledgements

This document was prepared as part of the *Framework for Our Future: A Regional Prosperity Plan for Northwest Michigan*, a regional resource for local governments, nonprofits, and other organizations working to meet local goals. The *Framework* will include information and tools that can address key community issues such as housing, transportation, land use, energy, arts and culture, workforce and economic development, community health, food and farming systems, and natural resources. The *Framework* includes a special emphasis on social equity, in order to ensure that populations such as those in poverty, disabled individuals, minorities, youth, and others have a voice in the planning process.

The *Charlevoix County Housing Inventory* was prepared by the Northwest Michigan Council of Governments, with input from the public and community stakeholders. Funding was provided through the State of Michigan Regional Prosperity Initiative.



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HOUSING INVENTORY



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Executive Summary

A diverse mix of housing choices is essential to a community's quality of life, and is vital to the physical, social, and financial well-being of its residents.



All residents – including working families and individuals, disabled individuals, seniors, and low-income households – need quality housing choices that they can afford. These housing choices could include traditional homes on large yards or in the country, or homes on small yards in town, apartments and townhomes, or housing that includes barrier-free features that make homes accessible to those with disabilities. But no matter where the homes are located, and no matter what size, they should meet both the financial and physical needs of residents.

However, meeting those different housing needs can be a challenge for many communities.

- In many cases, the cost of housing makes it unaffordable to many families or individuals. Shortages of affordable housing in some areas means that families may have to move farther from jobs, schools, or

shopping in order to find homes they can afford. Living in homes far from work or school requires long commutes into town that can result in high transportation costs that become a drain on a household's budget – and take time away from family or other activities.

- Lack of infrastructure in many areas leaves many households reliant on expensive energy sources, contributing to high energy costs that further strain household budgets.
- Many parts of the region struggle with deteriorating housing that needs substantial repairs and oftentimes comes with higher heating costs. Deteriorating housing can mean extra costs for repairs and energy, and can have serious effects on residents' health and quality of life.

- Housing discrimination prevents some residents from accessing decent housing.
- A lack of small homes or accessibility presents challenges to small households, the growing number of seniors in the region, and those with disabilities.

The *Charlevoix County Housing Inventory* is intended to provide an overview of the County's housing stock and its specific challenges. This report reviews population changes affecting housing demand, the diversity of existing housing choices, housing affordability, foreclosures and vacancies, and homelessness. The report is based on available data from the US Census, tax records, and other public data sources, along with public input received from public events, focus groups, interviews, and surveys.

It's important to note that this report is not a market study. Rather, housing characteristics are measured for the purposes of planning and strategy development. Findings from this analysis will be used in the development of the *Framework for Our Future Regional Housing Strategy*.

Charlevoix County Population Trends & Housing Choices

Population and economic changes are driving housing demand that varies in many respects from trends seen in the area over the previous twenty years.

- Population changes including declining numbers of young families in recent years, combined with a growing senior population, are changing the face of housing demand. All new population growth between 2000-2010 was among those aged 45 and up, and family households declined by 14% during that period.
- Seniors are the fastest growing population group in the region, and the proportion of

seniors as a percentage of the population is expected to increase. While there are a variety of options available for senior housing in the region, service providers report that senior housing demand—particularly demand for affordable senior homes—continues to increase as retirees relocate to the area.

- As young families leave the area, and seniors increase as a percentage of the population, the resulting smaller household sizes, along with economic factors, are driving demand for smaller homes.
- Poor quality homes or substandard housing create serious health concerns, negatively affecting our most vulnerable populations – seniors, children, and the disabled. While most of the region's housing stock is in good condition, many homes in the region experience serious physical issues or are deteriorating. These homes may be the only option for many low-income households that can't find safe or adequate homes that they

can afford.

Housing Affordability

Low-income households make up an important part of the County's workforce, but many of these households confront significant challenges relative to housing affordability. Data and public input emphasized the issue of affordable housing shortages and the impact of these shortages on families and individuals in poverty.

- Charlevoix County has a shortage of about 1,000 homes that are affordable to low-income households. With 4,200 households earning less than \$50,000 per year, only about 3,200 homes are affordable to those households.
- Rentals in Charlevoix County are some of the most affordable in the region, with median rents well within the affordability range for an average renter. However, extremely low income households (those earning \$20,000 or less per year) do confront shortages of rentals that they can



afford, forcing them to rent more expensive homes and in turn reducing the availability of affordable housing for other income groups. With about 750 rental households in this income range, only about 600 of the County's rentals are affordable to those households.

- 76% of very low income owner-occupied households, and 75% of very low income renters, pay 30% or more of their income for housing.

Energy & Transportation Costs

Housing affordability is strongly affected by issues such as the quality or condition of a home, its location, and energy usage issues. When considering housing affordability, factors such as a home's location, energy efficiency, transportation costs, and condition all play important roles in calculating the "true cost" or affordability of housing.

- While data is not available for Charlevoix County, regional trends indicate that an

average household spends over half of their income on the combined costs of housing and transportation. Costs are higher—upwards of 70% of a household's income—in more rural areas and for moderate income households. These untenable financial situations can result in crisis situations, with many lower-income residents forced to choose between traveling to work, paying utility bills, making monthly mortgage payments or rent, purchasing necessities like food, or making needed repairs to the home.

- Data relative to energy costs is not available for Charlevoix County, but input and data for other counties within the region indicate that housing instability arising from energy costs is a reality for many residents of the region. Input stressed the challenges associated with energy costs in low income households. Costs for propane, which is a commonly used heating fuel in rural areas, were of particular concern, as is the limited

availability of energy efficiency/weatherization programs that could help residents address the financial burdens of high energy costs.

Homelessness

- Shortages of affordable housing, housing discrimination, foreclosures and evictions, lack of supportive housing, and housing instability arising from high energy or transportation costs all increase the risk of homelessness. 328 people in the Grand Traverse area are homeless on a given night; 88 of those individuals are children



Data Sources

Unless otherwise specified, data for this document were obtained through the following primary sources:

U.S. Census

The decennial **US Census** is conducted every 10 years to measure population, age, and other basic demographic information for all geographies in the country. All basic population and housing data, including population increases, household size, age cohorts, housing unit totals, vacancy information, and tenure (owner/renter occupancy) used in this report are from the US Census.

American Community Survey

The **American Community Survey (ACS)** is a large, continuous demographic survey conducted by the Census Bureau that will eventually provide accurate and up-to-date profiles of America's communities every year. Questionnaires are mailed to a sample of addresses to obtain information about households and housing units. Questions asked are similar to those on the decennial census long form, along with more detailed questions about household economics and physical characteristics of housing. Estimates for small geographic areas are based on data collected over a 5-year time period, and represent the average characteristics over that time period. All housing data pertaining to income, household financial characteristics, and physical housing characteristics used in this report are from the American Community Survey.

H+T Affordability Index

The **Housing and Transportation (H+T) Affordability Index** was developed by the Center for Neighborhood Technology and the Center for Transit Oriented Development as a project of the Brookings Institution's Urban Markets Initiative. The H+T Affordability Index was developed to offer an expanded view of affordability, combining housing and transportation costs, setting the affordability benchmark at no more than 45% of household income. While H+T Affordability data is not currently available for Charlevoix County, regional data is provided to illustrate local housing and transportation costs and trends. Data and methodology are available online at www.htaindex.cnt.org.

Population Trends & Housing Diversity



In Northwest Michigan, as in much of the nation, population and economic factors are driving trends that vary considerably from housing market activity experienced in previous decades.

Housing type and diversity are important factors in considering whether there are adequate housing choices for the population. Lifestyle patterns and changes create different needs for different parts of the population: the age, income, employment, household size, and other characteristics of residents determine their housing preferences and needs. These in turn affect individual decisions about the price, type, location, and size of the housing they choose to live in, and about whether residents rent or own. For instance, households such as the elderly or disabled may need smaller homes with less maintenance, while family households need larger homes. When the supply does not meet the demand, availability issues arise, subsequently affecting affordability and adequacy.

In Northwest Michigan, as in much of the nation,

population and economic factors are driving trends that vary considerably from housing market activity experienced in previous decades.

Population & Demographic Trends

Between 2000-2010, the United States experienced a series of economic issues that had far-reaching effects on employment and housing demand. Impacts were especially pronounced in Michigan, which struggled through an economic decline that began earlier and lasted longer than the nationwide recession. Michigan's economic challenges resulted in statewide population loss, some of the highest rates of foreclosure in the nation, persistently high unemployment rates, and home abandonment and blight throughout the state. While the most severe problems were concentrated in urban areas, no parts of Michigan were immune from the effects of the

recession, and Northwest Michigan experienced significant changes in its population and housing market that will shift demand for some time to come.

In 2000, Northwest Michigan was experiencing high rates of both population and housing growth. The region's natural resources, scenic beauty, and high quality of life have long made the area a desirable location for second homes, as well as for retirees and families, contributing to substantial population growth through the 1970's, 80's, and 90's. Throughout these decades, counties in the Northwest Michigan region experienced some of the highest growth rates in the state. Charlevoix County's population grew by 93% between 1970-2000, while the population of the region as a whole more than doubled during that time period (see Table 1). Much of the growth occurred outside of cities and villages, reflecting the desire for rural

Table 1. Regional Population Growth, 1950-2010

Data from US Census

	1950	1960	1970	1980	1990	2000	2010
Antrim	10,721	10,373	12,612	16,194	18,185	23,110	23,580
Benzie	8,306	7,834	8,593	11,205	12,200	15,998	17,525
Charlevoix	13,475	13,421	16,541	19,907	21,468	26,090	25,949
Emmet	16,534	15,904	18,331	22,992	25,040	31,437	32,694
Grand Traverse	28,598	33,490	39,175	54,899	64,273	77,654	86,986
Kalkaska	4,597	4,382	5,272	10,952	13,497	16,571	17,153
Leelanau	8,647	9,321	10,872	14,007	16,527	21,119	21,708
Manistee	18,524	19,042	20,094	23,019	21,265	24,527	24,733
Missaukee	7,458	6,784	7,126	10,009	12,147	14,478	14,849
Wexford	18,628	18,466	19,717	25,102	26,360	30,484	32,735
10-County Region	135,488	139,017	158,333	208,286	230,962	281,468	297,912

lifestyles, while population declined in most of the region’s cities and villages.

However, many of these changes were altered, if not reversed, by the recession. Economic decline resulted in loss of manufacturing jobs and other employment. Subprime loans and loss of employment left many residents unable to make monthly mortgage payments, creating high rates of foreclosure and leaving a glut of homes on the market – which in turn led to a decline in housing value, a rise in “underwater” mortgage holders, and reduced housing demand. As the

region contended with these challenges, its historically high growth rates slowed. Between 2000-2010, Charlevoix County’s population declined by half a percent, compared to a 22% growth rate between 1990-2000.

Age

All of Charlevoix County’s population growth between 2000-2010 was concentrated in age cohorts of 45 years and up. With fewer jobs available, many residents and their families left the area to find employment opportunities

elsewhere, reflected by a 28% decline in individuals aged 35-44 in Charlevoix County. Because this age group is most likely to be part of a household with children at home, the County also experienced a decline in all age groups between the ages of 5-19 years (see Figure 1). Yet, as younger people and families left the region, the numbers of those aged 45 and older increased. Between 2000-2010, the number of households in Charlevoix County with one or more people over the age of 60 increased by about 30%.

Some of this growth reflects natural age increases, as the Baby Boomers begin to reach retirement age; while some growth can be accounted for by new residents that moved to the area following retirement.

Ownership & Rental

Ownership and rental trends were affected both by economic trends and age cohort changes. Reflecting population changes, all of the growth in owner-occupied households occurred in age groups above age 45, and the rate of homeownership actually declined in all age cohorts under 44.

Meanwhile, growth in the number of rental households was twice the rate of owner-

occupied housing growth (14% vs. 2%, respectively), with increases in the number of renter households in all age groups above age 35, (see Figure 2). Significant growth in the number of rental households was recorded for those aged 45-54 (76% increase).

These changes reflect both population loss in younger groups and the transition to rentals away from homeownership in the face of economic challenges or foreclosure, as credit challenges, unemployment, or the loss of homes to foreclosure forced many individuals and families to seek rental housing. Further, studies indicate that because of economic uncertainty, poor employment opportunities, an unstable housing market, and rising levels of student debt, many young people remained in their parent's homes rather than moving out to begin new households – contributing to declines in homeownership rates in those age groups.

Household Size & Families

As the region experiences increases in its senior population and decreases in its younger population, a number of family and household trends follow. As individuals age, household size and the number of family households with children both tend to decline, as children leave home for college or to begin their own

Figure 1. Change in Population by Age, 2000-2010

Data from US Census

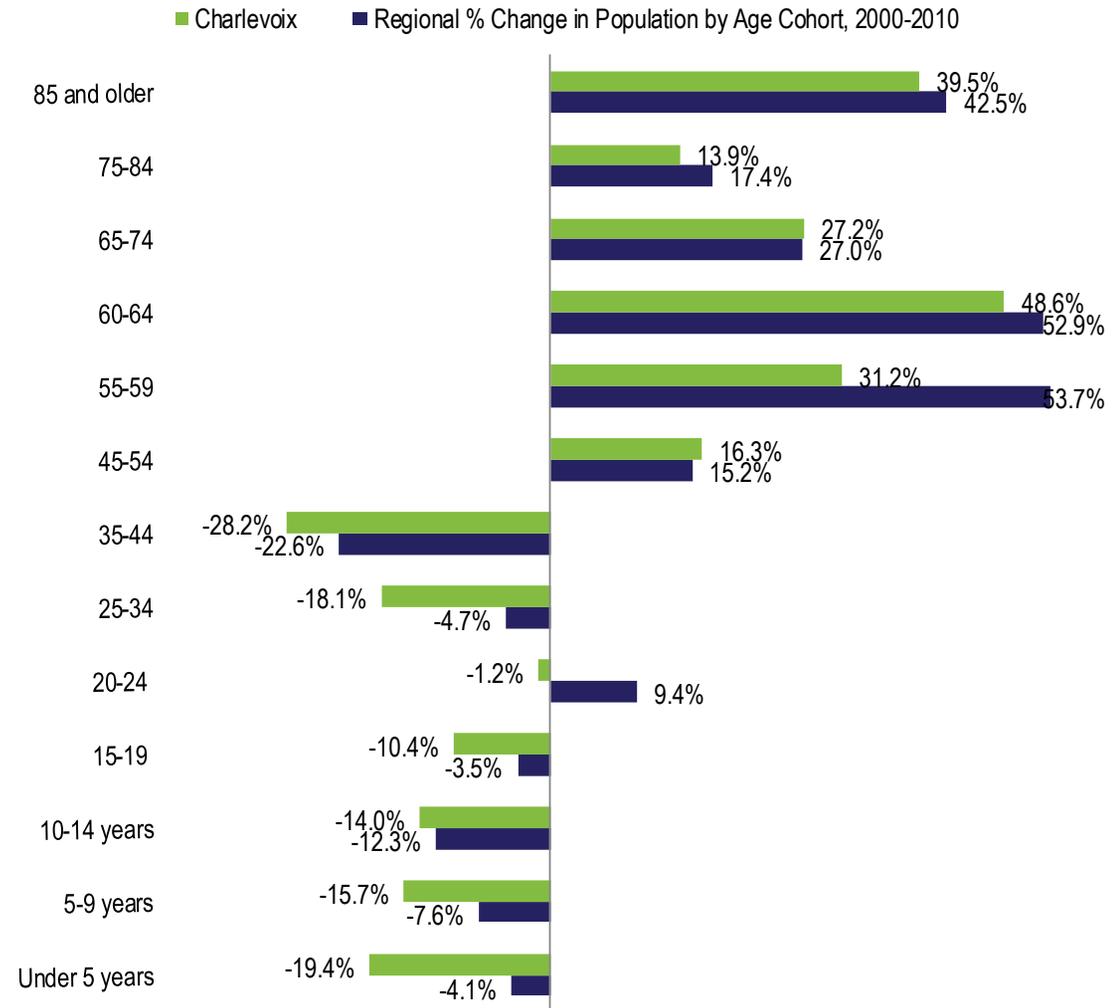


Table 2. Housing Units and Occupancy in Charlevoix County

Data from US Census

	Total # Housing Units, 2010	% Change, 2000-2010	Occupied	Vacant	Owner occupied	Renter occupied	% Owner occupied	% Renter Occupied
Charlevoix County	17,249	12%	10,882	6,367	8,643	2,239	79%	21%
Bay township	847	8%	445	402	407	38	91%	9%
Boyne City	2,292	18%	1,635	657	1098	537	67%	33%
Boyne Falls Village	178	-6%	133	45	100	33	75%	25%
Boyne Valley Township	833	28%	508	325	424	84	83%	17%
Chandler Township	158	11%	94	64	87	7	93%	7%
Charlevoix city	2,201	5%	1,266	935	710	556	56%	44%
Charlevoix Township	1,067	13%	681	386	594	87	87%	13%
East Jordan city	1,189	10%	952	237	632	320	66%	34%
Evangeline Township	504	4%	302	202	256	46	85%	15%
Eveline Township	1,381	6%	675	706	586	89	87%	13%
Hayes Township	1,134	10%	810	324	734	76	91%	9%
Hudson Township	549	13%	263	286	231	32	88%	12%
Marion Township	777	23%	641	136	563	78	88%	12%
Melrose Township	935	7%	540	395	461	79	85%	15%
Norwood Township	412	7%	291	121	267	24	92%	8%
Peaine Township	564	38%	158	406	152	6	96%	4%
St James Township	452	37%	178	274	144	34	81%	19%
South Arm Township	1,078	14%	708	370	627	81	89%	11%
Wilson Township	876	3%	735	141	670	65	91%	9%



households. Between 2000-2010, the number of families with children declined in all counties in the region. Charlevoix County experienced a 14% decline in the number of households with children, compared to a 9% drop region-wide.

Household Size

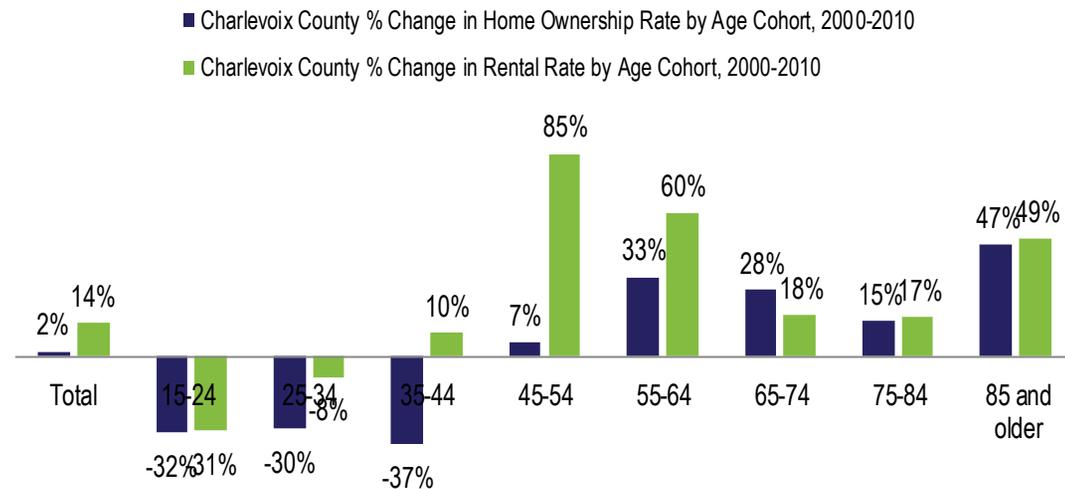
As the number of families declined, so too did household size. The average household size dropped by about 4% region-wide between 2000-2010, reflecting declines in family households and increases in single-person households.

- Overall, the number of households in Charlevoix County grew by 5%.
- The number of single person households, however increased by 14%. In contrast, the County experienced only 2% growth in the number of two-person or larger households.

With smaller households, the demand for housing will outpace population growth, as the number of homes needed to house even the same number of people will increase. For instance, while Charlevoix County's population declined by half a percent between 2000-2010, the number of new households grew by 5% and the number of new housing units increased by 12%. As populations age and household sizes shrink, therefore, the demand for housing will continue to increase even while population rates

Figure 2. Change in Homeownership & Rental Rates by Age

Data from 2006-2010 American Community Survey



decline. However, housing demand will likely be focused more on smaller homes, to accommodate the needs of smaller households, rather than the large single-family homes that have been the focus of new housing construction in recent decades.

Income

Income levels are a major factor in individual choices about housing, with lower-income households more likely to rent—particularly

when there are shortages of affordable housing. In 2010, the County's estimated median household income was \$48,704. For owner-occupied households in Charlevoix County, the median income was \$54,332, while the median income of rental households 2010 was reported at \$25,704 (2010 ACS 5-year estimate). The income difference between renters and homeowners is one of the largest in Northwest Michigan.

Housing Unit Growth

Regionally, growth in the number of housing units between 2000-2010 reflects overall population and economic trends. Like its population, the number of housing units increased significantly in the region from 1970-2000, with declining growth rates following the recession and housing market crash. In both Charlevoix County and regionally, between 1970-2000, the number of housing units nearly doubled, with especially rapid growth between 1970-1980. In many counties in the region, that high rate of growth slowed significantly between 2000-2010.

Housing unit growth varied by community within the County between 2000-2010. The highest housing growth rates were found on Beaver Island, with the number of housing units in Peaine Township increasing by 38% and in St. James Township by 37%. The number of housing units in Boyne Valley Township increased by (28%) and in Marion Township by 23%. 40% of Charlevoix County's new housing unit growth consisted of new seasonal homes.

Housing Unit Type

As a primarily rural county, most homes in Charlevoix County are owner-occupied, single-

family detached homes. About 82% of all homes in Charlevoix County are single-family detached or attached dwellings. Mobile homes are the second-most common housing type (8%). 2% of housing units are located in duplexes, and about 8% of housing structures include three or more housing units.

The type of housing unit in which an individual or family lives, however, varies depending on whether households are owner- or renter-occupied (see Figure 4):

- Most owner-occupied households lived in single-family detached units (88%), with another 10% in mobile homes.

Table 3. Housing Unit Growth in Charlevoix County, 1950-2010

Data from US Census

	1940-1950	1950-1960	1960-1970	1970-1980	1980-1990	1990-2000	2000-2010
Charlevoix	5,969	6,832	7,617	11,117	13,119	15,370	17,249
# New Housing Units Constructed in Charlevoix County	1,446	863	785	3,500	2,002	2,251	1,879
% Change in Charlevoix	32%	14%	11%	46%	18%	17%	12%
% Change in 10-County Region	26%	23%	11%	48%	18%	18%	15%

- Renters were more likely to live in two-family or multi-family units; only about 45% of rental households lived in single-family homes. About 11% of renters lived in mobile homes, and about 24% lived in structures with 2-9 units.

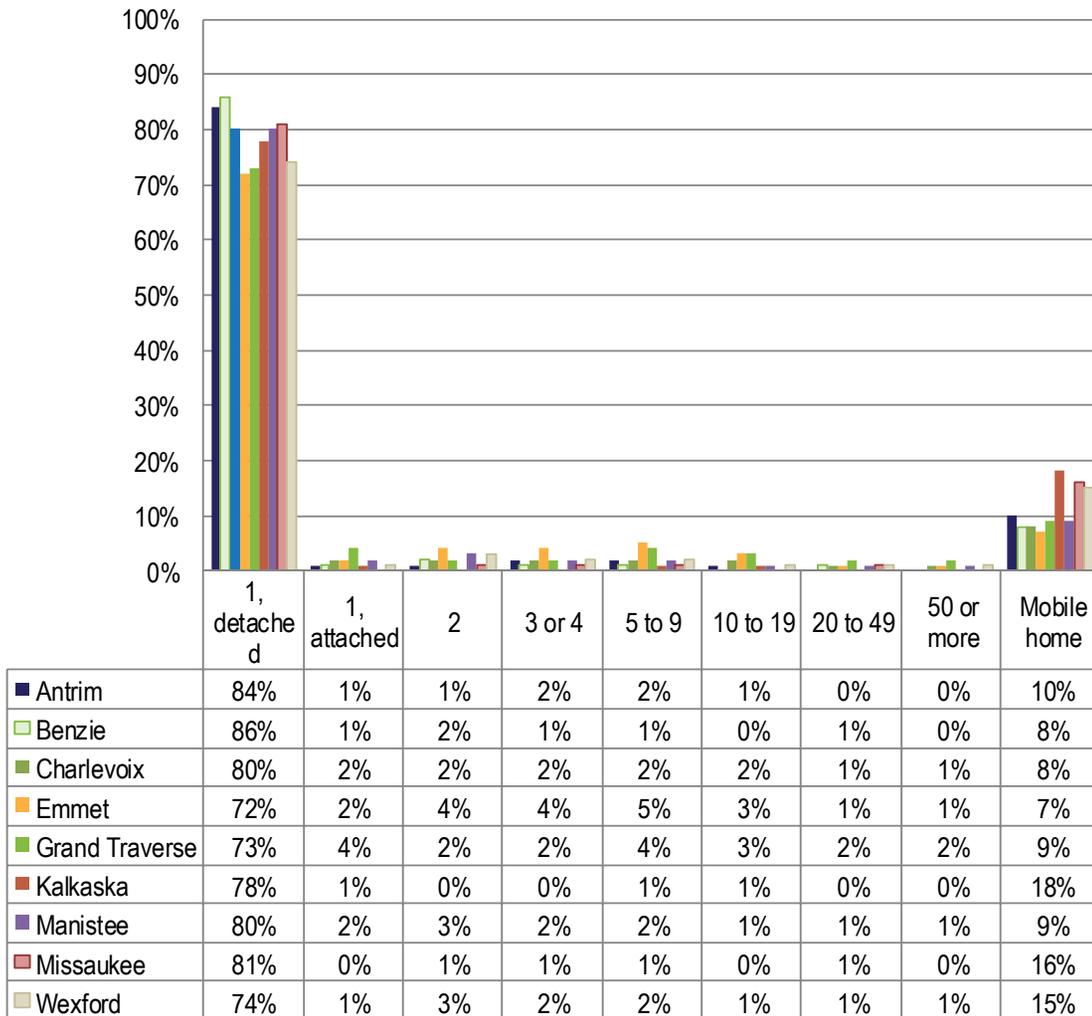
Large multi-family homes or apartments require infrastructure such as sewer and water services, which is predominantly available in cities and villages with sewer and water access. As such, more multi-family homes are located in and around the cities of Charlevoix and Boyne City; the percentage of rental households in these communities is significantly higher than other parts of the County. In rural areas without infrastructure, rental options are more likely to consist of single family homes or mobile homes.

Owner-Occupied & Rental Households

Most homes in the County are owner-occupied, with higher rates of homeownership than both the state and the nation. Nationally, about 65% of households are owner-occupied, and about 72% of households statewide are owner-occupied. In Northwest Michigan, 81% of households are owner-occupied, while about 79% of Charlevoix County's housing units are owner-

Figure 3. Housing Unit Type by County, 2010

Data from 2006-2010 American Community Survey



occupied. Again, because multi-family housing units such as apartments are more often located in cities and villages, rural areas are more likely to have higher rates of homeownership, while larger percentages of the housing stock in villages are renter-occupied. (see Table 2).

The County's rural, owner-occupied, single-family housing units have driven housing demand for decades, and will continue to be a central element of housing choice in the future.

However, a number of trends have begun to show a shifting demand that is likely to call for a variety of housing options in addition to, or beyond, single-family homes. As the nation's

population ages, energy costs rise, and the market shifts to meet the changing needs of young people and seniors, demand for more diverse housing types is expected to increase. Nation-wide and regional projections indicate that future demand will look more toward smaller homes and multi-family homes, with less of a focus on the large-lot single family homes that make up much of the region's current housing supply.

In addition to these housing and population trends around various housing types, public input from the *Framework for Our Future* identifies specific needs or issues around certain housing types, including accessible, senior, supportive, and migrant housing.

Small Rental Units & Small Households

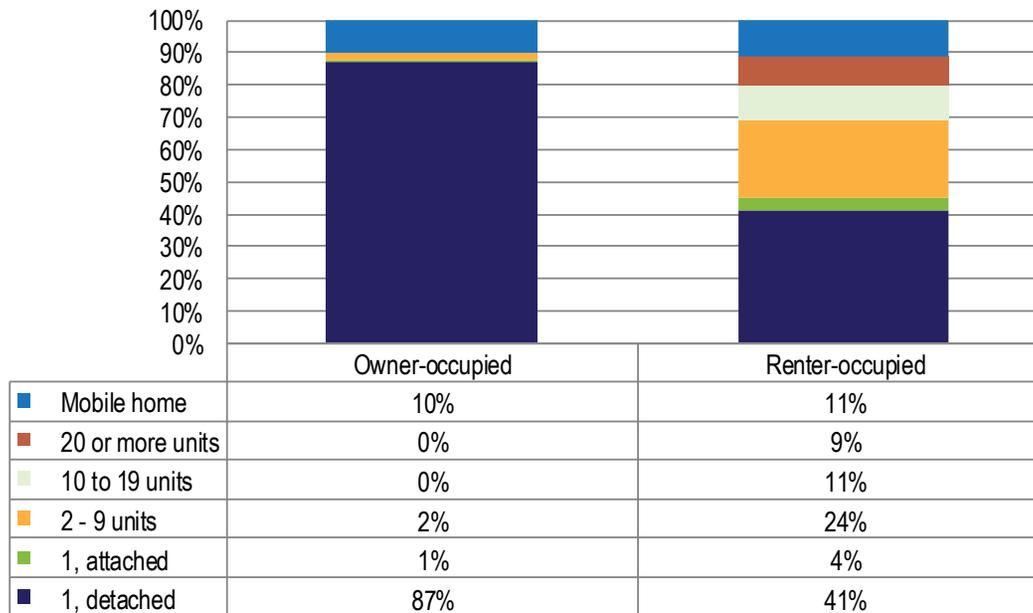
Inherent in the increased demand for multi-family housing and small housing units is a significant need for small rentals. Data shows that the number of single-person rental households is nearly double the number of small rental units (such as efficiencies, lofts, studio apartments, or 1-bedroom apartments):

- While about 734 Charlevoix County rental households are single-person households, only 516 rental units are 1-bedroom units or

Future Housing Needs

Figure 4. Type of Housing Unit by Tenure in Charlevoix County, 2010

Data from 2006-2010 American Community Survey



smaller.

The high demand for these units means that many households are unable to access them, and individuals are oftentimes pushed into rental units that are larger – and more expensive – than they need. This demand is likely to increase as the growth both in rental households and in numbers of single-person households – which often include seniors or young individuals – outpace growth in other household types.

Senior Housing

Local and national demographic shifts are pointing to increasing needs for senior housing. In Charlevoix County, all recent population growth has been concentrated in groups over age 45; and the number of households with individuals aged 60 and over has increased by 30% between 2000 and 2010.

As the population ages, communities are likely to experience changes in housing demand. Difficulties with independent living or in remaining in the home are likely to create a demand for assisted living, adult foster care, or other options such as in-home support services. Other housing choices that will be important for an aging population include accessibility or barrier-free housing units and smaller housing units.

Despite some existing senior housing complexes in Charlevoix County, agencies report that affordable housing options for seniors are a persistent need, with existing supply not enough to meet the need for affordable senior housing options. Agencies also report that senior housing demand continues to increase as retirees relocate to the area. Many retirees move to be near their children; others come in part due to positive press about the region as a desirable retirement destination, with many retirees looking to move to the region, particularly communities that have hospitals or other health care options.

Accessible and Barrier-Free Housing

Accessible housing, or barrier free housing, is a term used to identify housing units that are accessible to as many people as possible, regardless of disabilities. It includes features designed to meet the needs of individuals with either permanent or short-term disabilities. These features may be included as specifications during design and construction of a home, or homes may be adapted to include them as necessary. Accessibility features vary depending on individual needs, but can include lower cabinets and appliances, wider doorways, grab bars, ramps, and tub seats.

Table 4. Rental Households and Size of Rental Units

2010 American Community Survey

	# of Rental Households
1-person household	734
2-Person household	514
3-person household	385
4-person household	199
5-person household	59
6-person household	9
7+ person household	21
Total	1,921

# of Bedrooms Per Unit	# Rental Units
No bedroom	33
1-BR	483
2-BR	708
3-BR	554
4-BR	84
5-BR or more	59
Total	1,921

Accessible housing is needed by anyone who is currently disabled or may be in the future, which includes a sizable percentage of the populations. Most individuals are likely to experience a disability at some point in their lives, as even temporary injuries can make normal activities very difficult.

Disability data is available for the micropolitan statistical areas of Cadillac and Traverse City (which includes Benzie, Grand Traverse, Kalkaska, Leelanau, Wexford, and Missaukee Counties. While Charlevoix County is not a part of a micropolitan area, regional disability data is included in this analysis to illustrate regional trends). Disability data is not available at the county level, and Charlevoix County is not

included in the Traverse City area micropolitan area; however, regional data can help to illustrate local trends.

In the combined micropolitan areas of Cadillac and Traverse City, about 14% of individuals have a disability. The rate of disability varies by specific population, with Native Americans and seniors more likely to report disabilities.

- About 28% of Native Americans have a disability, a rate double that of the total population.
- Seniors are even more likely to have a disability: 36% of those aged 65 and older have a disability, and half of those aged 75 or older have a disability (2010 ACS).

High rates of disability among the senior population mean that as the region ages at a faster rate than the state, accessible housing will become increasingly important. The number of households in the region with one or more people aged 75 and older increased at twice the rate of households with those aged 75 and older throughout Michigan. In some counties in the region, increases in these households ranged up to 50%. In Michigan, meanwhile, the increase was 14%.

However, there is very limited availability of accessible units throughout the region. While there is not a comprehensive database listing accessible units, data relative to apartment complexes, data from by the Michigan State

Accessible Housing

Accessible housing includes features designed to meet the needs of individuals with either permanent or short-term disabilities. Accessibility features vary depending on individual needs, but may include lower cabinets and appliances, wider doorways, grab bars, ramps, and tub seats. These features may be included as specifications during design and construction of a home, or housing units may be adapted for accessibility.

Accessible housing is needed by anyone who is currently disabled or may be in the future. Most individuals are expected to experience a disability at some point in their lives: even temporary injuries can make normal activities very difficult. As the nation's population ages, accessibility features will become increasingly important in order to allow individuals to remain in their homes. Over half of those aged 75 or older have difficulties with vision, hearing, mobility, or activities related to personal care or independent living, and a quarter of those aged 65-74 also report these difficulties. (*Demographic Challenges and Opportunities for US Housing Markets; Economic Policy Program Housing Commission, Bipartisan Policy Center, 2012*)

Housing Development Authority relative to apartment complexes in Charlevoix County lists only one barrier-free unit among the County's subsidized housing units (note that this does not include assisted living or nursing homes). According to input from disability advocates, even units identified as barrier-free often present accessibility challenges for many disabled individuals, particularly those in electric wheelchairs.

Supportive Housing

Supportive housing refers to housing that is linked to support services such as mental health care, substance abuse treatment, employment or job training assistance, or other services that support independent living. Supportive housing is made affordable to residents through rental vouchers or housing subsidies.

A number of housing providers work to develop and manage long-term supportive housing, including the Northwest Michigan Community Action Agency and Goodwill Industries. Community discussion indicates that the number of housing units available is not adequate to meet the demand demonstrated by waiting lists, market studies, and requests for assistance. Shortages and need are particularly emphasized in rural counties, which have very limited

supportive housing or transitional housing services.

Housing Condition

An adequate supply of the types, sizes, and prices of housing that is needed by residents is necessary to meet a community's housing needs. However, housing choices that are unsafe, unsound, or of poor quality can threaten housing stability for residents, even if they meet the price and size requirements of the resident household. Poor-quality, deteriorating, and physically inadequate housing can come with added financial costs and can affect the health and well-being of household residents, particularly when those households include vulnerable members like children and the elderly:

- Inadequate, deteriorating, or substandard housing has been shown to increase residents' exposure to allergens, indoor air pollutants, and exposure to extreme hot or cold temperatures.
- These conditions, in turn, can lead to the development of chronic or infectious diseases and increased mortality rates among some populations.

- Poor quality housing has been found to have an adverse effect on children, affecting factors such as educational attainment. Issues associated with housing in poor condition—such as lack of plumbing or inadequate heating—have also been cited by local agencies as a contributing factor in child welfare referral cases.
- Inadequate housing conditions—which can require frequent or expensive repairs or affect energy efficiency—impact the affordability of a home and can result in unstable housing situations. Housing condition is thus a critical consideration in affordability and housing choice, and is a concern region-wide.

Regional discussions indicate that many families throughout the region live in unsafe and unsanitary conditions. Often, the short supply of available and affordable housing leaves families with few choices but to live in deteriorating or inadequate homes. This issue is often cited as being of particular concern for renters, with residents and housing organizations reporting that the limited availability of rental choices discourages renters from reporting or addressing substandard housing concerns, in fear that they may lose their rental home and that additional housing may not be available.

Evaluating the condition of a community's housing stock is difficult on a large scale. Most measures of housing condition rely on interior and exterior inspections, or on detailed housing surveys that evaluate various structural indicators on individual properties. However, several studies have identified a number of indicators with significant correlations to housing inadequacy for housing condition. These "proxy measures" include the lack of complete kitchen and plumbing facilities; overcrowding; age; and depreciation, which is an evaluation of the physical condition of a home used by tax assessors to calculate a value for the building. These measures, when combined with other data and input from residents, can help identify the potential for housing condition concerns in

communities.

Kitchen & Plumbing Facilities

Because of difficulties in assessing housing condition on a large scale, many agencies use kitchen and plumbing data that is collected regularly by the American Community Survey to identify housing quality issues and/or inadequate housing. "Complete plumbing facilities" are defined by the US Census and the American Housing Survey as those with hot and cold running water, a flush toilet, and a bathtub or shower. Housing units with two or less of these components are characterized as lacking complete plumbing facilities. "Complete kitchen facilities" include a sink with piped water, a range, and a refrigerator; homes with two or less

of these components are considered to lack complete kitchen facilities. The American Housing Survey considers lack of complete plumbing or kitchen facilities as indicators of physical condition issues or substandard quality; and these indicators are important components used by HUD and other agencies in assessing the quality of housing stock and the presence of inadequate housing.

The American Community Survey estimates that in Charlevoix County,

- 28 occupied housing units lack complete plumbing facilities.
- 48 occupied housing units lack complete kitchen facilities.

Housing and Health

Because most Americans spend a majority of their time indoors—much of it within the home—residents of poor quality and inadequate housing are more susceptible to problems such as infectious and chronic diseases, injuries, and poor childhood development. Deteriorating paint in older homes can cause lead exposure and poisoning, while water leaks, poor ventilation, dirty carpets, and pest infestation can lead to an increase in mold, mites, and other allergens; which in turn play a role in respiratory conditions such as asthma. Additionally, exposure to extreme indoor temperatures has been associated with increased mortality, especially among vulnerable populations such as young children and the elderly. Radon, asbestos, and volatile organic compounds, meanwhile, have been linked with respiratory illness and some types of cancer. Lower-income households are more likely to experience unsafe housing conditions—and have fewer financial resources with which to address housing inadequacy. (*Where We Live Matters for Our Health: The Links Between Housing and Health*, Commission to Build a Healthier America, Robert Wood Johnson Foundation)

Overcrowding

Overcrowding is defined by the American Housing Survey as more than one person per room. The American Community Survey estimates that, in 2010, 170 occupied housing units are overcrowded.

- 118 owner-occupied housing units are considered to be overcrowded.
- 23 rental units are overcrowded.

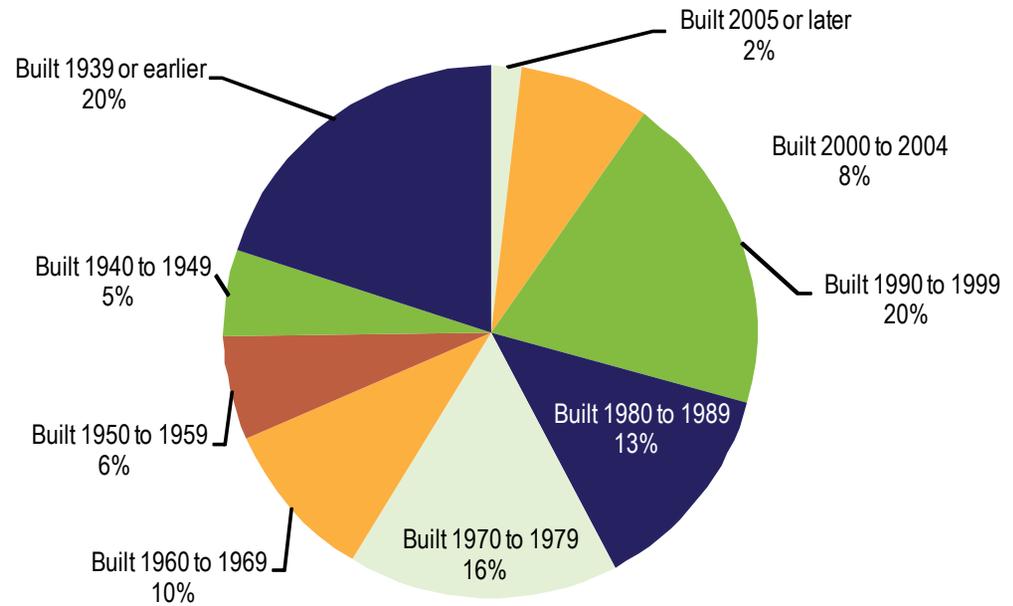
Age

Most of Charlevoix County's housing stock is relatively new, with the age of housing structures corresponding to the high growth rates in the County between 1970-2000. 49% of the County's housing stock was built between 1970-2000. 25% of homes in the County were built prior to 1950.

Rental housing is slightly older on the whole than owner-occupied housing. The average rental was built in 1973, while the average owner-occupied home was built in 1978.

Figure 5. Year Housing Structure Built in Charlevoix County

Data from 2006-2010 American Community Survey



Housing Costs & Affordability

The affordability of a community's housing stock has substantial impacts on the quality of life and success at the individual, family, and community levels.



Shortages of affordable housing have direct and immediate consequences on such far-reaching issues as foreclosure, homelessness, community health, child welfare, economic development, and transportation issues:

- When people pay too much for housing, less money is left over for other basic necessities such as food, transportation, and medical care.
- Individuals or families that are unable to afford the cost of a home are more likely to face eviction or foreclosure. High rates of foreclosure in the past several years have contributed to home abandonment and blight in many communities throughout the nation, which creates a downward spiral effect on local and regional economies, neighboring home values, and overall community welfare. In Charlevoix County,

between 2007-2011, property values declined by about 15%.

- Evictions can create future difficulties in finding rentals, adding to challenges in housing availability and affordability, and present costly challenges for landlords and rental property owners and managers.
- In some cases, families, individuals, and households that are confronted with foreclosure or eviction face homelessness as a result.
- A number of studies identify the impacts of unstable housing on children. Housing instability has been shown to negatively affect school attainment as well as the health of children. National studies have also shown inadequate housing to be a major factor in the placement and retention

of children in foster care, with as many as a third of foster children separated from their parents because of a lack of access to safe, decent, affordable housing. Further, local agencies report that child abuse and neglect referrals related to housing are increasing, due to situations arising from unstable housing, such as overcrowding, living in unsafe housing, or homelessness.

- When there are shortages of affordable housing in areas that serve as employment or activity centers, such as cities and villages, many working individuals or families move farther into the countryside, where homes are often cheaper. However, because these areas are farther from jobs, shopping, and services, these moves result in longer commutes, which in turn come with higher transportation costs and more

time on the road, leaving less time and money for family. Longer commutes also have substantial impacts on communities' economies, schools, services, transportation, and overall well-being; and residents throughout the region contend with heavier traffic from the longer commutes. When families leave town, schools struggle with unstable enrollment and subsequent budget cuts. Local governments must stretch budgets to extend services. Businesses lose year-round customers, and companies that need housing for their workforce look elsewhere to site their headquarters.

For these reasons and many more, the affordability of a home is one of the most important considerations for most households when deciding where to live. In Northwest Michigan, housing affordability varies widely between communities; but despite variations, affordability continues to represent one of the region's foremost housing concerns.

Social equity conversations conducted throughout the *Framework* process emphasized residents' strong and widespread concerns about affordable housing needs. In some areas, housing prices or rents are out of reach of significant percentages of the area's population. In others, home prices or rents may be more affordable, but their condition, location, or energy inefficiency may result in added expenses that ultimately create an unaffordable living situation for their inhabitants. And throughout the region, the cost of housing remains a significant obstacle for individuals or families with low incomes and those living in poverty.

Factors such as price, rents, and values of homes, along with cost overburden and subsidized housing information, help to measure housing affordability. When the cost and value of housing is considered in the context of household income and other factors such as energy and transportation costs, a number of affordability issues emerge as significant

challenges within Charlevoix County.

Home Values, Costs, & Household Income

The term "affordable housing" means many things to many people. Affordable housing is typically defined as housing that costs no more than 30% of the household's monthly income ("housing costs" typically refer to either rent, or to the combined cost of mortgage principal, interest, and taxes, for owner-occupied homes). As such, the definition of an "affordable home" varies from household to household, dependent on each household's income. A \$200,000 home may be affordable to one family, while another may not be able to spend more than \$80,000 on a home in order to limit their housing costs to 30% or less of their income.

Because housing affordability issues are predominantly based on the interplay of housing costs and household incomes, housing values



and rents are some of the most basic measures of housing affordability. These values and rents are closely tied to community factors such as infrastructure availability, local economies, and shoreline frontage:

- The 2010 American Community Survey reports that the estimated median home value in Charlevoix County was \$165,300.
- Median gross rent in Charlevoix County is one of the lowest in Northwest Michigan, at about \$587 per month.

Comparing housing values and costs to incomes gives a more complete picture of affordability: if home values in a community are not in the financial reach of the majority of residents, the community is considered to have an affordability gap, or affordable housing shortage.

Charlevoix County's median household income is \$48,704, higher than the regional median household income of \$45,353. Incomes vary based on whether the householder is a renter or a homeowner; household incomes for

homeowners are more than twice the incomes of renter households - \$54,332 versus \$25,704, respectively.

Regionally, there is an affordability gap in all counties between what households can afford and what homes cost. Median incomes and housing values of owner-occupied households are mismatched in the region, with the average home priced at values beyond the affordability of the average household.

In Charlevoix County, home values are significantly higher than what the average household can afford: a household earning the County's median homeowner income of about \$54,000 might be able to afford to purchase a home valued at about \$135,000; however, the median home value in the County is over \$165,000.

However, rentals in Charlevoix County are, on the whole, affordable to a renter earning the County's rental median income. An average

renter can afford a rent of about \$643, while median rents in Charlevoix County are \$587.

With significant affordability gaps experienced by even median-income owner-occupied households, affordability challenges are even greater for low-income households. Low-income households – generally speaking, those households earning less than the area's median income – make up an important component of the County's workforce, including a number of occupations that are fundamental elements of the County's tourism economy or critical to the safety of the community (see Table 6). However, these households confront significant challenges relative to housing affordability, including, in many areas, shortages of homes that are affordable to rent or purchase. Regional community discussions repeatedly emphasized the issue of affordable housing shortages and the impact of these shortages on families and individuals in poverty. Reinforcing these discussions are data that point to shortages of both rental and homeownership affordable



Figure 6. Affordable Housing Costs & Median Housing Costs in Northwest Michigan

Data from 2006-2010 American Community Survey

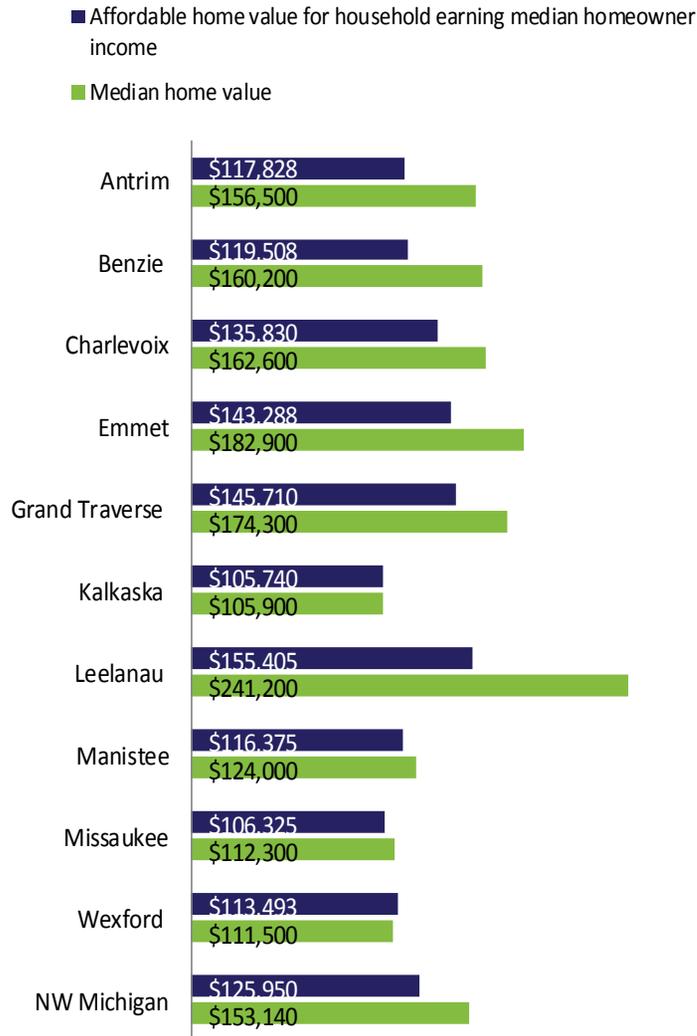
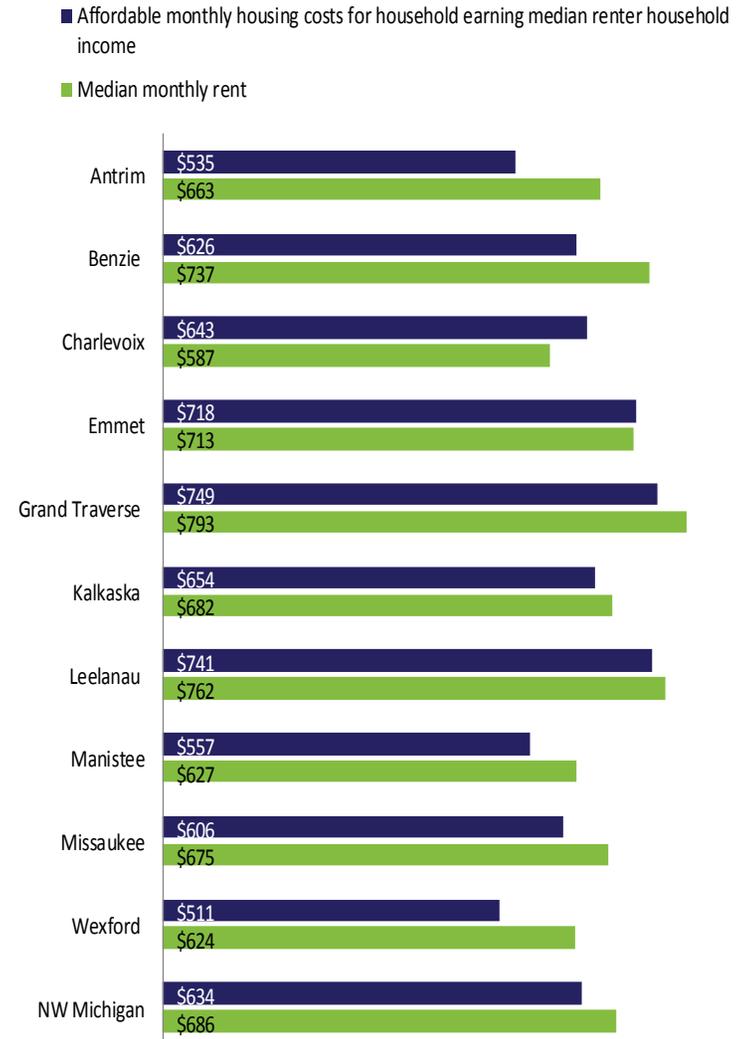


Figure 7. Affordable Rents & Median Rents in Northwest Michigan

Data from 2006-2010 American Community Survey



housing, along with substantial financial housing overburden for many households.

When comparing the number of homes that are for sale or rent at an “affordable” value to the number of low-income households:

- About 4200 owner-occupied households in the County earn below \$50,000, compared to about 3200 homes that are affordable to those households.
- For low-income renters there is a shortage of affordable rentals. About 750 Charlevoix County renter households earn less than \$35,000 per year, with only about 600 homes affordable to those households. With fewer rental homes available for these income levels, these households must often rent more expensive homes, which in turn reduces the availability of affordable housing for other income groups.

Cost Overburden

Shortages of affordable housing leave low- and

moderate-income households with several undesirable choices: some households may live in substandard housing, some may move to locations far from work or school, while others end up in unaffordable housing – that is, homes that cost 30% or more of their income. When households pay more than 30% of their income for housing, they’re considered to experience “cost overburden,” which is an important measure of housing affordability. When a household is cost overburdened, less money is available for other necessary expenses, and the household is at higher risk of foreclosure or homelessness.

In the region, the average homeowner with a mortgage spends about 26% of their income on housing, while the average renter pays about 30% of their income for housing. But cost overburden varies considerably based on the household’s income, age, and mortgage.

- Homeowners with mortgages pay more of their income than those without. About 41% of Charlevoix County homeowner

households with a mortgage are cost overburdened, compared to about 15% of homeowners without a mortgage.

- For lower-income homeowners, overburden rates are much higher. 76% of very-low-income owner-occupied households in Charlevoix County pay 30% or more of their income for housing.
- Renters have higher cost overburden rates than homeowners, with 45% of renters paying over 30% of their income for housing. And, as incomes decline, overburden rates increase: for renters earning under \$20,000 per year, the rate is 75%.
- As incomes go up, overburden rates for renters decline; and renter households earning roughly 100% or more of area median income have no incidence of cost overburden. Cost overburden for homeowners, on the other hand, occurs in all income levels.
- “Severe cost overburden” is defined as



Table 5. Incomes and Affordable Housing Units in Charlevoix County

Earnings and occupation data from Bureau of Labor Statistics, 2010; household income and home data from American Community Survey

	Annual Income Range	Approx. Aff Home Price	Approx. Aff Rent	Occupations Earning Annual Incomes Within Income Range	#/% Owner-Occupied Households in Income Range	#/% Affordable Homes	#/% Rental Households in Income Range	#/% Affordable Rentals
30% AMI	\$0-\$19,999	\$0-\$49,999	\$0-\$499	Hosts/hostesses Dishwashers Food Prep Workers Cafeteria Coffee Shop Counter attendants Auto Service Attendants	1,023 11%	813 9%	753 39%	608 9%
50% AMI	\$20,000-\$34,999	\$50,000-\$89,999	\$500-\$899	Social service assistants Preschool teachers Teacher assistants Reporters Coaches Medical, lab, & pharmacy techs Paramedics/EMTs Nursing & home health aides Cooks & Chefs Bartenders & Waitstaff Veterinary Assistants Security Guards Janitors/cleaners Childcare workers Hair stylists Retail sales Administrative Assistants Painters Auto Service Techs/Mechanics Farmworkers	1,694 18%	977 10%	557 29%	911 51%
80% AMI	\$35,000-\$49,999	\$90,000-\$124,999	\$900-\$1249	Wholesale & retail buyers Tax preparers Computer support specialists Mechanical drafters Surveyors Substance Abuse Counselors Child/Family Social Workers Teachers Surgical Techs Dental Assistants Protective Service Workers Firefighters Dispatchers	1,478 16%	1,390 15%	313 16%	199 11%

paying 50% or more of income on housing. Households that are severely cost overburdened are at a higher risk for foreclosure or homelessness. In Charlevoix County, about 17% of all rental households are considered “severely” cost overburdened.

Mobile Homes & Rural Housing Choices

Significant percentages of the region’s extremely low income populations reside in rural areas. These rural communities often provide important

family, social, or employment connections to their residents, and affordable housing choices in these rural areas are critical to the region and to residents. However, a number of factors – including zoning and infrastructure availability – limit the rural housing options available for lower-income households. As such, for many rural areas, mobile homes represent important housing options for both homeowners and renters, and particularly for those earning lower incomes. In Charlevoix County, the median value of a mobile home in 2010 was

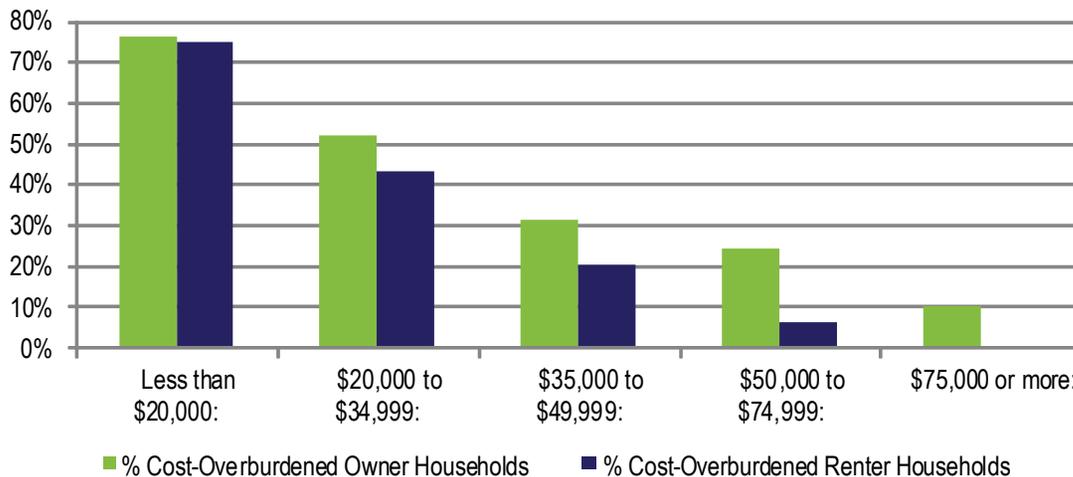
approximately \$45,200, compared to the median home value of \$165,300.

Lower purchase prices mean that in some cases, purchasing a mobile home may be more affordable than renting a home; and in rural communities where rentals are limited, mobile homes may be the only options for lower-income households.

However, in regional discussions, stakeholders noted that while initial costs – either purchase prices or rents – may appear to be low, mobile homes can easily be rendered unaffordable by issues such as deterioration, lot fees, and energy costs. Tax data from three counties in the region indicate that the majority of poor-condition homes are older mobile homes of poor construction quality, which are likely to deteriorate more quickly. Deterioration issues can result in added expenses for maintenance, and in some cases higher heating or electric bills due to poor insulation, ultimately resulting in financial burdens. These higher rates of depreciation also result in subsequent declines in value, which limits the opportunities for households to build equity in the home. Other issues associated with mobile homes include high fees and lot rentals, which are typically unregulated and can quickly raise the cost of

Figure 8. Cost Overburden by Income & Tenure, Charlevoix County

Data from 2006-2010 American Community Survey



housing to an unaffordable level.

Subsidized Affordable Housing

To help meet some of the challenges associated with affordability for lower- and moderate-income households, a number of nonprofits work to build and sell quality homes at an affordable price. In Charlevoix County, the Northwest Michigan Habitat for Humanity, along with Northern Homes, Inc, a regional nonprofit, provide affordable ownership opportunities for eligible low-income families. These homes offer quality housing for low-income households that qualify for a mortgage, providing the opportunity to build assets and stability. Long-term resale and affordability restrictions are included as part of the sale. Restrictions ensure that the home will be sold at an affordable price to another income-eligible household, or to the nonprofit itself, which will in turn resell the property to a qualified low-income household. However, due to limited development capacities, few new affordable housing units are developed on an annual basis.

Several rental assistance programs are also available to low-income households. Some are operated by public housing authorities, while others are privately managed. These subsidized, or assisted, rentals provide low-cost housing for low-income households, seniors,

people with disabilities, and individuals with special needs. Subsidized or assisted rental units are required, by regulations attached to state or federal programs or funding sources, to remain affordable over the long term—often through the use of vouchers or other programs that ensure residents are paying no more than 30% of their household’s income for housing. Assisted units are available through public housing authorities, nonprofits, and privately-developed properties. In Charlevoix County, there are about 540 assisted or subsidized housing units developed with USDA Rural Development funding, low income housing tax credits, or other funding sources.

In addition to publicly assisted apartment complexes, privately owned apartments or other rentals may accept Housing Choice Vouchers, provided the properties meet certain state or federal standards. Under this program, a housing subsidy is paid directly to the landlord by an administrative agency on behalf of the tenant. The maximum amount of assistance is generally the difference between the asked-for rent, and 30% of the resident’s monthly income. The resident pays the difference between the actual rent and the amount of the subsidy. Approximately 33 vouchers are administered by the Tip-of-the-Mitt Housing for Charlevoix

Housing Wage

The “housing wage” is an approach to the issue of affordability that asks how much a household must earn in order to afford a median or average-priced housing unit without paying more than 30% of the household’s income.

Rental Housing Wage

Median rent: \$587

Annual Rental Wage: \$23,480 per year

Hourly Rental Wage: \$11.29 per hour

Minimum number of hours a minimum wage worker would need to work per week to afford a median priced rental: 61

County.

Both rental and homeownership affordable housing programs encounter a number of challenges in meeting demand for services. Limited funding resources and high demand mean that many households are not able to access housing services, and both rental and homeownership programs have regular waiting lists. The inadequate supply of housing vouchers and long wait lists have consistently been cited

as concerns in social equity conversations both by those in poverty and by human service providers. Tip-of-the-Mitt Housing, Inc. reported that in 2014 there were currently 47 people on waiting list for housing vouchers. Typically, wait times run at least 6 months. Because housing is such a basic need, these waiting times often force individuals and families to find other options for housing – which can often mean

renting and living in substandard homes, which may come with lower rents but create health and safety concerns; “doubling up” with other families, which may result in overcrowding; or becoming homeless.

Table 6. Subsidized Housing Units, Charlevoix County

Data from Michigan State Housing Development Authority

Development Name		#Units	Barrier Free	Elderly
Applewood Apts	East Jordan	16		16
Boyne Sr AKA Deer Meadows	Boyne City	90		40
Charlevoix Apts	Charlevoix	40		
Highland Park Terrace	East Jordan	24		
Highland View	Boyne City	32		
Jordan Hills Apts	East Jordan	24	1	
Lake Harbor Apts	Charlevoix	24		
Lakeview Apts	Boyne City	24		
Lakeview Manor	East Jordan	28		
Litzenburger/conkle Development				54
May Street Apts	Charlevoix	24		
Park View Apts	Boyne City	96		
Pine Cove Apts	Charlevoix	54		
Pine River Place	Charlevoix	62		62
Total		538		172

Energy & Transportation Costs



Utilities and transportation costs make up a significant percentage of household expenses, and can greatly affect the affordability of the County's housing choices.

The cost, value, or rental price of a home presents only a partial picture of affordability. Housing affordability is strongly affected by issues such as the quality or condition of a home, its location, and energy usage issues, and when considering housing affordability, factors such as a home's location, energy efficiency, transportation costs, and condition all play important roles in calculating the "true cost" or affordability of housing.

Transportation

In many cases, when individuals or households can't afford to purchase or rent a home in one community, they're likely to "drive til they qualify" – that is, move to and commute from

communities with lower housing values. These longer commutes result in higher individual transportation costs and far-reaching community impacts on transportation, services, schools, and businesses.

Transportation costs are the second highest household expense for most Americans, and are closely connected to housing. Because transportation costs depend on how far and how often an individual drives to work, school, or shopping, the location of a family's or individual's home can have a major impact on their budget.

Data relative to transportation costs is available from the Housing and Transportation Affordability Index (htaindex.cnt.org) for the Grand Traverse micropolitan region (Benzie, Grand Traverse, Kalkaska, and Leelanau

Counties), and the Wexford-Missaukee micropolitan region (Wexford and Missaukee Counties). Data is not available for Charlevoix County at this time. However, household transportation costs data at the regional level can provide some insight into the distances traveled, and the costs of that travel, in the region.

Vehicle Miles Traveled & Job Access

To measure the distances traveled annually by a typical household, the H+T Affordability Index identifies the average annual vehicle miles traveled. This measure includes commute travel as well as all other daily auto trips, and is closely connected with transportation costs. In the micropolitan regions of Grand Traverse and Wexford Counties, the average household

travels over 25,000 miles per year, with lower mileage numbers in and around the cities of Traverse City and Cadillac, and higher mileage in block groups in rural areas.

Some of this mileage is directly correlated to employment opportunities. The H+T Affordability Index measures *employment density*, which refers to the number of jobs available per square mile in a given area. Areas with high job densities typically have lower transportation costs, as residents have shorter distances to travel to find opportunities to work. Individuals in

communities with lower job densities must travel farther for employment opportunities. Many lower-income residents often travel long distances for work; ACS data indicates that 14% of Charlevoix County households earning less than \$15,000 per year must commute over 50 miles to work, a higher percentage than households earning more than \$40,000 per year.

Annual transportation costs

Longer commutes and vehicle miles traveled contribute to added wear and tear on vehicles, along with higher rates of gasoline consumption. These in turn translate directly into higher transportation costs, which are calculated by the H+T Affordability Index by two measures: annual vehicle miles traveled costs, and annual transportation costs.

Annual vehicle miles traveled costs are based on annual vehicle miles traveled per household, and factor in only the costs associated with the amount a vehicle is driven—such as gas costs, rather than the fixed cost of auto ownership. In the Grand Traverse and Wexford-Missaukee micropolitan regions, an average of \$4,777 is spent per household, per year, on the costs of vehicle miles traveled.

Annual transportation costs, on the other hand, represent the average total cost of a household's

transportation, including auto ownership costs or payment, maintenance/auto use costs, and public transit costs for the typical household. The average household in the Grand Traverse/Wexford County regions spends an average of \$16,076 per year.

Transit Access

In some communities, high transportation costs may be mitigated by transit access. However, in large geographies, limited funds, and low residential densities restrict public transit services in rural regions.

ACS data indicates that only .2% of Charlevoix County's workforce commuted to work using public transportation. Transit service available in Charlevoix County is primarily focused on dial-a-ride or demand-response service, which allows residents to call the transit agency to be picked up at one location and taken to another. Dial-a-ride service, while an important transportation option, typically comes with lengthy service times and requires 24-hour advance notification, making it difficult to access for some residents and many circumstances. Further, a lack of coordinated bus service across county boundaries can create obstacles for transit riders that need to travel to neighboring communities. Cross-county service is critical, as many

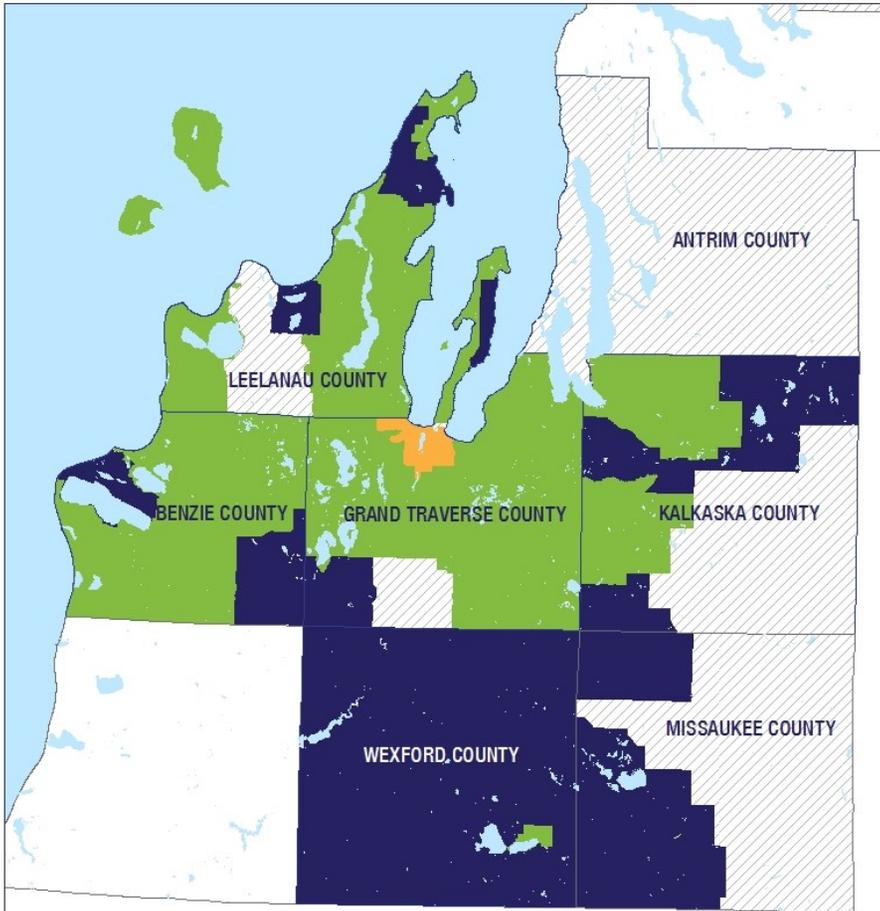
Table 7. Distance to Work by Income, Charlevoix County

Data from 2010 American Community Survey

	Low Income Worker	Moderate Income Worker	High Income Worker
Less than 10 miles	46%	47%	49%
10 to 24 miles	29%	32%	31%
25 to 50 miles	12%	11%	9%
Greater than 50 miles	14%	10%	11%

Map 1. Transportation Costs

Data from H+T Affordability Index



Transportation Costs as Percent of Average Household Income
 (Data from Center for Neighborhood Tehcnology H+T Affordability Index)

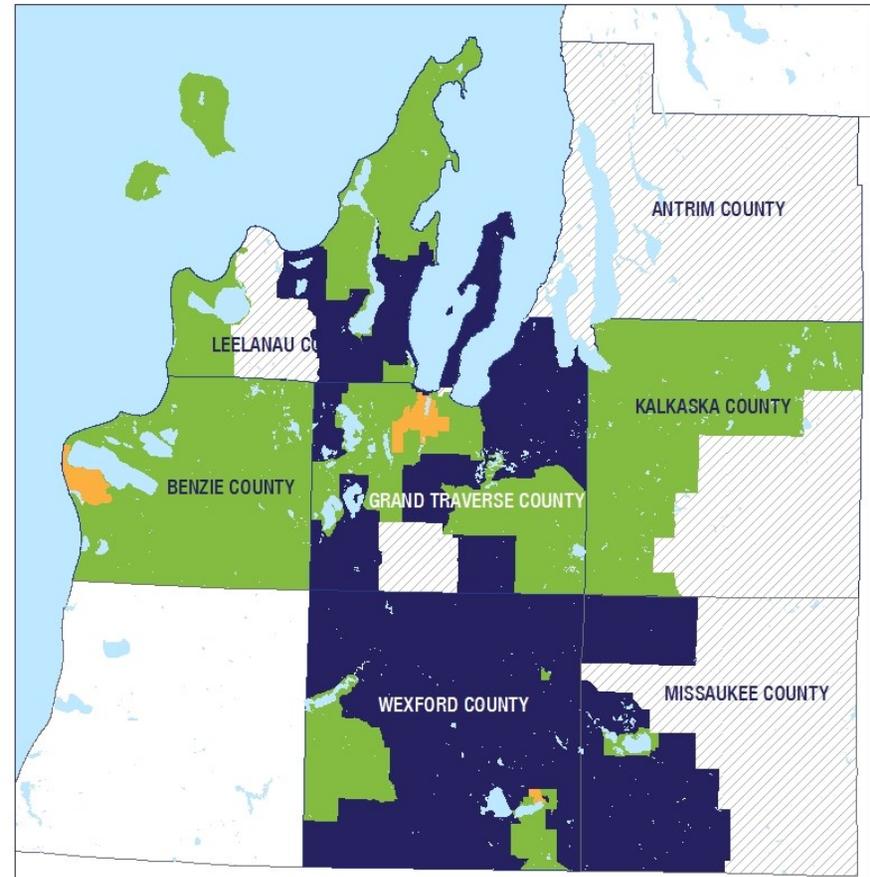
- 25% - 29.9%
- 30% - 34.9%
- 35% - 43.9%
- No data available
- Lakes

Map prepared in 2014 by:
 Northwest Michigan Council of Governments
 Workforce • Business • Community

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Map 2. Combined Housing and Transportation Costs

Data from H+T Affordability Index



Combined Housing & Transportation Costs as Percent of Average Household Income
 (Data from Center for Neighborhood Tehcnology H+T Affordability Index)

- 43% - 49.9%
- 50% - 59.9%
- 60% - 73.9%
- No data available
- Lakes

Map prepared in 2014 by:
 Northwest Michigan Council of Governments
 Workforce • Business • Community

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residents commute across county boundaries for employment, and important medical services, such as cancer centers, may only be available in neighboring counties. Lengthy service times, limited routes, and lack of coordinated routes across counties act as obstacles that prevent or discourage many residents from using the service.

Combined Housing & Transportation Costs

When combined with the costs of housing and other basic needs, high transportation costs create severe financial burdens for many residents throughout the region.

- The combined costs of housing and transportation consume 57% or more of a household's income in the Grand Traverse and Wexford-Missaukee micropolitan region. Costs are higher—up to 72% of a household's income—in more rural areas, leaving little left in the budget for other basic needs like food and medical expenses.
- Moderate-income households in the Grand Traverse and Wexford-Missaukee micropolitan region spend more than 73% of their income solely on the combined costs of housing and transportation. For moderate income households in rural areas, that

percentage is even higher, with the combined costs of housing and transportation ranging up to 85% of a household's income in some rural areas.

These financial situations may result in crisis situations, with many lower-income residents forced to choose between traveling to work, paying utility bills, making monthly mortgage payments or rent, purchasing necessities like food, or making needed repairs to the home. Ultimately, these excessive costs burdens can result in housing instability, with many families forced to confront homelessness or other undesirable options.

Energy Costs

Energy costs, including electric or heating costs, have as much or more of an impact on housing and housing stability as transportation. Annual energy costs depend on factors including weather patterns, energy efficiency factors, and the type of heating fuel used in the home.

While data is not available for Charlevoix County, recent studies in neighboring counties can point to general trends around energy costs. According to the 2012 Energy Baseline Assessment conducted by SEEDS, the typical

household in the six-county region of Antrim, Benzie, Grand Traverse, Kalkaska, Leelanau, and Wexford counties spends over \$3,329 per year on energy costs (not including gasoline). However, energy costs fluctuate depending on supply and demand issues, and weather patterns can dramatically affect how much energy or fuel is used in the home. Energy costs have increased over the last several years: according to the US Department of Energy, the average cost to heat homes rose about 27% between 2005-2010, while the price of residential electrical service increased by 22%.

- Energy costs vary significantly depending on the type of heating fuel used by a household. The 2013 Energy & Emissions Baseline analysis completed by SEEDS indicates that the region's residential energy costs for propane per household were \$1301 per year per household – nearly three times the annual cost per household of natural gas (\$421/year).
- Some parts of the region are served by natural gas infrastructure, which is used as heating fuel for about half (49%) of Charlevoix County's households, according to the 2010 ACS. Natural gas access is primarily available in and around cities and villages. However, many rural areas lack

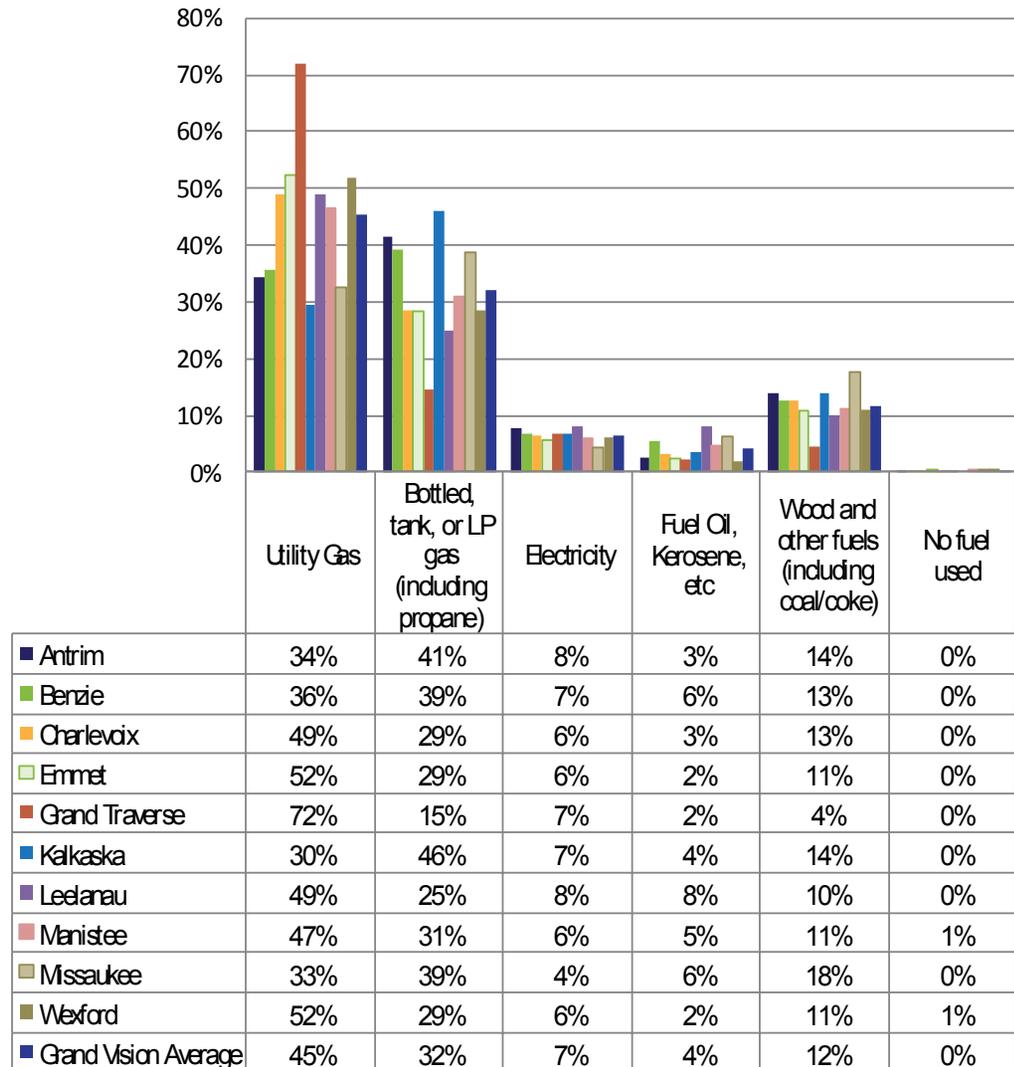
access to natural gas infrastructure, and residents use a variety of alternative heating sources including propane, wood, fuel oil, and electric heat. While wood and electric heat are somewhat common heating fuel sources used in rural areas without natural gas infrastructure, propane is the most commonly used heating source in much of the County (see Map 5).

- Energy costs and price fluctuations have the greatest impact on lower-income households, who spend a higher percentage of their income on household energy than higher-income households. Projections based on 2005 energy costs identified by the US Department of Energy indicated that households earning below \$30,000 per year were expected to spend 23% of their after-tax income on energy. For households in the lowest income brackets, 44% of their income can go to energy costs.

High and unpredictable energy costs reduce the amount of income that can be used for other necessary expenses and can affect households' abilities to maintain stable housing. According to a 2011 survey conducted by the National Energy Assistance Directors' Association, of those receiving assistance through the federally-funded Low Income Home Energy Assistance

Figure 10. House Heating Fuel in Northwest Michigan

Data from 2009 American Community Survey



Program (LIHEAP), many households experienced housing instability due to energy costs. Survey results report that 31% were unable to make their full mortgage or rent payment, 6% were evicted, 4% had a foreclosure, 14% moved in with friends or family, and 4% moved into a shelter or were homeless.

Housing instability, or the potential for housing instability, arising from energy costs is a reality for many residents of the region. Regional discussions frequently stressed the challenges associated with energy costs in low income households. Propane costs were of particular concern:

- Costs for propane fuel are unregulated and fluctuate based on the customer's credit history, location, and other variables.
- The cost of filling a propane tank must be

paid up front – a large bill that's often unaffordable to many low-income residents. Agencies report significant expenditures related to needs for propane tank refills in the winter months.

- Michigan law currently prohibits natural gas providers from turning off heat during the winter for non-payment of bills. However, the legislation does not apply to propane providers, meaning that residents who are unable to pay their propane bill simply won't be able to have the tank refilled, leaving residents few options during winter months.
- Energy efficiency measures can help in addressing energy costs, and a number of programs are available through state and local programs, including weatherization programs that involve contractors working

with low-income households to better insulate and prepare homes for winter months. However, the weatherization programs have received funding cuts and waiting lists for the program can run up to 7 years.

Energy Insecurity and Vulnerable Populations

High energy cost burdens have tremendous impacts on health and well-being, particularly for vulnerable members of the population such as seniors, disabled, and children. According to a 2011 survey, 90% of Low-Income Home Energy Assistance Program (LIHEAP) recipients had at least one member of the household that is considered vulnerable to extreme temperatures, including seniors, disabled, or children. 82% suffered from serious medical conditions. Additionally, reports from the American Association of Retired Persons indicated that in part because of "energy insecurity" associated with difficulties in paying energy costs, lower incomes are associated with a greater risk of temperature-related deaths.

National Energy Assistance Survey, 2011; National Energy Assistance Directors' Association

Vacancies & Foreclosures

High rates of foreclosures nationwide have contributed to housing problems such as abandonment, blight, and declining property values.



In the late 1990s and early 2000s, increased availability of credit, subprime lending, and rising home values contributed to the creation of a housing bubble that crashed in 2008, setting off a wave of foreclosures and a long-lasting economic recession that continues to the present. High rates of foreclosures across the country have created housing problems including rising vacancy rates, abandonment, blight, and declining property values. In Michigan, foreclosure rates and associated issues were exacerbated by persistently high unemployment rates for much of the last decade. While vacancies and foreclosures in Charlevoix County were not as severe as other parts of the state, increases in foreclosure activity have nevertheless had an adverse effect on home sales, property values and vacancy rates: between 2007-2011, property values in Charlevoix County declined by 15%, according to analysis by the Center for Michigan.

Charlevoix County is also significantly impacted by other vacant housing issues as well, primarily those associated with seasonal homes.

Vacant Housing Units

In the 2010 Census, about 37% of the County's housing units—6,367 homes—were classified as vacant, representing an increase of about 28% from the 2000 Census.

Between 1990-2000, the County's homeowner vacancy rate declined by about 37%. In contrast, between 2000-2010, homeowner vacancies rose from 1.3% to 3.5%. Rental vacancy rates rose as well, from 6.7% to about 13%.

Seasonal Homes

While some vacancy rate changes may have arisen from foreclosure-related issues, seasonal

homes played an important role in vacancies in Charlevoix County. Seasonal homes constitute the vast majority (81%) of Charlevoix County's vacant housing units, and make up about 30% of the County's total housing stock. High concentrations of seasonal homes are more often found in communities with significant amounts of shoreline or public land, particularly on Beaver Island. 50% or more of the total housing stock in Peaine and St James Townships is made up of seasonal housing units.

The resort and vacation destination character of the region is a major economic driver, and plays a major role in the region's housing market. While new housing construction declined and in some cases halted following the housing crash, new seasonal units continued to be built in the region, making up a greater percentage of new

Table 8. Vacant Housing Units, Charlevoix County, 2010

Data from 2010 US Census

	Total Housing Units	Total Vacant Housing Units	% Increase in Vacant Units, 2000-2010	For rent	Rented, not occupied	For sale only	Sold, not occupied	For seasonal, recreational, or occasional use	For migrant workers	Other vacant	Seasonal units as % of total housing units
Charlevoix County	17,249	6,367	28%	341	28	315	59	5,156	4	464	30%
Bay Township	847	402	12%	6	1	8	3	372	0	12	44%
Boyne City city	2,292	657	41%	46	3	61	9	502	0	36	22%
Boyne Falls village	178	45	41%	8	0	2	1	24	0	10	13%
Boyne Valley Township	833	325	106%	12	0	10	1	263	0	39	32%
Chandler Township	158	64	14%	2	0	4	0	46	0	12	29%
Charlevoix city	2,201	935	30%	74	7	28	9	771	0	46	35%
Charlevoix Township	1,067	386	38%	48	5	22	4	289	0	18	27%
East Jordan city	1,189	237	73%	33	1	46	5	116	0	36	10%
Evangeline Township	504	202	7%	9	2	6	2	177	0	6	35%
Eveline Township	1,381	706	4%	17	0	23	2	617	4	43	45%
Hayes Township	1,134	324	23%	12	2	20	7	245	0	38	22%
Hudson Township	549	286	12%	9	0	5	0	256	0	16	47%
Marion Township	777	136	40%	7	2	11	2	97	0	17	12%
Melrose Township	935	395	10%	20	1	21	2	322	0	29	34%
Norwood Township	412	121	19%	3	1	8	1	93	0	15	23%
Peaine Township	564	406	40%	13	0	6	1	372	0	14	66%
St James Township	452	274	42%	21	2	5	0	238	0	8	53%
South Arm Township	1,078	370	34%	6	0	21	9	291	0	43	27%
Wilson Township	876	141	57%	3	1	10	2	89	0	36	10%

housing units than in previous decades. New seasonal housing units accounted for 23% of the region's total growth in housing units between 2000-2010; in Charlevoix County, 41% of new housing units built during that time period were seasonal homes. In contrast, between 1990-2000, seasonal homes accounted for 23% of new housing growth during that time period.

Foreclosures

In 2008, rising home values, subprime lending, and rising unemployment combined to set off a

wave of foreclosures nationwide, a phenomenon that in turn led to declining property values, high homeowner vacancy rates, and blight in communities throughout the country. In Michigan, the issues associated with foreclosures were exacerbated by consistently high unemployment rates. With homeowners facing few employment options, and with property values experiencing a rapid decline, the state of Michigan recorded some of the nation's highest rates of foreclosure and vacancies.

While Northwest Michigan didn't experience

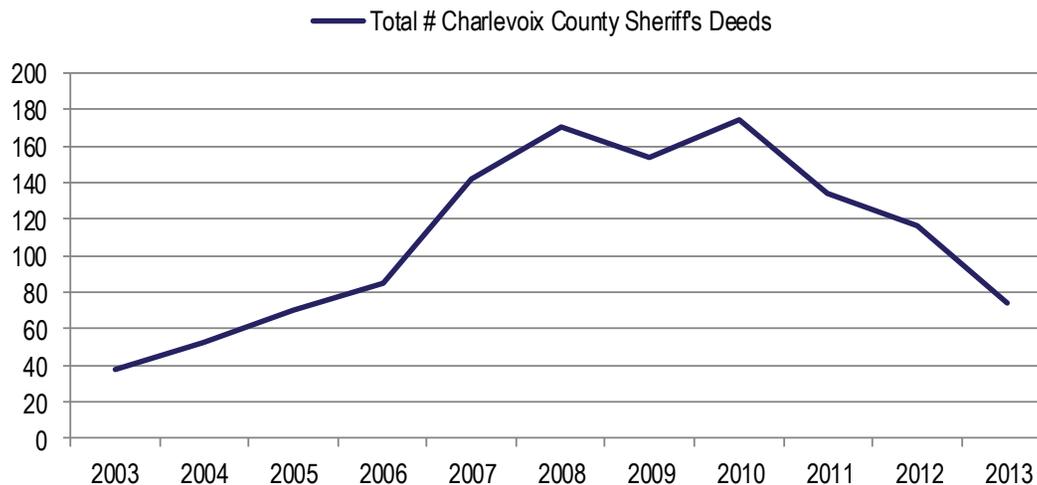
rates as high as those found in other parts of the state, the region nevertheless experienced dramatic increases in foreclosure beginning as early as 2006. County data doesn't identify *all* mortgage defaults, but County registers of deeds provide information relative to the number of recorded sheriff's deeds, or completed foreclosures, in each county (note that mortgage defaults that haven't completed the foreclosure process are not included in the sheriff's deed counts).

- Charlevoix County's foreclosure rates began to increase significantly as early as 2006, with the number of foreclosures spiking in 2008 and again in 2010. By 2008, the number of recorded sheriff's deeds foreclosures was over four times the number recorded in 2003.
- Since 2003, over 1,200 sheriff's deeds have been recorded in Charlevoix County.
- The number of sheriff's deeds have declined since 2010, with 2013 rates only slightly higher than 2005 numbers.

Nationally, statewide, and regionally, high numbers of foreclosures were located in communities with high numbers of subprime loans, such as adjustable rate mortgages, which

Figure 11. Charlevoix County Sheriff's Sales (Foreclosures), 2003-2013

Data from Charlevoix County Register of Deeds



are considered to have a higher risk of default. Nationwide reports indicate that low-income households – low-income minority households, in particular – with poor credit were targeted for subprime loans, a phenomenon that contributed substantially to the housing bubble and subsequent crash. Data from the Low-Income Housing Coalition (LISC) for 2004-2006, the height of the housing bubble, identifies the number of high-cost loans or “subprime” mortgages as percentages of all home purchase loans in a given Census tract.

- Mirroring national trends, many Census tracts with high percentages of risky home loans were located in or near communities that have higher-than-average unemployment rates, poverty rates, percentages of low-income households, seniors, and single-parent households.
- To better identify neighborhoods that were

“hard hit” by foreclosures, the Tract Foreclosure Need Score was established for NSP3, the Neighborhood Stabilization Program (NSP) offered by HUD in 2010 (see sidebar). The Need Score identifies communities with high numbers of foreclosed and/or vacant homes within neighborhoods that have the highest concentrations of foreclosures, delinquent loans, and subprime loans. Each Census tract received a score from 1 to 20, with higher numbers indicating greater need. To be eligible for the NSP3 funding through the Michigan State Housing Development Authority (MSHDA), a neighborhood score would need to be at 17. All areas within the region were considered ineligible for funding to address foreclosure issues. NSP3 Need

Buoyed by a strong seasonal home market and strong demand for shoreline and waterfront homes, the region’s housing market is

recovering in many areas and for many markets. However, stakeholders in some communities report that many foreclosed homes remain vacant.

Neighborhood Stabilization Program

The Neighborhood Stabilization Program (NSP) was established to stabilize neighborhoods whose viability has been and continues to be damaged by the economic effects of properties that have been foreclosed upon and abandoned. Since the program was established in 2008, funding has been reauthorized twice, in 2009 (NSP2) and 2010 (NSP3). NSP funding has been used in communities nationwide to buy, restore, and resell foreclosed properties, often to low-income households. NSP funding is awarded in Michigan by the rate of foreclosures per Census tract. No Census tracts were eligible for NSP3 funding in Charlevoix County.

Homelessness

Severe housing instability can result in homelessness, which has extreme, far-reaching costs, both for those experiencing homeless and for the community as a whole.



Homelessness is often the result of many factors. Housing instability – caused by factors such as unaffordable housing, high energy or transportation costs, substandard housing, or housing discrimination – may result in the loss of housing through eviction or foreclosure, eventually leading to homelessness. Compounding housing instability issues are a host of other factors that can cause or contribute to homelessness, such as alcohol or other drug abuse; divorce, separation, or other personal relationship issues; discharge from a hospital; discharge from jail or prison; domestic or family violence; disability – including mental health conditions, chronic illnesses or medical conditions, or physical or developmental disabilities; and loss of income or unemployment.

Homelessness has impacts and costs that extend beyond the individual and throughout the

community. In some communities, the financial costs of homelessness have been shown to be higher than the costs of providing permanent affordable or supportive housing for formerly homeless individuals:

- Individual costs of homelessness include health costs and impacts, along with personal losses that can have generational impacts.
- Homeless children face major risks to safety, health, and well-being. Homeless children are less likely to attend school, leading to lower educational abilities and skills, in turn creating diminished long-term prospects for employment and a high quality of life.
- The social stigma of homelessness, along with the accompanying challenges of poverty and the lack of stability, lead to long

-term social, health, and economic disparities that can create generational obstacles for families.

- Homelessness both causes and results from serious health care issues, such as addiction, psychological disorders, and other ailments that require long-term, consistent care. Homeless individuals are reported to have higher rates of both chronic and acute health problems, and experience great difficulty in controlling or treating conditions such as diabetes, hypertension, addiction, and mental health disorders. As such, studies also show that longer and more frequent hospitalizations occur with homeless individuals.
- While it's sometimes necessary for short-term crises, emergency shelter is costly

What is Homelessness?

According to the US Department of Housing and Urban Development (HUD), a person is homeless when he/she resides in one of the places described below:

- In places not meant for human habitation, such as cars, parks, sidewalks, abandoned buildings (on the street).
- In an emergency shelter.
- In transitional or supportive housing for homeless persons who originally came from the streets or emergency shelters.
- In any of the above places but is spending a short time (up to 30 consecutive days) in a hospital or other institution.
- Is being evicted within a week from a private dwelling unit and no subsequent residence has been identified and lacks resources and support networks needed to obtain housing.
- Is being discharged within a week from an institution, such as a mental health or substance abuse treatment facility or a jail/prison, in which the person has been a resident for more than 30 consecutive days and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing. For example, a person being discharged from prison after more than 30 days is eligible only if no subsequent residence has been identified and the person does not have money, family or friends to provide housing.
- Is fleeing a domestic violence housing situation and no subsequent residence has been identified and lacks the resources and support networks needed to obtain housing.

when compared to permanent housing. The cost of an emergency shelter bed funded by HUD's Emergency Shelter Grants program is approximately \$8,067 more than the average annual cost of a federal housing subsidy (Section 8 Housing Voucher); and a 2010 HUD study found that the cost of

providing emergency shelter to families is generally as much or more than the cost of placing them in transitional or permanent housing

- People who are homeless spend more time in jail or prison, which is extremely costly:

the typical cost of a prison bed in a state or federal prison is \$20,000 per year.

Because homelessness is by nature an ever-changing situation, it's difficult to identify exact numbers of individuals in homelessness. A "point in time" count is required by the US Department of Housing and Urban Development (HUD) and is conducted by stakeholders every year in January. Every homelessness service provider in the region is asked to conduct a "census" of the homeless population served by their organization on a single day. In 2013, in Northwest Michigan, approximately 465 individuals were homeless, according to the point in time count. About 27% of those individuals were children under the age of 18.

Rural Homelessness

Rural communities face a number of challenges in addressing homelessness. The region is served by several homelessness providers with limited funding that is spread over a large geography, and emergency shelters are unavailable outside of Cadillac and Traverse City. In Northwest Michigan, emergency shelter is only available in Grand Traverse and Wexford Counties, and transitional housing, while available in other counties, is extremely limited (see Table 10). With few services available in

their home counties, individuals experiencing homelessness in Antrim, Benzie, Charlevoix, Emmet, Kalkaska, and Leelanau Counties have serious difficulties in meeting basic needs. Input Expos, Community Dialogues, and focus groups indicated that the lack of services for homeless individuals is a challenge for many residents in the region that need to stay within their home county, where they have employment or family and friend support. Comments indicate that

homeless individuals must often choose between refusing services or relocating to Grand Traverse County or Otsego County for shelter. Input also indicated that limited shelter availability for families leaves many homeless families reluctant to seek services, in part because of in the fear that their families will be split up and their children will be removed.

Table 9. Homelessness in Northwest Michigan

Data from the 2014 Point In Time Count

	Grand Traverse Area Continuum of Care <i>Antrim, Benzie, Grand Traverse, Kalkaska, Leelanau Counties</i>	Wexford – Missaukee Continuum of Care <i>Wexford & Missaukee Counties</i>	Manistee Continuum of Care <i>Manistee County</i>	Char-Em Continuum of Care <i>Charlevoix & Emmet Counties</i>	Total
Men, women, and children temporarily living in an emergency shelter, transition housing or hotel, or couch surfing (bouncing from home to home)	414	137	27	100	678
Children under age 18 who are homeless	n/a	39	17	58	

Appendix: Sources and Data



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