



HOUSING
MICHIGAN



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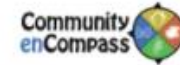
michigan municipal league

GRAND
RAPIDS
CHAMBER





Economic Development Leaders for Michigan



What's in the Toolbox?

The bills are based on proven concepts and common principles.

- They are opt-in public private partnerships. Local governments will decide if, when, how, and for what to consider using the tools to support workforce housing. Through public-private partnership with housing providers, developers and builders, local governments can take action to meet their community needs.
- Flexibility is provided to ensure the tools will be viable from the Upper Peninsula to Detroit to West Michigan. There are guardrails and caps, but communities and their partners will target their support based on project realities and the benefits it will provide to a community.

Who Will Benefit?

Major areas of employment are:

Skilled trades

Hospitality & retail

Creative industries

Health care & essential services

Manufacturing

Agriculture

Education

Affordable Housing		Attainable Housing		Market Rate Housing
0 -30 % AMI	30-60% AMI	60 - 80% AMI	80 - 120% AMI	120% or higher AMI
Eligible for public vouchers	Eligible for LIHTC-funded units	Eligible for CDBG or HOME-funded units	Not eligible for assistance	Can afford market rate units

2020 – 2025 Housing Needs

Kent + Ottawa County <u>Rental</u> & <u>For-Sale</u> Housing Needs					
Income Category	>30% AMI	31% - 50% AMI	51% - 80% AMI	81% - 120% AMI	120% AMI+
Wage/Salary	\$12/hr \$24,000 / yr Or less	\$12-\$20 / hr \$24k - \$40k / yr	\$20-\$30 / hr \$40k - \$64k / yr	\$64k - \$96k /yr	\$96k+ / yr
Rental Units Needed	2,718	2,833	2,788	3,320	1,610
For-Sale Units Needed	254	3,460	6,190	6,992	7,758

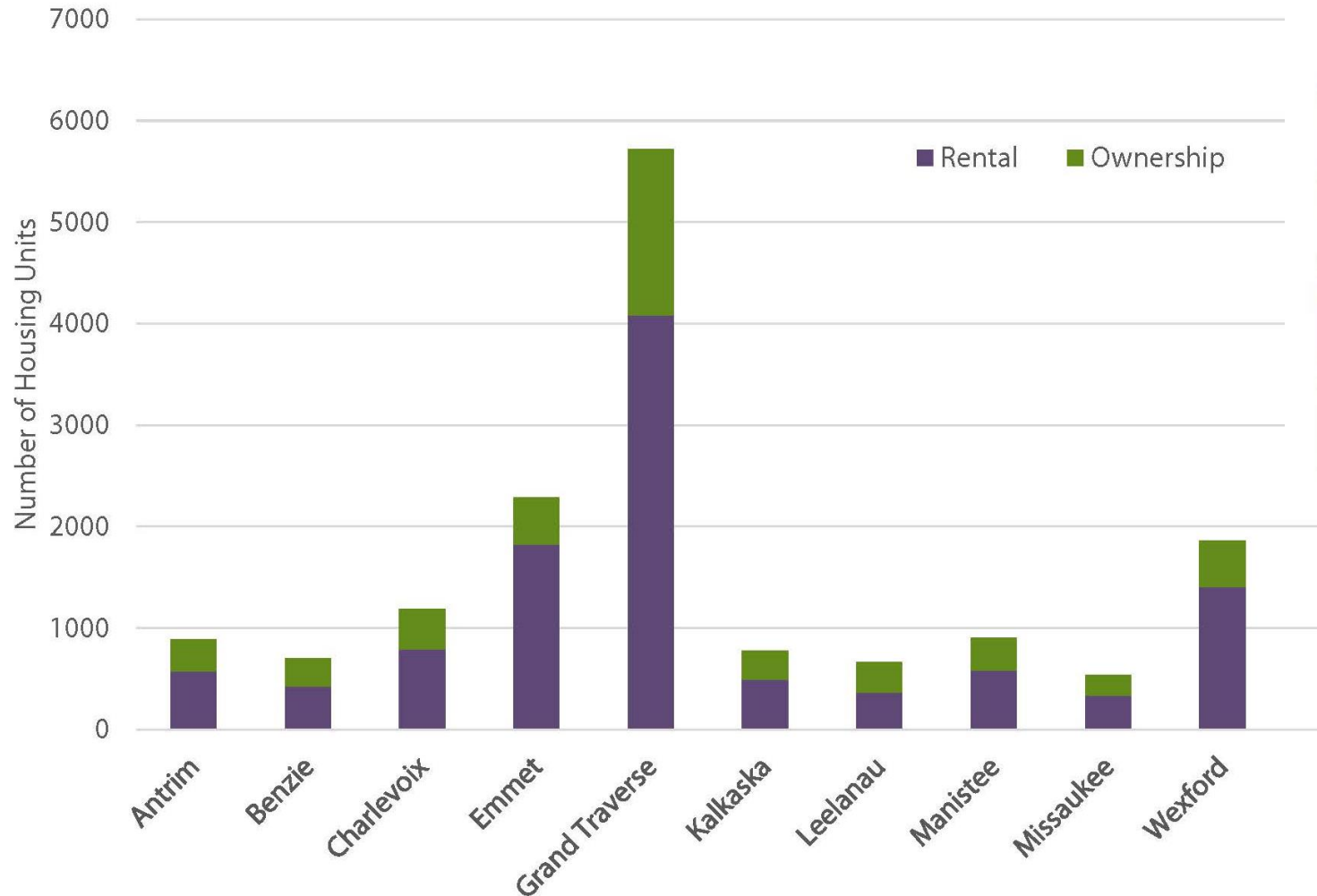
Kent & Ottawa Counties will need **at least 13,269 more rental units and 24,654 owner-occupied units** by 2025 to satisfy demand.

Rental Housing Gap

	Rental Housing Gap Estimates (2020-2025)				
Income Level (AMHI)	0-30%	31%-50%	51%-80%	81%-120%	121%+
Low (Income)	\$0	\$24,001	\$40,001	\$64,001	\$96,001+
High (Income)	\$24,000	\$40,000	\$64,000	\$96,000	Unlimited
Affordability Level	0-30%	31%-50%	51%-80%	81%-120%	121%+
Low (Rent)	\$0	\$601	\$1,001	\$1,601	\$2,401
High (Rent)	\$600	\$1,000	\$1,600	\$2,400	Unlimited
PSA (Grand Rapids)	1,031	895	966	1,469	979
SSA (Kent County less Grand Rapids)	266	938	924	1,001	452
DSA (Downtown Grand Rapids)	656	360	391	476	416

Northwest Michigan

2020 Target Market Analysis for Northwest Michigan by County



WHO CAN AFFORD THE RENT?

The "housing wage" is the amount a worker would need to earn in order to afford a typical rental. In Northwest Michigan, rents are far higher than what many renters can afford. The lack of affordable options contributes to a high demand for new units at different price points.



New home costs are higher in the Grand Traverse Area than anywhere in Michigan.

\$437,000

Median cost of a new home in Greater Grand Traverse area

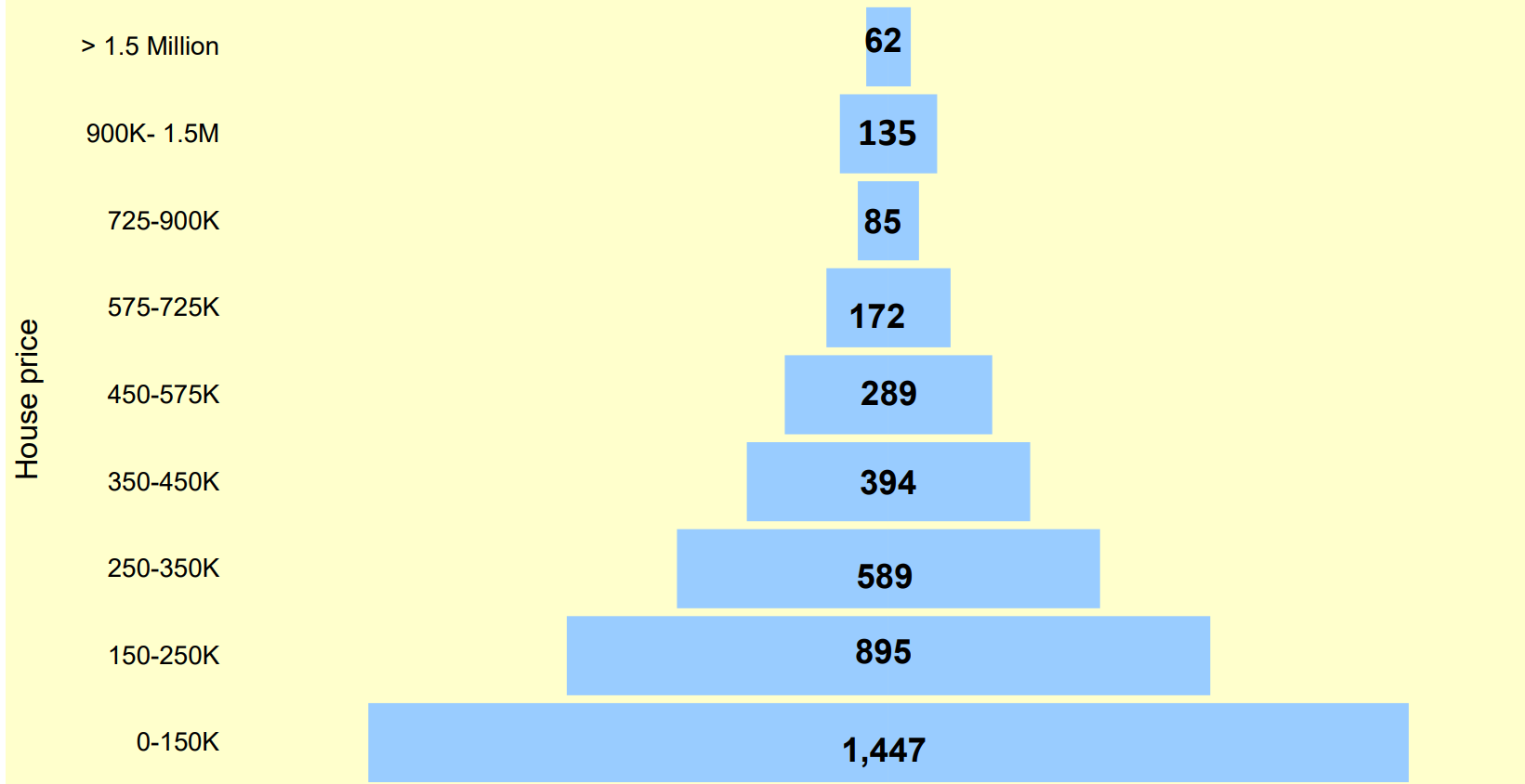
\$116,000

Annual income needed to afford a new home at median price

\$65,160

Median household income in Northwest Lower Michigan

Michigan Households (in Thousands) by Highest Priced Home They Can Afford Based on Income: 2022



Source: Calculations by the National Association of Homebuilders Housing Policy Department, based on income data from the 2019 American Community Survey, U.S. Census Bureau



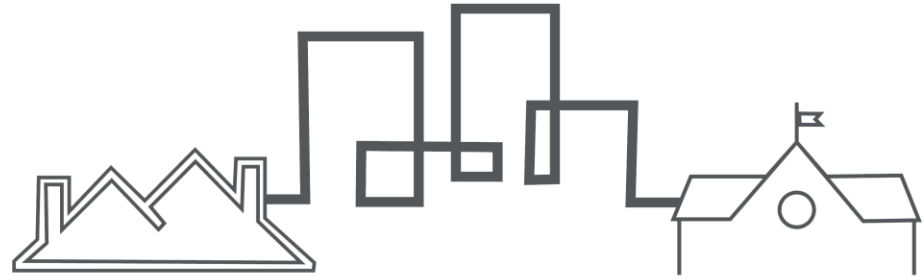
2.9M MI households can only purchase homes at less than \$350,000
2.3M MI households can only purchase homes at less than \$250,000



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