

Housing Market Study



**Village of Jonesville
City of Reading
Reading Township
Hillsdale County, Michigan**

2006

*Housing Market Study
For
Village of Jonesville,
City of Reading, and
Reading Township*

Hillsdale County, Michigan

*Prepared for:
Village of Jonesville,
City of Reading,
Reading Township, and
Michigan State Housing Authority*

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Introduction

The Village of Jonesville, City of Reading and Reading Township have identified the need for a full and comprehensive evaluation of the current housing stock within each community. This need was identified as a result of Project Good START (Small Towns Assessment and Readiness Techniques). Through a series of meetings and surveys, residents completed a strategic plan and vision for each community; an assessment of housing was among the top priorities. With assistance from the Community Action Agency of Hillsdale County, financial assistance was leveraged from the Michigan State Housing Development Authority to partially fund this Housing Market Study.

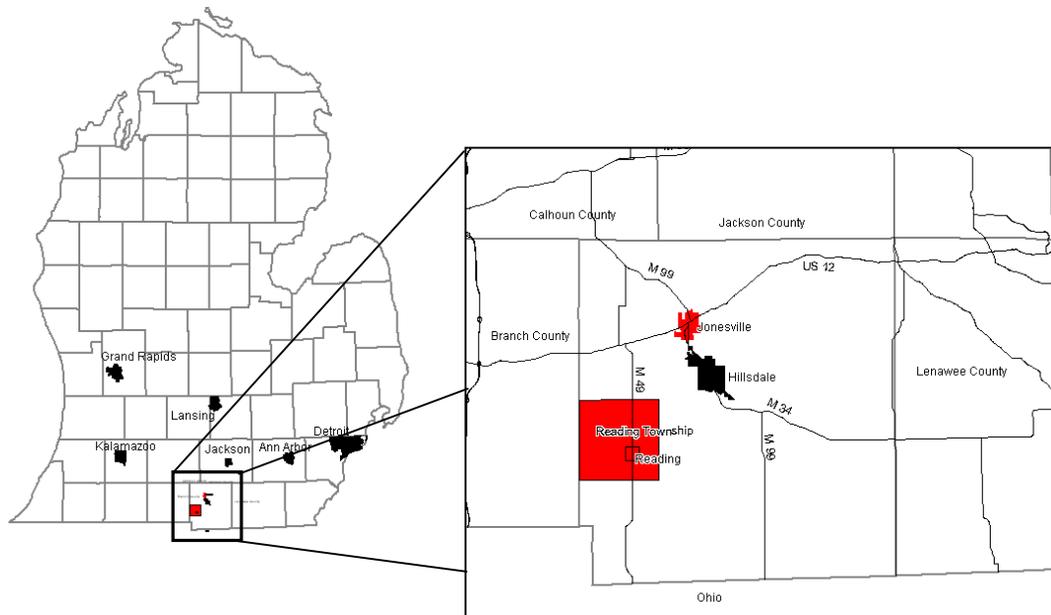
As a result, this Study evaluates the existing supply and demand for housing within the Village of Jonesville, City of Reading, and Reading Township. In addition to estimating the future demand for housing in general within the defined areas, the number of existing and future housing units is identified by renter- and owner-occupied housing units and the type of housing, single- or multi-family. The demand for housing is determined through the evaluation of the area's economy, population, housing trends and the status of the housing market. Housing demand estimates are projected to the year 2011 to address the median-range housing needs of each community.

The results of this Market Study are to establish recommendations to address the identified housing needs of each community.

Study Area Defined

Hillsdale County is similar to other southern tier counties in Michigan, in that the County is significantly more rural than it is urban. While the County is generally rural, there are several population centers including: Hillsdale, the county seat; Jonesville; Litchfield; Reading and Camden. Each of these communities have experienced population fluctuations, both positive and negative, over the last 30 years. Understanding the past and present characteristics of each community provides a baseline for forecasting the future needs of each community. This report focuses on three communities within Hillsdale County, the Village of Jonesville, City of Reading, and Reading Township. Because the City of Reading is located within Reading Township these two communities are evaluated jointly, while the Village of Jonesville will be evaluated independently in this report.

MAP 1 – STUDY AREAS



**Village of Jonesville, City of Reading and Reading Township
Housing Assessment**

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Population

Population change over time has both positive and negative impacts on housing within a community. As the population of a community increases, new housing units are constructed. Conversely, as a community declines in population, the number of housing units necessary to accommodate the smaller population decreases. The following analysis outlines the changes in population since 1970 for Hillsdale County, the Village of Jonesville, City of Reading and Reading Township.

Table 1 - Population Change from 1970 to 2005

	1970	1980 (% change)	1990 (% change)	2000 (% change)	2005 * (% change)
Jonesville, Village	2,081	2,172 (4%)	2,283 (5%)	2,337 (2%)	2,385 (2.1%)
Reading, City	1,125	1,203 (7%)	1,127 (- 6%)	1,134 (1%)	1,135 (0.1%)
Reading, Twp.	1,194	1,653 (38%)	1,768 (7%)	1,781 (1%)	1,927 (8.2%)
Reading City and Township	2,319	2,856 (45%)	2,895 (1%)	2,915 (2%)	3,062(8.3%)
* Estimates based on 2010 projections developed by Region 2 Planning Commission					

SOURCE: Hillsdale County Comprehensive Development Plan; Gove Associates Inc. 2006

Table 1 shows the three communities have all experienced population increases since 1970. The level of population increase varied slightly by decade and community. While all communities experienced net population increases since 1970 Reading Township experienced the most significant growth (38%) between 1970 and 1980, during this decade Jonesville and the City only increased by 4 percent and 7 percent respectively. The population increase for the City of Reading was however, short lived. Between 1980 and 1990 the population of the City actually decreased by 6 percent, while the Township and the Village continues their

population increase by 7 and 5 percent respectively. Within all three communities the population growth between 1990 and 2000 increased by 2 percent or less. Based on projections developed by the Regional Planning Commission, the 2005 population estimates for each community reflect continued population increases.

Population Density and Distribution

The density of the 2000 population can influence a community and the way it grows and develops. The smallest geographic unit for which the US Census reports data is the block. Blocks vary in size and often correspond to individual city blocks bounded by streets; however some blocks, especially in rural areas may include many square miles and use natural features such as creeks and drains as boundaries. The maps below illustrate the population distribution by block in each of the three study areas.

Figure 1 - Jonesville 2000 Population by Block

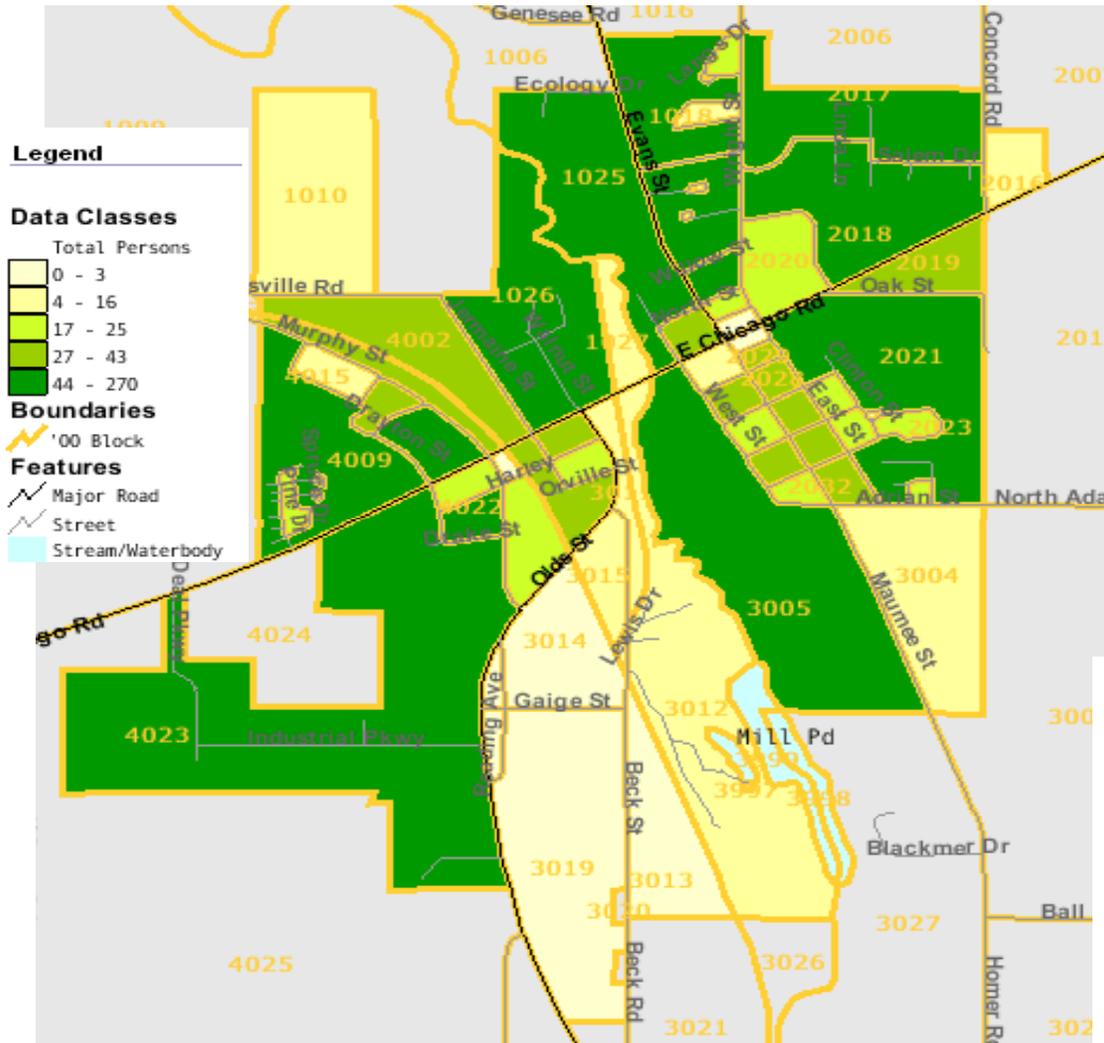
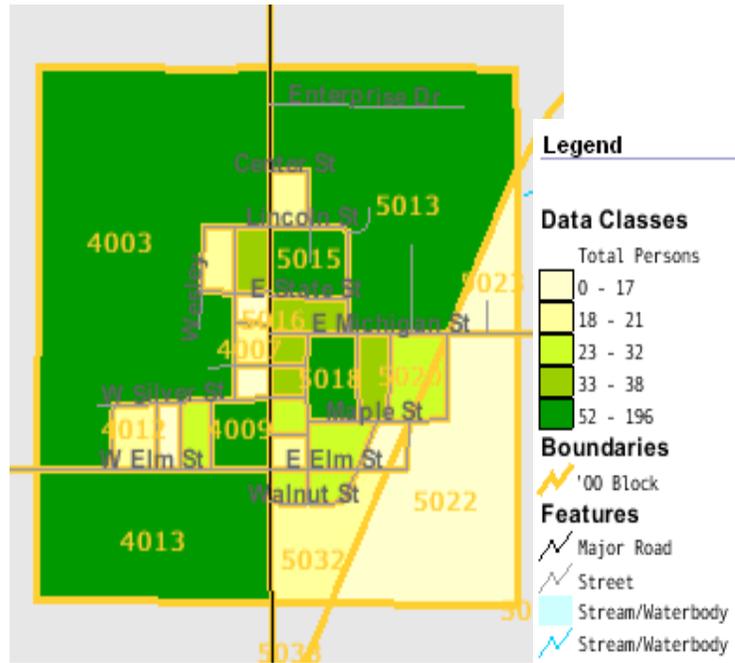


Figure 1 illustrates the Village’s population distribution in 2000. The map illustrates the bulk of the population lives north of US-12 and east of downtown. However, it should be noted that these Census Blocks in these areas are much larger than the traditional downtown area.

Village of Jonesville, City of Reading and Reading Township
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Figure 2 – City of Reading 2000 Population by Block



Within the City of Reading (Figure 2) three of the six Census Blocks with the highest number of residents are located outside the traditional downtown or established neighborhoods. This is largely due to the overall size of the blocks.

Reading Township is blessed with several inland lakes that offer an attractive living environment and recreation opportunities. This is supported by the large number of residents living in relatively small Census Blocks that border one of the many lakes. Within Reading Township, 10 of the 18 blocks with the greatest number of residents are located along the lakes.

Population Projections

As Table 1 illustrates, the population of each community has not changed significantly over the last 30 years. However, to assess the housing needs of each community it is important to have an idea of the projected population, which can be converted to housing unit projections. Estimating the housing needs based on population increase is one method of determining the number of new units needed within a community.

Population projections are by nature educated guesses based on different models and variables such as historic trends, in- and out-migration, birth rates and death rates or a combination of many of these variables. The most basic method for projecting population is the linear/trend method, in which historical data is collected and growth rates calculated for the historic period which are applied to the existing population. The linear/trend method was the method used for this report.

Village of Jonesville

Using the trend method and the data presented in Table 1, we developed population projections to 2010 and 2015 in an effort to more accurately understand the future housing need of the Village. The Village of Jonesville is anticipated to experience only a moderate population increase of 106 persons or 4.5 percent over the next decade.

Table 2 - Population Projection for the Village of Jonesville

	2005	2010	2015	Change 2005 to 2015
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**Village of Jonesville, City of Reading and Reading Township
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Village of Jonesville	2,377	2,433	2,483	+106 persons or +4.5%
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SOURCE: Hillsdale County Comprehensive Development Plan; Gove Associates, Inc. 2006

City of Reading and Reading Township

The City of Reading is projected to increase by only 3 persons over the next decade while projections for the Township show a more significant increase of 316 persons or 16.3 percent.

Table 3 - Population Projection for the City of Reading and Reading Township

	2005	2010	2015	Change 2005 to 2015
City of Reading	1,135	1,137	1,138	+3 persons or 0.6%
Reading Township	1,927	2,073	2,243	+316 persons or 16.3%
Township and City	3,062	3,210	3,381	+319 persons or 16.9%

SOURCE: Hillsdale County Comprehensive Development Plan; Gove Associates, Inc. 2006

The presence of several lakes in the Township and the availability of undeveloped land are likely the primary factors that will result in the Township experiencing such significant increase in population.

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Economic

The basic economic conditions and characteristics of the community play an important role in housing. Employment and income, along with rents and mortgage payments all help identify the housing types supportable within the community. In recent years a number of flexible and creative financing options have become available to first-time homebuyers. This can have both positive and negative impacts to a community. Many of the programs in conjunction with some realtors and lenders results in many people borrowing to their limit, or putting little to no down payment on their new home. The result is commonly referred to being “house poor.” This term means an individual spends too much on house payments, insurance and taxes which can result in neglect when it comes to maintenance or other personal necessities such as retirement accounts.

Income

Village of Jonesville

In 1990, the median household income in the Village of Jonesville was \$24,618, \$1,401 less than the median household income of \$26,019 in the County overall. The median income for the Village increased to \$35,223 or 43.0 percent as reported by the 2000 Census. The increase in median household income between 1990 and 2000 in the Village however was smaller than the 55.2 percent increase in the County overall.

City of Reading and Reading Township

Median household incomes in the City of Reading and Reading Township in 1990 were \$20,500 and \$26,888 respectively. The median household income of the City was more than \$5,500 less than the median income of the County, while in Reading Township the median income was slightly higher than that of the County at \$26,019. The decennial Census of 2000 reported the median household incomes for the City of Reading increased by 64.6 percent to \$33,750 while the Township increased by 52.2 percent to \$40,938. These increases in household income are inline with or

exceed the County wide median household increase of 55.2 percent between 1990 and 2000.

**Median Household Income Estimates and Projections
Village of Jonesville**

Median household income estimates for 2005 indicate that residents of the Village experienced an increase in median household income of almost \$4,000 to \$39,212. The median income estimate for Jonesville was slightly higher than the estimated income as for the Village based on the rate of inflation from 2000 to 2005. Claritas Data Services median household income projections to 2010 place the Village’s median income at \$42,846, an increase of 9 percent over 2005 median income estimates.

TABLE 4 – Median Household Income Village of Jonesville

	1990*	2000*	2005**	2010**
Village of Jonesville	\$24,618	\$35,223	\$39,212	\$42,846
* US Census ** Claritas Data Service				

SOURCE: Claritas Data Services; US Census; Gove Associates Inc. 2006

City of Reading and Reading Township

The City of Reading and Reading Township have very different median household incomes. The most recent US Census reported median household income in 2000 was \$33,750 more than \$7,000 less than Reading Township median household income of \$40,938 in 2000. Claritas Data Services estimated the median household income for the City of Reading in 2005 to be \$38,889 while the Townships median household income is estimated to have increased to \$46,184, both exceeding the rates of inflations. Projections to 2010 for the City of Reading place the median household income to be 43,516, while the Township median household income will increase to \$51,685.

TABLE 5 – Median Household Income City of Reading and Reading Township

	1990*	2000*	2005**	2010**
City of Reading	\$20,500	\$33,750	\$38,889	\$43,516
Reading Township	\$26,888	\$40,938	\$46,184	\$51,685

* US Census ** Claritas Data Service

SOURCE: Claritas Data Services; US Census; Gove Associates Inc. 2006

Households By Income Range 2000 and 2005

The distribution of households by income range makes it possible to determine what price ranges residents living in each community can afford when it comes to housing. The United States Department of Housing and Urban Development (HUD) criteria states a household should not pay more than 30–40 percent of their income for housing depending on type of housing and household income. HUD considers families with 4 people and income under \$42,500 or 80% of the County’s median household income (\$53,050 in 2005) to be low income. Households meeting certain HUD income criteria may qualify for one of a variety of federally supported mortgage programs for first-time homebuyers or low income households. The income ranges presented in Table 6 were selected to best fit the income categories at 50 and 80 percent of median household income for Hillsdale County for both 2000 and 2005.

As Table 6 shows, the number of households in Jonesville with incomes less than \$26,555 (50 percent or less of median income based on 2005 numbers) has declined by 39 households since 2000, while households earning between \$26,556 and \$42,500 increased by 11 households. Households with slightly higher incomes of between \$42,500 and \$49,999, yet still considered low income for a family of four by HUD standards, has increased by 39 households. Households exceeding the 2005 median income for the County have also increased since 2000.

TABLE 6 – Households By Income Range Village of Jonesville

	2000	2005*
Under \$26,555	322	283
\$26,556 to \$42,500	213	224
\$42,500 to \$49,999	70	109
\$50,000 to \$74,999	185	178
\$75,000 to \$100,000	68	84
\$100,000 +	29	55

SOURCE: 2000 Census; *Claritas Data Services; Gove Associates Inc., 2006

**Village of Jonesville, City of Reading and Reading Township
Housing Assessment**

The distribution of households by income range for the City of Reading and Reading Township is illustrated in Table 7. Between 2000 and 2005 the number of households with incomes at 80 percent or less of the median income (\$42,500) have declined in both the Township and the City. This decline in lower income households is positive for both communities.

TABLE 7 - Households By Income Range City of Reading and Reading Township

	2000		2005*	
	City of Reading	Reading Township	City of Reading	Reading Township
Under \$26,555	163	200	130	174
\$26,556 to \$42,500	110	167	97	162
\$42,500 to \$49,999	37	68	41	77
\$50,000 to \$74,999	80	160	83	164
\$75,000 to \$100,000	34	66	35	89
\$100,000 +	11	38	26	74

SOURCE: 2000 Census; *Claritas Data Services; Gove Associates Inc., 2006

Mortgage Rates

Mortgage status and monthly owner costs for housing is an important factor in evaluating housing needs within each community.

Village of Jonesville

The Village of Jonesville 69.8 percent of the owner occupied households had mortgages on their home while the remaining 30.2 percent either owned their home or they paid for their home using a land contract or another form of payment. For those households that paid a mortgage 34.2 percent paid between \$700 and \$999 per month, another 16 percent paid between \$1,000 and \$1,499 a month. Another 11.6 percent paid between \$500 and \$699 per month.

TABLE 8 - Village of Jonesville Mortgage Status 2000

Mortgage	Owner Occupied Households	Percent
With a Mortgage	414	69.8
Less than \$300	0	0
\$300 to \$499	45	7.6
\$500 to \$699	69	11.6
\$700 to \$999	203	34.2
\$1,000 to \$1,499	91	16.4
Over \$1,500	0	0
Median	819	NA
Not mortgaged	179	30.2
Median	277	NA

SOURCE: 2000 US Census; Gove Associates Inc. 2006

City of Reading and Reading Township

Within the City of Reading there were more owner occupied households (26.9%) paying mortgages between \$500 and \$699 than in the Township (16.7%). However, in the Township there were more owner occupied households paying between \$700 and \$999 at 25.4 percent than in the City at 17.2 percent. In terms of lower mortgage payments the City of Reading had 3 households paying less than \$300 per month while in the Township there were none.

**Village of Jonesville, City of Reading and Reading Township
Housing Assessment**

On the other end of the scale, there were 14 households in the Township paying over \$1,500 per month while there weren't any in the City.

**TABLE 8 – City of Reading and Reading Township Mortgage Status
2000**

Mortgage	City of Reading		Reading Township	
	Owner Occupied Households	Percent	Owner Occupied Households	Percent
With a Mortgage	174	60.0	253	64.9
Less than \$300	3	1.0	0	0
\$300 to \$499	23	7.9	29	7.4
\$500 to \$699	78	26.9	65	16.7
\$700 to \$999	50	17.2	99	25.4
\$1,000 to \$1,499	20	6.9	46	11.8
Over \$1,500	0	0	14	3.6
Median	\$647	NA	\$769	NA
Not mortgaged	116	40.0	137	35.1
Median	\$222	NA	\$226	NA

SOURCE: 2000 US Census; Gove Associates Inc. 2006

Rent

Not all families or households have the ability to own their own home, for a variety of reasons including insufficient income or bad credit. Therefore their likely alternative is to rent a home, apartment, room or mobile home. The percentage of household income being used for rent is a key indicator of housing affordability and the likelihood a renter could become a homeowner. The cost to rent a unit is dependent on a variety of factors, including whether the rental is a home or an apartment, the size of the unit, the amenities available and location, to name a few. Regardless, it is a general rule of thumb that a household should not pay more than 30 percent of their household income in rent.

Village of Jonesville

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Within the Village of Jonesville, as reported by the 2000 Census, 43.4 percent or 99 households of all renter households paid between \$300 and \$499 per month for rent, followed by 44 units or 19.3 percent paying \$500 to \$749 per month and another 42 units or 18.4 percent paid less than \$200. This distribution of renter households translates to a median gross rent in 2000 in the Village of Jonesville to be \$349. Median gross rent increased by 21.8 percent from \$284 since 1990. While the median rent is \$349 per month the distribution of the renter households

TABLE 9 - Gross Rents Village of Jonesville 2000

Rent	Units	Percent of all Rental units
Less than \$200	42	18.4
\$200 to \$299	22	9.6
\$300 to \$499	99	43.4
\$500 to \$749	44	19.3
\$750 to \$1,000	3	1.3
Over \$1,000	4	1.8
Total Units	228	100
Median Rent	\$349	NA

SOURCE: 2000 U.S. Census; Gove Associates Inc, 2006

City of Reading and Reading Township

With 101 renter-occupied units or 26 percent of all occupied units in the City of Reading, the median rent for the City increased 57 percent from \$284 in 1990 to \$446 in 2000. Of the 101 renters of occupied housing units, 30.7 percent paid between \$500 and \$749 per month followed by 43.6 percent paying between \$300 and \$499 per month and another 17.8 percent paying less than \$299. As Table 10 illustrates there only 69 renter-occupied housing units reporting their gross rent. While the Township has fewer renter

**Village of Jonesville, City of Reading and Reading Township
Housing Assessment**

occupied units than does the City of Reading or the Village of Jonesville, they have the highest median rents at \$484 per month.

**TABLE 10 - Gross Rents City of Reading and Reading Township
2000**

Rent	City of Reading		Reading Township	
	Units	Percent of all Rental units	Units	Percent of all Rental units
Less than \$200	10	9.9	0	0
\$200 to \$299	8	7.9	6	8.7
\$300 to \$499	44	43.6	23	33.3
\$500 to \$749	31	30.7	20	29.0
\$750 to \$1,000	0	0	4	5.8
Over \$1,000	0	0	0	0
Total Units	101	100	69	100
Median Rent	\$446	NA	\$484	NA

SOURCE: 2000 U.S. Census; Gove Associates Inc, 2006

Housing

Housing and the individual characteristics associated with a community's housing can have the single greatest impact on a community. Understanding the past and present housing characteristics including unit sizes and price ranges can help project the future housing needs of the area. The following section outlines many of these important housing characteristics in an effort to further refine and identify the housing needs for each community.

Household Size

To accommodate the population increases in the Village of Jonesville and Reading Township, the number of housing units must also increase. Additionally, as the average household size (the number of people living within a housing unit) continues to decline nationwide, the demand for more housing units will increase.

Village of Jonesville

The Village of Jonesville has experienced a relatively small decrease in household size between 1990 and 2000. Any possible changes in the Village over the coming decade are not likely to have a significant impact on the housing needs within the community.

Table 11 - Average Household for the Village of Jonesville

	1990	2000	Change
Village of Jonesville	2.45	2.40	-0.05

SOURCE: Hillsdale County CHAT Report; 2000 US Census; Gove Associates Inc. 2006

City of Reading and Reading Township

Because the population of the City of Reading did not change significantly between 1990 and 2000, the Census did not report any change in the average household size. The average household size in the City of Reading is likely to remain unchanged at 2.79 persons per household in the coming years.

Table 12 - Average Household Size for the City of Reading and Reading

Township	1990	2000	Change
City of Reading	2.79	2.79	No Change
Reading Township	2.49	2.44	-0.05

SOURCE: Hillsdale County CHAT Report; 2000 US Census; Gove Associates Inc. 2006

Within Reading Township the average household size is likely to decrease in the coming years as the population within the Township increases, new homes are built and year around homes around the lakes become more seasonal in nature. However, any decrease in the average household size will likely not add more than 4 or 5 housing units to the projected housing needs of the Township.

Housing Units

Housing units, their location, quality, and size are among other factors that can significantly impact the characteristic of the community. A housing unit can be defined as a single-family home, apartment, mobile/manufactured home, boat, RV, etc. Because of this definition it can often be difficult to identify the specific location of all housing units within a community. Furthermore, housing units can fluctuate from year to year as trailers move in and out or as single-family units are converted to multiple-family units.

Village of Jonesville

The Village of Jonesville experienced 28 new housing units between 1990 and 2000, an increase of almost 3 percent. Estimates for 2005 indicate that 12 housing units were added to the Jonesville housing stock since 2000 bringing the number of housing units to 987.

Table 13 - Housing Units in the Village of Jonesville

**Village of Jonesville, City of Reading and Reading Township
Housing Assessment**

	1990	2000	2005	Change 2000 to 2005
Village of Jonesville	947	975	987	12 units or +1.2%

SOURCE: Claritas; Hillsdale County CHAT Report; US Census; Gove Associates 2006

City of Reading and Reading Township

As Table 1 indicates the population of the City of Reading did not change significantly between 1990 and 2000, therefore it is not unusual that the number of housing units in the City decreased by 4 units. Within Reading Township, despite the increase in population of 20 persons between 1990 and 2000, the number of housing units declined by 14 housing units. Housing unit estimates for both the City and the Township in 2005 suggests that the City experienced a slight increase in the number of new units while the Township experienced an increase of 39 units between 2000 and 2005.

Table 14 - Housing Units for the City of Reading and Reading Township

	1990	2000	2005	Change 2000 to 2005
City of Reading	436	432	437	5 units or 1.1%
Reading Township	1,161	1,147	1,186	39 units or 3.4%
Township and City	1,597	1,579	1,623	44 units or 2.7%

SOURCE: Claritas; Hillsdale County CHAT Report; US Census; Gove Associates 2006

Housing Units Projections

Housing unit projections are very similar to population projections in that they are based on several variables and highly dependant on and directly related to the economic conditions and opportunities within a community. The number of housing units within the community can in part be based on the projected population divided by the average number of persons per household, resulting in an estimated number of new housing units. This method of housing unit projections however, does not mean that only a given number of homes should be built to accommodate the existing or projected population in any given year. Unless new homes are developed as “infill” units, or an individual builds a single home on an individually owned lot, growth in the housing market, one unit at a time does little to meet the long-range needs of the community. While infill housing is important to that community, often times what is needed is for one or two larger scale housing developments to be developed within a community to meet the existing and future needs. This proactive approach can not only meet the housing needs of the community but also create economic development for the area.

Village of Jonesville

The Village of Jonesville is projected to experience a population increase of 106 persons by 2015. Based on data in Table 2 -

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Population Projection and Table 11– Average Household Size, the number of new housing units can be projected for the Village of Jonesville estimated in Table 15.

As the Table 15 illustrates the number of housing units forecasted for the Village of Jonesville is projected to increase between 18 and 45 units by 2015 depending on the forecast method.

City of Reading and Reading Township

The number of housing units projected to 2015 in the City of Reading and Reading Township combined varies between 91 units and 135 units. As Table 1 indicates the bulk of the population growth to 2015 will occur in the Township. This population translates to between 81 and 133 new housing units in the Township.

Table 16 - Housing Unit Projection for the City of Reading and Reading Township

	2000	2005	2010	2015	Change 2005 to 2015
Based on historic trends.					
City of Reading	432	437	442	447	10 units or 2.2%
Reading Township	1,147	1,186	1,226	1,267	81 units or 6.8%
Township and City	1,579	1,623	1,668	1,714	91 units or 5.6%
Based on population growth and household					
City of Reading	432	437	438	439	2 units or 0.4%
Reading Township	1,147	1,186	1,247	1,319	133 units or 11.2%
Township and City	1,579	1,623	1685	1,758	135 units or 8.3%
Based on Claritas Estimates.					
City of Reading	432	437	447	457	20 units or 4.5%
Reading Township	1,147	1,186	1,223	1,260	74 units or 6.2%

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Township City	and	1,579	1,623	1,670	1,717	94 units or 5.79%
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SOURCE: Claritas Inc.; Gove Associates Inc. 2006

Tenure

A housing unit can be categorized into one of a number of different groups such as vacant; owner-/renter-occupied; or seasonal, recreational, or occasional use. Distributing the housing units within each community into one of these groups allows for a more accurate picture of the housing in the study area.

Village of Jonesville

Since 1990 the Village of Jonesville experienced a small increase in the percentage of owner occupied homes while the number of renter occupied housing units has declined slightly.

Table 17 - Housing Units By Type within the Village of Jonesville

	1990	1990 Percent of Total	2000	2000 Percent of Total	Change
Total Units	947	100%	975	100%	28 units or 2.9%
Occupied	895	94.5%	926	94.9%	31 units or 3.4%
Owner	650	72.6%	689	74.4%	39 units or 11.1%
Renter	245	27.3%	237	25.5%	-8 units or - 3.2%
Vacant	52	5.4%	49	5.0%	-3 units or - 5.7%
Seasonal, recreational or occasional use	6	0.6%	5	0.5%	-1 unit or - 16.6%
Owner Vacancy Rate	N/A	N/A	2.1%	N/A	N/A
Rental Vacancy Rate	N/A	N/A	6.0%	N/A	N/A

SOURCE: Claritas Inc.; Gove Associates Inc. 2006

City of Reading

The distribution of owner and renter occupied housing units in the City of Reading has changed slightly since 1990. In 1990 just over 70 percent of all housing units were owner occupied, this increased to almost 74 percent in 2000. As a result, the number of renter occupied housing units declined by 11 units or 9.4 percent since 1990.

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Table 18 - Housing Units By Type within the City of Reading

	City of Reading				
	1990	1990 Percent of Total	2000	2000 Percent of Total	Change 1990 - 2000
Total Units	436	100%	432	100%	-4 units or - 0.9%
Occupied	400	91.7%	407	94.2%	7 units or 1.7%
Owner	283	70.7%	301	73.9%	18 units or 6.3%
Renter	117	29.2%	106	26.0%	-11 units or - 9.4%
Vacant	36	8.9%	25	5.7%	-11 units or - 30.5%
Seasonal, recreational or occasional use	6	1.3%	1	0.2%	-5 units or - 83 %
Homeowner Vacancy Rate	N/A	N/A	2.0%	N/A	N/A
Rental Vacancy Rate	N/A	N/A	4.5%	N/A	N/A

SOURCE: US Census; Gove Associates Inc. 2006

The increase in owner occupied housing units and decrease in renter occupied housing units can have a positive impact on the housing quality within a community. It is generally thought with home ownership comes increased pride and responsibility, thus resulting in more maintenance and upkeep of the property. This notion however, is becoming less true as many homeowners are becoming “House Poor.”

Reading Township

Like the City of Reading and Village of Jonesville, Reading Township has experienced a slight decline in the number of renter occupied housing units while the number of owner occupied units increased since 1990. In 2000, the Township had 12.8 percent more owner occupied housing units than in 1990. While the number of year-around owner occupied housing units is increasing, the number of occupied housing units in 1990 and 2000 is significantly lower than the City of Reading or the Village of Jonesville.

**Village of Jonesville, City of Reading and Reading Township
Housing Assessment**

Table 19 – Housing Units By Type within Reading Township

	Reading Township				
	1990	1990 Percent of Total	2000	2000 Percent of Total	Change 1990 – 2000
Total Units	1,161	100%	1,147	100%	-14 units or 1.2%
Occupied	641	55.2%	711	61.9%	70 units or 10.9%
Owner	561	87.5%	633	89.0%	72 units or 12.8%
Renter	80	12.4%	78	10.9%	-2 units or - 2.5%
Vacant	520	44.7%	436	38.0%	-84 units or - 6.1%
Seasonal, recreational or occasional use	487	41.9%	407	35.4	-80 units or 16.4%
Homeowner Vacancy Rate	N/A	N/A	1.4%	N/A	N/A
Rental Vacancy Rate	N/A	N/A	7.1%	N/A	N/A

SOURCE: US Census; Gove Associates Inc. 2006

The number of occupied housing units, both owner and renter occupied in the Township in 2000 was 61.9 percent, an increase of 10.9 percent from 1990. This “relatively” low number of year-around occupied housing units in the Township is due to the presence of numerous lakes where homes are typically occupied as seasonal/recreational during the summer months and not year-around.

Median Home Values of Owner-Occupied Units 2000

The value of the owner-occupied home in each community provides insight in not only what the existing housing prices are in

the market but also what segment of the housing market, if any, is underrepresented and missing from the market.

Village of Jonesville

The 2000 Census reported the median home value in the Village of Jonesville was \$80,300 up almost 100 percent from the 1990 median home value of \$40,400. Median home value means half of the homes within the Village are more than \$80,300 and half are less than \$80,300. Table 20 illustrates that more than half of all owner occupied homes in the Village are between \$50,000 and \$99,000.

**Village of Jonesville, City of Reading and Reading Township
Housing Assessment**

TABLE 20 – 2000 Home Value Village of Jonesville

	Number	% of Total
Under \$50,000	78	13.2
\$50,000 to \$99,999	382	64.4
\$100,000 to \$149,999	92	15.5
\$150,000 to \$199,999	38	6.4
\$200,000 to \$299,999	3	0.5
\$300,000 to \$499,999	0	0
2000 Median	\$80,300	NA
1990 Median	\$40,400	NA

SOURCE: 1990 and 2000 Census; Gove Associates Inc., 2006

City of Reading and Reading Township

The differences between the owner occupied home values within the City of Reading and Reading Township as reported by the 2000 Census are significant. In 2000 within the City of Reading the median owner occupied home was valued at \$56,700 up 100 percent from 1990. While a 100 percent increase for the City of Reading was significant since 1990, Reading Township realized a 105 percent increase in median home value between 1990 and 2000 from \$46,800 in 1990 to \$95,900 in 2000. The difference in the median occupied home value between the City of Reading and Reading Township is likely due to several factors to include the numerous lakes in the Township and the fact that relatively few new homes were built in the City in the last 10 to 15 years.

TABLE 21 – 2000 Home Value City of Reading and Reading Township

	City of Reading		Reading Township	
	Number	Percentage	Number	Percentage
Under \$50,000	114	39.3	26	6.7
\$50,000 to \$99,999	171	59.0	187	47.9
\$100,000 to \$149,999	0	0	101	25.9
\$150,000 to \$199,999	5	1.7	50	12.8
\$200,000 to \$299,999	0	0	23	5.9
\$300,000 to \$499,999	0	0	3	0.8
2000 Median	\$56,700	NA	\$95,900	NA
1990 Median	\$28,300	NA	\$46,800	NA

SOURCE: 1990 and 2000 Census; Gove Associates Inc., 2006

Unit Size by Number of Bedrooms

Understanding the distribution of housing units by the number of bedrooms in each community can provide insight on how large or small new homes in each community should be to meet the areas needs. Over the last two decades the average household size has been gradually declining. As a result the number of bedrooms needed for sleeping purposes may also be reduced, however home offices, play rooms for young children or guest bedrooms are becoming ever more popular. As a result many people are seeking homes large enough to provide sleeping quarters for all family members and at least one extra room for other uses.

Village of Jonesville

The 2000 Census reported that within the Village of Jonesville nearly 40 percent of the households were 3 bedroom units, followed by 28 percent being 2 bedroom units and another 18.6 percent 4 bedroom units. The number of three bedroom units in Jonesville is slightly lower than in Hillsdale County (45.2 percent) and the State as a whole (44.7 percent). Jonesville had a slightly higher number of 2 and 3 bedroom units than both the County and the State.

TABLE 22 - Unit Size by Bedrooms in the Village of Jonesville

	Number	Percent
No bedrooms	8	0.8
1 Bedroom	97	10.3
2 Bedrooms	265	28.4
3 Bedrooms	368	39.4
4 Bedrooms	174	18.6
5 Bedrooms	21	2.2

SOURCE: 2000 Census; Gove Associates Inc. 2006

City of Reading and Reading Township

The distribution of the housing units by bedroom size for the City of Reading and Reading Township is in many respects very different than the Village of Jonesville, Hillsdale County and the State overall. The number of 2 bedroom housing units in the City and Township is consistent with the State and County while the City had fewer 3 bedroom units and the Township had more 3 bedroom units than the County or the State.

TABLE 23 – Unit Size by Bedrooms in the City and Township of Reading

	City of Reading		Reading Township	
	Number	Percent	Number	Percent
No bedrooms	0	0	0	0
1 Bedroom	36	8.5	20	2.82
2 Bedrooms	106	25.1	177	25.0
3 Bedrooms	167	39.5	352	49.7
4 Bedrooms	86	20.3	121	17.1
5 Bedrooms	27	6.4	38	5.3

SOURCE: 2000 Census; Gove Associates Inc. 2006

Manufactured Housing Inventory

Manufactured housing, which includes mobile homes, is often an affordable alternative to renting an apartment or purchasing or building a new single-family site built home. Furthermore, the cost of a new manufactured home is generally lower than the typical site-built home. The Manufactured Housing Institute identifies the average new multi-section manufactured home in 2003 was priced (home only) at \$54,900, depending on the retailer and how many additional options are built-in for convenience. The relatively low cost of manufactured housing is a result of the ability to control the construction environment (indoor construction), thus reducing delays and unexpected interruptions in the process.

Manufactured homes can be found throughout Hillsdale County either on individual lots or within established manufactured home communities. A 2002 report by the State of Michigan Department of Consumer and Industry Services Manufactured Housing and Land Development Division identified 538 manufactured home sites distributed among 10 manufactured home communities within Hillsdale County. Located within the Village of Jonesville is the 108-site Evergreen Estates manufactured home park. In northern Reading Township on Bankers Road is the smaller 42-site Hillsdale Acres.

TABLE 24 – Manufactured Home Parks in Study Area

Park Name	Location	Sites Available
Evergreen Estates	532 West Chicago, Jonesville	108
Hillside Acres	5200 Bankers Road, Reading	42

SOURCE: Michigan Department of Labor and Economic Growth, Bureau of Construction Codes, Building Division; Gove Associates 2006

Subsidized and Special Needs Housing Inventory

A number of subsidized housing complexes are available to help provide the housing opportunities to low income residents in the County. Within Hillsdale County there are 830 subsidized housing units. Thirty-six of these units are located in Reading and 60 units are located in two separate complexes within the Village of Jonesville. These low-income housing units are made available through a variety of programs administered by the U.S. Department of Housing and Urban Development (HUD), Public Housing Authorities (PHA), the Michigan State Housing Development Authority (MSHDA), and the Rural Housing Service, including Section 8, Public Housing and Section 236 (see Federal and State Programs). Tables 25 and 26 provide a summary of the housing complexes in the Village of Jonesville and the City of Reading.

TABLE 25 – Jonesville Subsidized Housing, 2003

		Low Rise Apartment		Townhouse		Mid-Rise, Hi-Rise Apartment		Detached Family	
		Elderly	Family	Elderly	Family	Elderly	Family	Elderly	Family
1 Bedroom		-	52	-	-	-	-	-	-
2 Bedroom		-	8	-	-	-	-	-	-
3 + Bedroom		-	-	-	-	-	-	-	-
Total		-	60	-	-	-	-	-	-
Unit Distribution by Subsidy Program									
Section 8	LIT C	RA P	51 5	236	Public	MSHDA	Market**	BFR E*	SPEC
36	-	-	24	-	-	-	-	-	-
*Subcategory of total units (Barrier Free/Elderly) **Market Rent Housing Unit (not subsidized)									

SOURCE: MSHDA Subsidized Housing Directory, 2003; Gove Associates 2006

**Village of Jonesville, City of Reading and Reading Township
Housing Assessment**

TABLE 26 – Reading Subsidized Housing Units, 2003

		Low Rise Apartment		Townhouse		Mid-Rise, Hi-Rise Apartment		Detached Family	
		Elderly	Family	Elderly	Family	Elderly	Family	Elderly	Family
1 Bedroom		-	12	-	-	-	-	-	-
2 Bedroom		-	24	-	-	-	-	-	-
3 + Bedroom		-	-	-	-	-	-	-	-
Total		-	36	-	-	-	-	-	-
Unit Distribution by Subsidy Program									
Section 8	LITC	RAP	515	236	Public	MSHDA	Market*	BFR E*	SPEC
		26	10			A	*		
*Subcategory of total units (Barrier Free/Elderly) **Market Rent Housing Unit (not subsidized)									

SOURCE: MSHDA Subsidized Housing Directory, 2003; Gove Associates 2006

The Parkwood apartment complex located in the Village of Jonesville was constructed in the 1980's and consists of 36, 1-bedroom units. Walnut Junction Apartments is also located in Jonesville. Walnut Junction offers 24 units of which 16 are 1 bedroom units and 8 are 2 bedroom units. The City of Reading is home to The Meadowlands, a 36-unit development consisting of 12 1-bedroom units and 24 2-bedroom units. In 2005 The Meadowlands obtained \$150,924 in funding from the MSHDA LIHTC Preservation program for unit upgrades and renovations.

Community and Key Person Input

In an effort to further identify the housing needs for each community beyond just statistics and data calculations, community input was sought. This community input was obtained via key person surveys and a community focus group meeting. The following is an analysis of the qualitative data obtained.

Key Person Survey

Housing is a very diverse and complex issue. Everyone needs a place to live and the condition and location of those living quarters can have a significant impact on a community. Because of the complexity of the issue and the fact that many businesses and organizations are involved in helping people find a suitable home, a survey was conducted of Key Persons with direct or in direct interests in housing.

Two different surveys were developed, one for “Private Sector” agencies such as banks, realtors, landlords and property managers and the other for “Non-Profit” agencies which provide direct or indirect services as they relate to housing. Some examples of the non-profit agencies that were contacted include the Community Action Agency, AARP, United Way, and Hillsdale County Senior Services.

Non-Profit Survey

The survey (See Appendix B) provided to the non-profit agencies asked the respondent to provide input on a number of issues including housing affordability, various aspects of the housing markets and obstacles to providing housing to residents.

The non-profit agencies surveyed felt that housing in Jonesville was generally somewhat less expensive than the surrounding area, while in the City of Reading and Reading Township the responses

were split between somewhat expensive and somewhat inexpensive.

Respondents were asked to identify from a list of 11 issues which ones were most important in each of the three communities. In Jonesville the top issues were “unequal distribution of affordable housing units,” “structural deterioration” and “household credit.” In the City of Reading the leading issues were “structural deterioration,” “lack of housing selection” and “unequal distribution of affordable housing units.” The top issues in Reading Township were identified as “structural deterioration,” and “unequal distribution of affordable housing units.”

When asked what were the obstacles for residents seeking adequate housing in each community; lack of low costs/subsidized housing, financial literacy, high debt and back credit were the leading issues.

Private Sector Survey

All private sector survey (See Appendix B) respondents were asked to answer the same seven questions in addition to a series of other questions relating more specifically to the type of business in which they were involved.

Of the respondents, 44 percent were involved in Real Estate Sales, 24 percent in Banking, 22 percent in Property Management and another 10 percent in Construction. Most of the respondents worked throughout the Hillsdale County area including Jonesville, Reading and Reading Township, while a small fraction of them 33 percent worked only in Jonesville City and another 22 percent provided services in the City of Hillsdale.

The cost of housing in the Village of Jonesville was thought to be average priced by 66 percent of the respondents. Another 22

percent felt housing was somewhat expensive in the Village of Jonesville. In the City of Reading housing was felt to be inexpensive to averaged priced when compared to the surrounding areas. In the Township of Reading it was felt to be somewhat inexpensive by 33 percent, average by 55 percent and another 11 percent identified the price of housing as somewhat expensive.

Realtors

Realtors were questioned on another eight questions relating to issues they may be more familiar with including the location of homes, and housing gaps. It was generally felt that it was easiest to sell a home near or in the Village of Jonesville or Hillsdale because they were bigger cities. Areas in the northern part of the County near US-12 were also cited as areas where home sales were good. Comments provided were:

- "Jonesville, Hillsdale – Closest to larger cities more attractive towns"
- "Lakefront or country/acreage. Too many homes for sale in the City."
- "Village of Jonesville, then City of Reading, North of the City of Reading and Jonesville close to County line and US 12"
- "Hillsdale City – It is close to all conveniences"
- "It seems to rotate from one school district to another"

Areas where it was considered to be difficult to sell a home were less clear. Comments related to this were:

- "Reading and the southern part of the county in general. Old rundown appearance, lack of knowledge about community & school. Very bad driveways & walks"
- "Reading Township"
- "Waldon, Camdon"

- "Jonesville Schools – Extremely High Taxes"
- "In the City"

Single-family homes with 3-4 bedrooms was cited as most lacking from the Village of Jonesville, followed by smaller single-family homes with 1-2 bedrooms and independent senior housing. In the City of Reading, all forms of housing was cited as lacking. The greatest response was that single-family homes with 3-4 bedrooms, independent senior housing, condominiums/duplexes, and multiple family housing was lacking. Again, single-family housing with 3-4 bedrooms was lacking in Reading Township according to the survey responses, followed by condominium/duplexes and independent senior housing.

The price range of housing units identified as lacking in each community is as follows. In the Village of Jonesville, City of Reading and Reading Township there was a need for single-family housing priced between \$60,000 – \$80,000 and \$80,000 – \$100,000. In both the City of Reading and Reading Township there was a need cited for multiple-family or condominiums priced between \$40,000-\$60,000 and \$60,000 –\$80,000.

Bankers

Bankers and lenders were asked a series of questions regarding mortgages and foreclosures. Of the bankers responding to the survey, the lenders made between 40 and 60 percent of the mortgages to households with incomes under \$40,000. The biggest obstacles a household typically faces in purchasing a home are:

- "Down payment, closing cost, and time on job. Credit history can also be a problem"

- "Income to really afford what they are technically qualified to purchase"
- "Over extended debt"
- "Qualifying for 100% Financing"
- "Debt to income"
- "Credit, Condition of home, Debt ratios"

Potential solutions to these problems are as stated by the survey respondent include:

- "Education about available programs"
- "A 3 percent interest rate on a 30 year amortization for the first 5 years then balloon to market rate with no recapture clause for low income or first-time buyers."
- "Offering alternative financing"
- "Credit counseling, rehab programs to fix up 'affordable' homes"

Area lenders cited between 0 and 20 percent of all mortgages made in the last 5 years resulted in foreclosure. Reason for the foreclosure rate included:

- "1) loss of long term job 2) divorce 3) excessive debt"
- "Lack of income - Too many people qualified based on overtime work. Now overtime is gone and many jobs gone."
- "Over extended debt and predatory mortgage lenders"
- "We do not see a lot of foreclosures, but I believe the economy of Hillsdale County is to blame, job loss, low wages, etc."

Landlords and Property Managers

The landlords and property managers surveyed managed all types of housing including single-family homes, duplex units, multiple family units and condominiums. The biggest challenges to being a

landlord or property manager were finding qualified tenants, occupant turnover and destruction of the property. On average the annual occupancy rate of the rental units was between 81% and 100%.

Community Focus Group Meeting

A public meeting was held at the Reading Township Hall on March 30, 2006 at 6:00 to discuss housing issues within the City of Reading and Reading Township. A representative from Gove Associates Inc. of Kalamazoo, Michigan was present to facilitate the informal discussion. The meeting was well attended with more than 20 individuals representing the City of Reading, Reading Township, local businesses, residents, non-profit agencies and landowners. The meeting concluded at 7:30 pm. A community focus group meeting was not held in the Village of Jonesville.

The following is a summary of the topics and issues that were discussed. These notes are not in any order and are only intended to be a brief recap of the evening's discussion.

- Intergovernmental cooperation between the City and the Township has been increasing in the last few years. The cooperation was seen as a positive thing that should be continued.
- Senior citizens and all residents in general need "infrastructure" in the form of retail stores and services to encourage people to live and work in the community. A full grocery store was specifically mentioned as one business the area needed. The closest grocery store is in Camden.
- Many older residents are moving out of the area due to a lack of housing options (i.e. condos).
- The Reading Township population increases significantly in the summer months when people come to the area to stay in their cottages on one of the many lakes. Tapping into this population for economic benefit was cited as something the areas should pursue.
- Young families and first time homebuyers are buying homes in the area, once they have some equity they move out. They

often times move out of the area because of a lack of “larger” homes to raise their family.

- There is a need for larger “3-4 bedroom” homes to keep families in the area.
- There is a need for homes that will serve the “Middle Age and Older” population.
- The cost of housing is not as much an issue as is the size of the home, the age of the home and the conditions of the homes. Homes in the City are considered to be “affordable” by some.
- Lack of jobs is not thought to be an issue for some people, as it was noted most people, despite the gas prices, are willing to travel for work. They thought people would be willing to live in the area and commute to work if the variety and availability of homes they desired were present.
- Many people noted how good the schools were. MEAP scores have always been on par or above other school districts.
- The City of Reading has had very few new homes built in the community in the last decade. Many neighboring communities have had new “subdivisions” built in the last few years, but not Reading.
- The City of Litchfield has a new 20-30 unit subdivision that is very nice. The subdivision is entering its second phase of development.
- The area south of Reading and Reading Township is booming.
- The inability or lack of desire for some residents to take care of their trash, thus resulting in junk accumulation makes the area look bad.
- Need more zoning enforcement.
- Reading is slowly turning around and the City is doing a good job at getting things going. Albeit slow, it is a start. Need to start somewhere.

- Need new homes
- Many of the older homes that have deteriorated beyond repair should be torn down so the image of the community is not brought down by a few bad homes.
- The City TIFA will be starting to make money available for downtown projects.
- Many small horse farms are beginning to show up because the Township zoning allows landowners to have more horses per acre.
- It is important to maintain the character of the area while allowing new development to come in.
- There is a need for nice new homes for people to “come back to.” It was noted that some of the people who moved away would be interested in returning to the area, but there is a lack of housing to meet their needs.
- The City of Reading has high water rates
- The fire department is great
- The industrial park is growing
- The rotary park across from the high school is great

Housing Needs Identified

The statistics presented earlier in the report can be used to identify the housing needs for each community. Each of the individual statistics are important on their own, however when the statistics are combined and analyzed together it is possible to identify the housing needs and gaps within each community.

New Housing Units

To accommodate the future growth in each community, new housing units will need to be developed. Projecting the growth in each community can be difficult to do as it is very dependant on jobs, schools, taxes and other factors that are difficult if not impossible to predict. As a result, as seen in Tables 15 and 16 it is important to make several different projections using different methods.

Village of Jonesville

Table 15 indicates the Village can anticipate between 18 and 45 new housing units will be needed to accommodate growth within the community by 2015.

City of Reading and Reading Township

Housing unit projections for the City of Reading and Reading Township indicate a need for between 74 and 135 new housing units. Of which the bulk are projected in Reading Township, likely due to the availability of land.

Housing Units by Price

Using the household income data for 2005 for the Village of Jonesville, Reading City and Township, it is possible to estimate how many households in each community qualify for housing units at various price ranges. This analysis is based on a household spending 30 percent of their monthly income on all housing costs

including principal, interest, taxes, insurance and utilities. When this information is compared to the owner occupied home values for each community it is possible to identify those price ranges where there may be a surplus in available housing units or any gaps that may exist in the existing housing markets.

Village of Jonesville

Within the Village of Jonesville in 2005, there was a general lack of housing units valued less than \$40,000 and over \$100,000, while at the same time the Village has nearly 175 more homes prices between \$40,000 and \$100,000 than the Village had households with incomes in that range. While it is not realistic to assume that all households will live in homes that exactly meet their income criteria, Table 27 provides some insight as to what segment of the housing market are adequate or lacking in the Village.

TABLE 27 – Village of Jonesville Housing Needs Analysis

A	B	C	D	E	F
Household Income (HHI)	Total Househ olds in 2005 by HHI	All Monthly Housing Expenses*	Price Range for Affordable Housing **	Number of homes in each price range 2000	Differ ence (E- B=F)
Under \$26,555	283	\$0-\$663	Less than \$40,000	62	-221
\$26,556- \$42,500	224	\$664- \$1,062	\$40,000- \$100,000	398	+174
\$42,501- \$49,999	109	\$1,063- \$1,249	\$100,000- \$125,000	46	-63
\$50,000- \$74,999	178	\$1,249- \$1,875	\$125,000- \$220,000	86	-92
Over	139	Over	Over	2	-137

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\$75,000		\$1,875	\$220,000		
<p>* Housing Cost is 30% of monthly income and includes Principal, Interest, Taxes, Insurance and Utilities estimated at \$210/month</p> <p>** Based on a 30 year mortgage at 7% with \$600 in monthly liabilities</p>					

SOURCE: Gove Associates Inc. 2006

According to Michigan State Housing Development Authority (MSHDA) guidelines low income households may spend up to 40 percent of their income toward housing costs. This may explain why there is a perceived lack of homes for lower income households and a surplus of homes for households with incomes between \$26,556 and \$42,500. It is likely that many lower income households are living in homes that require them to spend up to 40 percent of their income toward housing costs.

Overall, Table 27 indicates that there are a number of households in the Village of Jonesville with incomes that could support living in more expensive homes. For example, it is estimated that there are 178 households with incomes between \$50,000 and \$74,999 who could qualify to live in a home valued at between \$125,000 and \$220,000. However, based on the 2000 Census there were only 86 homes in the Village priced in that price range, leaving the Village with a deficiency of more than 90 homes.

City of Reading and Reading Township

Within the City of Reading and Reading Township there exists a housing gap similar to, but more pronounced, than what exists in the Village of Jonesville. Depending on the income range of a given household, Table 28 indicates that there is generally a lack of homes priced under \$40,000 and over \$100,000. While it is likely that many of the lower income households in the Township and City spend up to 40% of their income toward housing expenses and live in a home valued between \$40,000 and \$100,000, or they rent, there remains a deficiency of as many as 50 units considered to be affordable to households with incomes of \$26,555 or less.

TABLE 28 - Housing Needs Analysis for the City of Reading and Reading Township

A	B	C	D	E	F
Household Income (HHI)	Total Households in 2005 by HHI	All Monthly Housing Expenses*	Price Range for Affordable Housing **	Number of homes in each price range 2000	Difference (E-B=F)
Under \$26,555	300	\$0-\$663	Less than \$40,000	101	-199
\$26,556- \$42,500	259	\$664- \$1,062	\$40,000- \$100,000	387	+128
\$42,501- \$49,999	118	\$1,063- \$1,249	\$100,000- \$125,000	51	-67
\$50,000- \$74,999	247	\$1,249- \$1,875	\$125,000- \$220,000	110	-137
Over \$75,000	224	Over \$1,875	Over \$220,000	21	-203

* Housing Cost is 30% of monthly income and includes Principal, Interest, Taxes, Insurance and Utilities estimated at \$200/month

** Based on a 30 year mortgage at 7% with \$600 in monthly liabilities

For households earning more than \$50,000 the number of homes available to residents is smaller. Within the City and the Township there are nearly 475 households earning between \$50,000 and \$74,999, qualifying them for a home priced between \$125,000 and \$220,000, however, only 131 homes in this price range exist leaving a gap of more than 330. The gap is greatest in the City of Reading where there were 144 households in 2005 with incomes over \$50,000 yet there were only 5 homes in 2000 over \$100,000.

Housing Unit Size by Bedrooms

Determining what size home is suitable for accommodating the existing and future needs of a community is important in assuring growth and development in the community.

Village of Jonesville

Base on past housing development trends, input obtained from the community and existing and future housing trends there is a need for new housing suitable to meet the needs of larger families. New homes with 3–4 bedrooms would be most marketable in the Village of Jonesville. Smaller homes or homes for independent mature adults looking to downsize or move into a “community” in which they are relieved from the maintenance duties of homeownership.

City of Reading and Reading Township

Growth and development of new homes in the City has been very limited in the last couple decades, while the Township has experienced some growth, it has generally occurred around the lakes in the form of second homes or primary homes with access to the lakes. The construction of new homes, of all types is needed in the City and the Township to meet a historic lack of housing. Similarly to the Village of Jonesville, the City of Reading and Reading Township should pursue the development of larger homes with 3 bedrooms. While the Census numbers indicate homes with 4–5 bedrooms exceed the County and State percentages, it is likely that many of these units are in poor condition or the structures have been divided into multiple units and are no longer suitable for larger single-family occupancy. Smaller homes for independent mature adults looking to downsize or move into a duplex / condominium with a “community” environment so they are relieved of the maintenance duties of homeownership are also needed.

Housing Needs Summary

Village of Jonesville

The Village of Jonesville should anticipate or plan for the development of 18 to 45 new housing units priced around \$100,000 or more and should offer 3–4 bedrooms. The Village should also consider the development of housing units either duplexes or condominiums with occupancy limited to mature adults.

City of Reading and Reading Township

The City of Reading and Reading Township combined should anticipate or plan for the development of between 74 and 135 new housing units priced at \$100,000 or more and should offer 3–4 bedrooms. The City and Township should also consider the development of housing units either duplexes or condominiums with occupancy limited to mature adults. To preserve the rural nature of the Township and to be consistent with the 2005 Reading Township Master Plan this growth should be located in or centered around the City of Reading to preserve the rural character of the Township and take advantage of the local utilities.



Local Policy Review

An assessment of the distribution and quality of public facilities (parks, schools, churches, etc.) was conducted to determine if the public facilities had influenced housing styles, location, price ranges or access. Several things, particularly in large neighborhoods of ethnic, religious, income or life style groupings of families can affect housing choice. The affects can be dramatic, where people have to live in a certain neighborhood, to almost subliminal, where minor variations are not noticeable but can affect housing decisions.

None of these were noted or identified in any of the three jurisdictions during this study. Also there were no noticeable deficiencies in public facilities noted that would affect housing choices of the general public in the study area.

Objectives, Policies and Recommendations

The objectives and policies presented in this section are intended to address the affordable housing issues faced by housing and social service agencies. The objectives are expressions regarding specific issues within the area, while the policies express measures proposed to achieve the stated objectives.

The objectives were established as a result of an analysis of past, present and future social and economic characteristics for the area, input received in a discussion with housing agencies as well as for-profit businesses such as realtors, lenders and property management companies. The objectives and policies were also developed with information gathered during focus group meetings. The meetings were intended to allow consumers of the various agencies to share their opinions and concerns regarding those services and to allow the expression of concerns.

Issues, Programs and Strategies to Overcome the Gaps in Housing

Establishing programs and strategies to reduce barriers to housing, improving the supply of housing, and overcoming gaps in public, nonprofit and/or private housing organizations within the area is detailed in this report. Currently, the area has an active, efficient and effective consortium of countywide and local governmental agencies, institutions, volunteers and private sector partners. This group serves as a catalyst to better advance the quality and quantity of housing within the area. Individual communities also need to continue to facilitate the demands for new housing development while overseeing the type and quality of services necessary to maintain their existing housing stock.

OBJECTIVES AND POLICIES

New Housing

- Create additional affordable or subsidized housing with 3 to 4 bedrooms, suitable for larger families.
- Encourage area landlords to accept Section 8 Vouchers
- Identify areas where new affordable housing could be constructed in the individual units of government.
- Create new affordable housing in those areas identified as having the greatest need for such housing in Jonesville, Reading and Reading Township.
- Encourage new apartment complexes to allocate a portion of the total units being constructed to be “affordable.”
- Work with developers of new subdivisions to permit for mixed income housing as a portion of the development.
- Work with the municipalities to acquire vacant land, or foreclosed homes for a minimal cost to allow for the development of new housing and the placement of factory-built housing.
- Work with developers to create a factory-built home community cooperative – where the owner has a vested interest in the upkeep and condition of the community.
- Conduct a vacant land resource inventory, identifying all potentially useable and suitable lands for housing. The inventory will be available to area builders, realtors and developers; listing such items as soils, utilities access, available services and shopping.

Transitional Housing and Shelters

- Work to develop a transitional housing facility with comprehensive supportive services to assist individuals and families in transition.

Housing Education

- Encourage existing financial institutions to strengthen credit counseling and education programs to assist potential homebuyers and renters with information on establishing and maintaining good credit and correcting bad credit.
- Request the school systems to formulate a program on credit to be taught in school to educate youth on the importance of having good credit.
- Work to establish a program through schools to enhance tenant education on tenant rights with special and supportive services for tenants as they relate to landlord issues.
- Work with housing service agencies to establish a first-time homebuyers cooperative or peer meetings where people can talk to contractors, bankers, credit counselors, and other first-time home buyers about home ownership needs and requirements.
- Expand homeownership education in the area with help from the Hillsdale County MSU Extension Office.
- Expand credit education programming that serves a larger segment of the youth population.
- Develop a series of credit workshops with realtors and lenders once every 2–3 months to inform residents about credit.

Agency Cooperation

- Create an information-clearing house for collecting and distributing information among agencies.

Housing for the Disabled

- Encourage developers to consider housing developments that follow universal design standards to allow for easy conversion to make facilities accessible for the physically impaired.

- Encourage universal design building standards in new apartment complexes to allow for easy conversion or occupancy by those with physical disabilities.
- Encourage new apartment complexes to allocate a set proportion of the total units to be barrier free to allow for occupancy by those with physical disabilities.
- Pursue the creation of a cooperative to buy, renovate and sell homes that are affordable and accessible to those with disabilities.
- Encourage area housing agencies to maintain a complete inventory of public housing; HUD assisted housing projects, nonprofit organizations and private sector housing which can facilitate disabled residential needs. This information should include whether the housing is: 1) “elderly only” housing; 2) “disabled only” housing; 3) housing with a specific percentage of units set aside for people with disabilities; and/or 4) “mixed” housing equally available to both elderly households and people under age 62 with disabilities.

Policy Reform

- Work with area legislators on reforming the eligibility criteria for MSHDA funds to allow more flexibility and control at the local level.
- Work with area legislators on reforming and streamlining the application and approval process for home ownership and maintenance assistance.
- Work with area legislators to consider reforming the Section 8 Voucher requirements including the time vouchers are valid.

Municipal Cooperation

- Encourage the development of neighborhood organizations and neighborhood watch programs to discourage crime and enhance neighborhoods where affordable housing once

existed but is less desirable due to crime and lack of property maintenance.

- Ask City and Township officials to improve code inspection and enforcement for rental units.
- Work with the city to establish Neighborhood Preservation programs and encourage neighborhood reinvestment.
- Rezone areas to allow increased densities and modify zoning codes.
- Make sure any County or local government housing policy is a balanced housing policy for people with disabilities and others at the bottom of the "economic ladder."

Housing Assistance for Welfare Recipients

- Continue to promote welfare-to-work programs that tie affordable housing programs and subsidized housing development to long-term welfare recipient programs.
- Work to promote and secure housing grants that tie job training programs, community service or other welfare-to-work programs to housing admission systems within public housing programs. Specifically, consider agencies using joint application or re-certification forms for welfare and housing assistance, reducing the time and paperwork necessary for applications wherever possible.
- Coordinate public transportation, welfare-to-work employment programs and public health care programs with new subsidized housing developments. This will clearly require the location of quality subsidized housing within the area.

Housing Assistance for Women

- Utilize HUD HOPE VI-based programs as available on community public housing projects.

- Support local public, nonprofit and private coalition programs to aid women head-of-household homeownership.
- Encourage the inclusion of women's homeownership incentives in local, state and federal housing actions/legislation.
- Ask housing agencies to ensure that additional vouchers for low-income families are enacted and that families facing displacement as a result of owner opt-outs of the Section 8 program and HOPE VI revitalization are protected.

Recommendations to Address Transportation Issues

- Work with employers to increase assistance for homeownership near work, lower the cost of transportation to work, and to help choose accessible locations.
- Work with government to identify direct transportation subsidies and the hidden incentives for using particular transportation modes.
- Involve and educate Hillsdale County Road Commission members regarding housing development and the benefits of smart growth within the County.
- Improve programs that help counsel working households to save, to explicitly consider transportation expenditures.

Zoning Regulation Changes

- Give density bonus for smaller lots, utilizing a PUD process of up to 70% bonuses to encourage the provision of more economical housing with more open space.
- Reduce lot size standards and set-back requirements per dwelling unit.
- Provide special provisions for "Neo Traditional" Housing Developments with sidewalks, street trees, alleys, etc.
- Allow redevelopment of vacant, undersized lots and demo lots in existing neighborhoods by ZBA action.

- Allow smaller sized dwellings in a development, such as developments with joined units or zero lot lines.
- Establish separate districts with different design standards for the Zone, allowing higher density lots that meet the standards for the bonus.

Rehabilitation of Existing Housing

- Work with public and private agencies to make funds and volunteers available to elderly and low-income house owners to make minor repairs to existing housing such as painting, roofing and tuck pointing.
- Create an inspection process to identify homes in need of major repair such as broken glass, missing glass, foundation, roof sagging and to make funds available to make repairs.
- There seems to be a lack of available subdivision lots in the area, hold a strategic workshop with area builders, developers and realtors to write a strategy to counter this issue. The development of new lots and homes will open up the availability of older existing houses in the market to younger families.
- Using upper floors in downtown buildings should be explored for housing by reducing parking requirements per unit and providing shared facilities such as HVAC and elevators.
- Establish an organization in the area that focuses on providing all housing unit types, including private sector resources to create new, redeveloped, rehabbed and censored housing.

Implementation

Solving the problem of providing housing within the area will not be accomplished by developing additional low-income rental units; nor can it be accomplished by one agency or group alone. As a

result of the information gathered in the surveys and from the focus groups, seven issues were evident including transitional housing/shelters, housing education, agency cooperation, housing for the disabled, policy reform, municipal cooperation, ordinance review and transportation.

The State and Federal Programs beginning on page 45 are intended to help the area agencies to address all issues, not only to increase the quantity of housing, but also assist individuals in need of quality housing that is affordable and accessible. This will require dedication and commitment by each individual and agency electing to help address the issues.

Federal and State Programs

The following commentary, conclusions and recommendations were derived from data provided by this study, information from the Department of Housing and Urban Development (HUD) website www.hud.gov, MSHDA's Consolidated Plan Draft 2002 and website www.michigan.gov/mshda and data collected at the University of Illinois at Chicago's City Design Center Affordable Housing Conference held October 22–23, 2001.

Homeownership: The Foundation of Housing Stability in the Area

Homeownership is the idealized housing situation for families living in the United States. Today, the homeownership rate is 67.7 percent, the highest ever. In the area, owner-occupied housing equals 70.7 percent of all occupied housing in the county. Homeownership is widely regarded as key to economic stability and the acquisition of financial assets. However, affordable, quality housing has become a issue within the county.

Federal housing policy promotes homeownership and is largely responsible for its rapid expansion over the last 50 years. Most people buy a house with a mortgage loan. Mortgages are financed by banks, savings and loans and other lenders known as the “primary market”. Ordinarily, mortgages are then packaged and sold as mortgage backed securities in the “secondary market.” Through the Federal Housing Administration (FHA), HUD provides mortgage insurance, helping to lower the risk to lenders and expanding the number of people who qualify for mortgage loans.

Programs to Assist in Homeownership

Ginnie Mae, a federal corporation located within HUD, guarantees mortgage backed securities sold on the secondary market. The **Department of Agriculture and the Veterans Administration** also assist homeowners through direct loans or mortgage insurance

programs. The **Community Reinvestment Act** provides the statutory framework for community groups to work with banks to increase mortgage lending in underserved areas. All of these programs, plus the sunshine provisions of the **Home Mortgage Disclosure Act**, have expanded the number of low and moderate income homeowners.

The **Michigan State Housing Development Authority (MSHDA)** establishes income limits for its single-family home mortgage program. Income limits within Hillsdale County in 2002 was \$54,750. 2002 MSHDA sales price limits on the purchase of housing units within the mortgage program was \$124,000 for new homes and \$102,000 for existing homes. In Hillsdale County, approximately 10,500 households had an income level of \$54,750 or less in 2000.

1. **Section 202 Funding.** The highly successful Section 202 program is the “bedrock of HUD’s elderly housing programs.” These funds are used for new housing construction, as well as to enable nonprofits to acquire properties, including formerly federally assisted properties, where demand for affordable housing exceeds supply. Although it might be hard to access from the study area, since most program funds are dedicated to urban areas.
2. **Preservation Needs.** Section 236 elderly housing facilities are a sound cost-effective investment in the long-term preservation of nonprofit sponsored affordable elderly housing.
3. **Utilize available funds for Rural Housing.** Secure funding from the rural housing loan, grant and rental assistance programs administered by the Rural Housing Service to build elderly housing, nursing homes and retirement centers. Support continued funding for the Office of Rural Housing and Economic Development at HUD to promote and address rural housing and economic development needs. Jonesville, Reading and Reading Township and towns are especially ideal for such housing funding.

4. **Utilize Section 811 Housing Options for Persons with Disabilities, HOME and CDBG Programs.** HUD Section 811 provides specific funding to assist in the rehabilitation and development of housing for disabled (including disabled elderly) citizens. HOME and CDBG programs provide funding for streetscapes and redevelopment of property, which could directly assist elderly residents with more accessible housing. Support the expansion of these programs so that housing solutions can be achieved for more individuals.

Housing Assistance for Welfare Recipients

There are three main types of federal housing assistance utilized by welfare recipients:

Public Housing,
Section 8 Tenant-Based Assistance
Section 8 Project-Based Assistance.

The 1996 welfare law replaced the Aid to Families with Dependent Children (AFDC) program with the Temporary Assistance to Needy Families (TANF) block grant.

- **Public Housing Authorities (PHAs):** PHAs depend on rental payments to meet part of the operating and maintenance costs of their public housing projects. If tenants hit welfare time limits without obtaining jobs, their rent payments will decline. Recent history suggests that additional federal operating subsidies may not be available to make up for any decrease in rent revenues.
- **Tenant-Based Certificates And Vouchers:** In the tenant-based Section 8 program, PHAs generally pay landlords the difference between a tenant's required rental payments and the approved rental charge. If a tenant's income falls, the subsidy paid by the PHA increases. If required subsidy payments go up because of reduced tenant contributions, PHAs may need to reduce the total number of families they serve. Under a new policy that began in 2000, however, PHAs are assured of sufficient funding to maintain the size of their tenant-based program at what HUD considers to be the "baseline" level.

- **Project-Based Section 8:** In project-based Section 8 housing, owners do not bear the impact of a reduction in tenant income. Rather, HUD is required to increase payments to protect owners when tenants' rental payments fall. Owners may, however, have to absorb any increase in maintenance or security costs. Potential loss of rental payments from tenants who receive TANF benefits may discourage PHAs from renting to welfare recipients.

Homelessness

Programs to Utilize in Addressing Homelessness

Housing Opportunities for People with AIDS: This HUD program provides money to local agencies for housing for people infected with HIV/AIDS. HIV/AIDS is extremely prevalent among homeless people.

Emergency Food and Shelter Program: This program is operated by FEMA, the Federal Emergency Management Administration. Under the supervision of a national board and local boards composed of representatives of nonprofits and faith-based organizations, this program provides money for homelessness prevention and for food distribution.

Labor/HHS/Education Programs: The other Appropriations subcommittee with jurisdiction over significant homelessness programs is the Subcommittee for Labor, Health and Human Services and Education, in both the House and Senate.

HUD-based Shelter Plus Care: This program pays for permanent housing for homeless people with disabilities for an initial period of five years. Once that period is over, the operators of the housing are expected to apply for additional “renewal” grants for five years at a time.

Disability Housing

In every state across the country, people with physical and mental disabilities are in the midst of an acute and increasing affordable housing crisis. This crisis is the direct result of both the actions and inaction of the federal government, as well as the unwillingness of many local and state housing officials to acknowledge or address the housing needs of people with disabilities.

According to a study by the Technical Assistance Collaborative, Inc., in 1998 there was not one county or metropolitan area in the United States where a person receiving SSI (Supplemental Security Income) benefits could actually follow federal guidelines for housing affordability and pay only 30 percent of their monthly income in rent. The study clearly documents the nature and severity of the housing crisis for the 4.3 million people with disabilities who received SSI benefits. As a national average, a person with a disability must spend 69 percent of his or her SSI monthly income to rent a modest, one-bedroom apartment priced at the U.S. Department of Housing and Urban Development (HUD) Fair Market Rent. This is an important finding because the federal government considers any very low income household paying more than 50 percent of income for rent to have a severe rent burden, and to have “worst case” housing needs.

Furthermore, the number of federally subsidized apartments available to people with disabilities under age 62 is being reduced by government “elderly only” housing policies that were signed into law in 1992. The designation of “elderly only” housing by both public and private federally funded housing providers means that more and more people with disabilities will be shut out of the subsidized housing market in the years to come.

Simply put, the millions of people with disabilities who receive SSI benefits are too poor to obtain decent and affordable housing unless they have some type of housing assistance. Without affordable housing, people with disabilities continue to live at home with aging parents, in crowded homeless shelters, in institutions or nursing homes, or are forced to choose between seriously substandard housing or paying most of their monthly income for rent.

Women and Housing

For many women living as single parents of children under 18 years of age, their housing status is a result of divorce and/or domestic violence. Indeed, of those women with children who are homeless at any point in time, 50 percent are fleeing domestic violence. More than half (57 percent) of communities in a recent survey identified domestic violence as a primary cause of homelessness (Zorza, Joan. "Woman Battering: A Major Cause of Homelessness," in Clearinghouse Review, vol. 25, no. 4, 1991; <http://nch.ari.net/domestic.html>).

Transportation

The poorest families use more than one-third of their income (36 percent) on transportation. High transportation expenses, mostly associated with automobiles, drain the ability of families to attain better housing. In fact, the necessity of owning a car can shut off one of the main avenues to accruing wealth, getting out of poverty and home ownership. These burdens can be eased by providing more low-cost transportation options and by helping low-income people attain homes in places with good transportation systems.

The following are additional programs that maybe utilized in addressing housing issues in the area.

Community Development Block Grants (CDBG)

The purpose of Community Development Block Grant (CDBG) program is to improve communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons with low and moderate incomes. It is a key component in tying federal funding of mandated programs and local initiatives to county and local governmental agencies.

CDBG is a federal program administered by the Department of Housing and Urban Development's Office of Community Planning and Development (CPD). About \$96 billion has been appropriated since the program began in 1974. Recent changes in Michigan have assigned these funds to MSHDA.

Community Development Financial Institutions (CDFI)

Community Development Financial Institutions (CDFIs) are specialized financial institutions that work in market niches that have not been adequately served by traditional financial institutions. CDFIs may be banks, credit unions, loan funds, venture capital funds, or microenterprise development loan funds.

CDFIs provide a wide range of financial products and services, including mortgage financing, commercial loans, financing for community facilities, and financial services needed by low income households. Some CDFIs also provide technical assistance.

The CDFI Fund, a part of the Department of the Treasury, was created to expand the availability of credit, investment capital, and financial services in distressed urban and rural communities by providing infusions of capital to institutions serving those communities and would apply to the area.

Community Reinvestment Act (CRA)

The 1977 Community Reinvestment Act (CRA) mandates the continuing, affirmative responsibility of banks to help meet the credit needs of their communities, including low and moderate income neighborhoods. It has become a central component of housing and community development efforts, and has given a significant boost to affordable housing development and homeownership for low and moderate income people.

Economic Development Initiative/Section 108 Loan Guarantee Program

HUD's office of Community Planning and Development (CPD) administers the Section 108 Loan Guarantee program and its newer related program, the Economic Development Initiative (EDI). Section 108 is not really a loan; it is a "guarantee" of a loan, which reduces the interest rate. While use of Section 108 does not have to be a problem, advocates should study proposed Section 108 applications carefully, because poorly implemented projects may threaten a loss of CDBG funds.

Section 108 Loan Guarantee program involves pledging up to five years worth of the community's entire CDBG entitlement as backup (collateral) for a larger loan.

Economic Development Initiative (EDI) was a program created in 1994. For FY 2002 there is no money appropriated for it. However, there might be some old money still in the pipeline. Over the last several years, Congress only appropriated \$35 million for EDI. In short, EDI made cash grants available to improve the financial viability of some Section 108 guaranteed projects. Because there is a zero appropriation for EDI, it will not be discussed any further here.

Federal Housing Administration (FHA)

Through the FHA, HUD provides guarantees on mortgages for single-family housing, multifamily housing, and health care facilities, including hospitals. FHA also plays a critical role in funding low-income housing by providing insurance to lenders otherwise fearful of selling mortgages to borrowers who present a higher risk than average.

HOPE VI (HUD Program)

Enacted in 1993 as a result of recommendations by the National Commission on Severely Distressed Public Housing, HOPE VI provides PHAs with grants to demolish severely distressed public

housing units, rehabilitate existing units, construct new units, relocate residents, and provide community and supportive services.

Housing Bonds

State and local governments sell tax-exempt Housing Bonds and pass on the interest savings in discount mortgages for lower income first-time homeowners (Mortgage Revenue Bonds – MRBs) and for the construction of low-cost rental apartments (Multifamily Housing Bonds).

Individual Development Accounts

Individual Development Accounts (IDAs) are emerging as one of the most promising new tools to help lower income, working American families save money and improve social and economic well being. IDAs are matched savings accounts that reward the monthly saving of working poor families who strive to purchase their first home, pay for a college education, or capitalize on a small business. Matching funds are leveraged from a variety of public and private resources. Individual accounts and matching deposits are not co-mingled.

At the federal level, IDAs have already been incorporated into the TANF program; welfare-to-work funding; a refugee resettlement program; the Bank Enterprise Awards program at the U.S. Department of Treasury; and the Community Reinvestment Act. Also, IDA-like accounts are being implemented through federally supported entities such as the Federal Home Loan Banks and through “Family Economic Self-Sufficiency Accounts” at public housing authorities throughout the country. In addition, IDAs may be linked, federally defined, and subsidized as part of “Electronic Transfer Accounts.” Such accounts would allow federal benefits, formerly delivered via check, to be routed directly through financial institutions. Finally, account matching and (limited) administrative funds are now available to non-profit organizations through the 5-

year, \$125 million Assets for Independence (AFI) Demonstration Program administered by the U.S. Department of Health and Human Services.

Low Income Housing Tax Credit (LIHTC)

The Low Income Housing Tax Credit (Housing Credit) is the nation's primary tool for developing affordable rental housing. Since its creation in 1986, the Housing Credit has produced over one million affordable homes for low income renters. According to HUD, nonprofits develop approximately 30 percent of these homes nationwide.

MSHDA is the active state agency to handle Housing Credits in the State of Michigan. In addition, smaller Housing Credits are available in conjunction with tax-exempt financing under a separately capped private activity bond allocation.

Rural Housing and Economic Development

The Section 515 Rural Rental Housing program helps produce affordable rental units by providing essential decent housing for the lowest income rural residents through USDA.

Section 3

The Section 3 statute requires all recipients of the U.S. Department of Housing and Urban Development's (HUD) housing or community development funds to make their best efforts to provide employment and training opportunities for low and very low income people. It establishes a hierarchy for those efforts, which are:

- Residents of public and assisted housing
- Residents of other neighboring developments also receiving federal assistance
- "Youthbuild" participants
- Homeless persons

In carrying out Section 3, HUD must coordinate with other federal agencies. The statute refers to the Departments of Labor, Health and Human Services, and Commerce, the Small Business Administration, and other agencies that the HUD Secretary determines are necessary. Section 3 covers a wide spectrum of resources and can be broadly applied in neighborhoods where poor people live. Most of the jobs Section 3 creates are in the building trades. However, there are also opportunities to include jobs in public housing operations, and in the supportive services included in "Welfare-to-Work" initiatives.

Temporary Assistance for Needy Families (TANF)

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ended the federal entitlement to financial assistance for low-income families with children (Aid to Families with

Dependent Children) and replaced it with a block grant program to the states, Temporary Assistance to Needy Families (TANF).

The purposes of TANF block grants are to: 1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives; 2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage; 3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for prevention and reducing the incidence of these pregnancies; and 4) encourage the formation and maintenance of two-parent families. Michigan's TANF program is run by the state's Family Independence Agency – www.michigan.gov/fia.

**Village of Jonesville, City of Reading and Reading Township
Housing Assessment**

APPENDIX A

Michigan Department of Labor & Economic Growth
Michigan State Housing Development Authority

This form is issued for your information under the authority of P.A. 346 of 1986, as amended, and Section 8 of the U.S. Housing Act of 1987.

**UTILITY SCHEDULE
REGION II**

Effective January 1, 2006

Counties in Region II: Berrien, Branch, Calhoun, Cass, Hillsdale, Jackson, Kalamazoo, St. Joseph, Van Buren

Utility*	Apartment/Flat/Garden/Walk Up						Duplex/Townhouse						Manufactured Home/Singe Family					
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating – Gas	20.69	28.97	37.25	45.53	57.94	66.22	29.66	41.39	53.21	65.04	82.78	94.60	36.95	51.73	66.52	81.30	103.47	118.25
Heating – Electric	29.26	40.96	52.66	64.37	81.92	93.62	41.80	58.51	75.23	91.95	117.03	133.75	52.24	73.14	94.04	114.94	146.28	167.18
Heating – Propane	26.64	37.30	47.96	58.62	74.61	85.26	38.06	53.29	68.52	83.74	106.58	121.90	47.58	66.61	85.64	104.68	133.22	152.26
Heating – Fuel Oil	39.02	54.63	70.24	85.85	109.26	124.87	55.74	78.04	100.34	122.64	156.08	178.38	69.68	97.55	125.42	153.30	195.10	222.98
Cooking – Gas	3.45	4.83	6.21	7.59	9.66	11.04	4.93	6.90	8.87	10.84	13.80	15.77	6.16	8.62	11.09	13.55	17.24	19.71
Cooking – Electric	4.73	6.63	8.52	10.41	13.25	15.14	6.76	9.47	12.17	14.87	18.93	21.64	8.45	11.83	15.21	18.59	23.66	27.04
Cooking – Propane	4.33	6.06	7.79	9.53	12.12	13.86	6.19	8.66	11.13	13.61	17.32	19.79	7.73	10.82	13.92	17.01	21.65	24.74
Hot Water – Gas	9.05	12.67	16.30	19.92	25.35	28.97	12.93	18.11	23.28	28.45	36.21	41.39	16.17	22.63	29.10	35.57	45.27	51.73
Hot Water – Electric	14.63	20.48	26.33	32.18	40.96	46.81	20.90	29.26	37.62	45.98	58.51	66.87	26.12	36.57	47.02	57.47	73.14	83.59
Hot Water – Propane	11.32	15.85	20.38	24.91	31.71	36.24	16.18	22.65	29.12	35.59	45.30	51.77	20.22	28.31	36.40	44.49	56.62	64.71
Hot Water – Fuel Oil	16.58	23.22	29.85	36.48	46.43	53.07	23.69	33.17	42.64	52.12	66.34	75.81	29.61	41.46	53.31	65.15	82.92	94.76
Electricity	13.98	19.58	25.17	30.76	39.15	44.75	19.98	27.97	35.96	43.95	55.93	63.92	24.97	34.96	44.95	54.93	69.92	79.90
Water	2.67	2.67	5.28	9.28	10.06	12.58	2.52	2.52	5.89	9.66	10.06	12.58	2.52	2.52	5.79	8.95	12.32	16.98
Sewer	3.39	3.39	6.72	11.81	12.80	16.01	3.20	3.20	7.49	12.29	12.80	16.01	3.20	3.20	7.36	11.40	15.69	21.61
Air Conditioning	7.74	10.84	13.94	17.04	21.68	24.78	11.06	15.49	19.91	24.34	30.98	35.40	13.83	19.36	24.89	30.42	38.72	44.25

* **Service Charge:** Gas – for all unit types add \$7.16
 Electric – Included within the published allowance
Tenant Furnished Appliance Allowance:
 Range – \$5.00
 Refrigerator – \$6.00
 If the tenant is responsible for supplying the range and/or refrigerator, use the above allowance(s).
Air Conditioning Allowance: Only allowed if windows are not operable.

	Gas	Elec.	Oil	Propane	Wood	Other	Cost	
Heating								
Cooking								
Hot Water								
Electricity								
Water/Sewer								
Other								
	Service Charge						E	
Range								
Refrigerator								
TOTAL =								
TOTAL ROUNDED							R	

To use this schedule:
 Fill in the appropriate amount on the chart for each utility/appliance for which you are responsible.

MSHDA 1793b (12/19/2005) Previous versions obsolete

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Housing Market Study

APPENDIX A

Michigan State Housing Development Authority

Utility Schedule

Region II

Effective January 1, 2006

**Village of Jonesville
City of Reading
Reading Township**

Hillsdale County, Michigan

The following are descriptions of affordable housing financing programs utilized to provide multiple family housing in Jackson County. This information was taken from Appendix A and B of the MSHDA Subsidized Housing Directory February 28, 2001.

Section 8 - As defined in section 8 of the Housing and Community Development Act of 1974 this program provides rent subsidies for eligible tenants. The subsidy makes up the difference between what the low income household can afford, and the fair market rent established by HUD for an adequate housing unit.

LITC - Low Income Housing Tax Credit - A result of the Tax Reform Act of 1986 LIHTC provides annual credits against federal taxes owed over a 10 year period, to owners of, and investors in low income rental housing. The tax credit is a fixed percentage of certain costs to acquire, renovate or develop rental property.

RAP - Rental Assistance Payment - The rent that residents pay under the RAP is based on their adjusted family income, minus an allowance for utilities. All residents receiving RAP must pay a minimum rent of \$25.00 per month from their own money. This program is often found in conjunction with Section 236 developments which tend to be lower than other rental housing units because the mortgage interest rate is subsidized by HUD.

515 - Section 515 -of the National Housing Act of 1949 and the Senior Citizens Housing Act of 1962, Section 515 provides multiple family housing of modest design to households living in Rural Areas. Projects developed under this program qualify for several assistance plans that are intended to reduce rents and Section 8 set asides. Projects are intended for low and moderate-income families, the elderly and handicapped persons.

236 - Section 236 - of the National Housing Act, 1934 (P.L. 73-479), Title II, provides a rent subsidy, in the form of interest reduction, through which multiple family housing could be produced. Two rent schedules were utilized: market rent, based on a market rate mortgage, and a basic rent, based on a one percent mortgage. Tenants are required to pay the

basic rent of 25 percent of their income, whichever is greater, with rent payment not to exceed the market rent.

Public – Public Housing – attempts to help relieve unsafe housing conditions and the overall shortage of safe and sanitary dwellings for low income households. Public housing agencies develop, own and operate public housing projects with financing made possible through the sale of tax-exempt obligations by the agency or municipality. Tenants pay the higher of 30 percent of adjusted gross income, 10 percent of gross income or the designated housing allowance for welfare recipients.

MSHDA – Michigan State Housing Development Authority – provides a variety of funding options. Within Jackson County the use Taxable bond / Low Income Housing Tax Credits was used to provide affordable housing. By using Taxable Bonds financing, developers are able to qualify their development for Low Income Housing Tax Credits. Rents charged and unit occupancy under this program are restricted to 60 % or below of area median income for at least 15 years. Additionally, MSHDA Subsidy Assistance is provided to reduce rents of individual tenants who would otherwise pay more than 40 percent of their income for rent and utilities.

BFRE* – Barrier Free

SPEC – Special Unit, represents units constructed for the developmentally disabled or mentally ill.

Housing Market Study

APPENDIX B

Key Person Survey Results by Percentages

Village of Jonesville
City of Reading
Reading Township
Hillsdale County, Michigan

Public Input

In an effort to better understand the affordable housing needs in the City of Jackson and Jackson County, a survey was developed and distributed to housing and social service providers which included private sector for profit businesses and not for profit organizations. The information collected in the survey provides additional information on the current status of the housing related social services available in Jackson County in addition to ideas for improving or expanding the existing services. Additionally two Focus Group meetings were held at DisAbility Connections on May 13, 2002. The meetings were intended to allow consumers or users of the various social service and housing agencies to share their opinions and concerns regarding the services in Jackson and to allow the housing and social service agencies to express their concerns regarding affordable housing in Jackson County.

Non-Profit and Private Sector Surveys

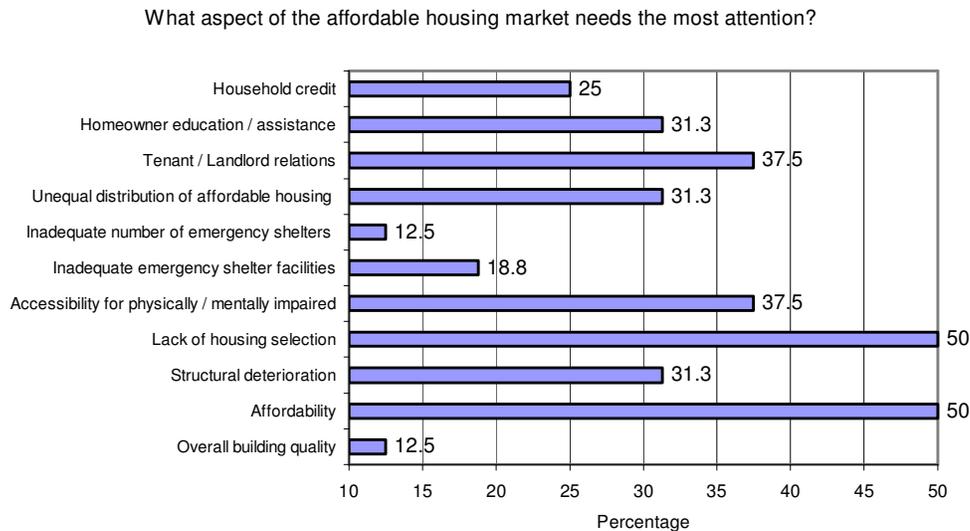
The survey was distributed to 30 non-profit agencies and 35 private sector for profit businesses. Overall 53 percent of the non-profit agencies returned the survey while 42 percent of the private sector for profit businesses responded, resulting in an overall return rate of 49 percent.

Non-Profit Survey Results

The 53 percent response rate received by the non-profit agencies translates to 16 surveys. These agencies provide a wide variety of services in Jackson and Jackson County in addition to areas outside the County. The services include social & domestic counseling, housing improvements, household and budget counseling, temporary shelter assistance, transportation assistance, meal provision and assistance with home purchase to name a few.

In an effort to get a better understanding of the affordability of housing within Jackson and Jackson County respondents were asked to rate the cost of housing on a scale of 1 to 5, with 1 being inexpensive and 5 being expensive. The opinions of the responding

agencies were tied three way between “4–Somewhat Expensive,” “3–Average,” and “2–Somewhat Inexpensive” Housing affordability in Jackson County compared to neighboring counties was considered “Average” by just more than 31 percent of those surveyed followed by “Somewhat Inexpensive” and “Somewhat Expensive” by 25 percent each.



The affordable housing market and the cost of

housing in general can be affected by a whole host of different issues. The survey presented 11 different external, non-family or household issues and internal issues, household or family related issues, that can potentially affect the affordability of housing within Jackson County. These issues range from lack of housing selection, to household credit and tenant / landlord relations. The graph identifies the issues presented and the percent of those responding to each issue. As the figure indicates the primary issues are “Affordability,” “Lack of housing selection,” “Tenant / Landlord relations” and “Accessibility for physical / mentally impaired” persons.

Coordination between non-profit organizations is important to eliminate the duplication of services and to refer clients with specific need to the most appropriate agency for assistance. Nearly 94 percent of the agencies surveyed coordinated to some degree with other agencies.

Having a common vision relating to the level and type of housing services available to needy residents living in the City of Jackson and Jackson County is important to ensure their needs are met. Overall 68 percent of those responding felt that their agency shared a common vision of the housing services within the Jackson and Jackson County. Some of the issues identified by the respondents included:

- “We all understand there is a lack of quality housing for large families.”
- “Agencies know there is a problem. No one has the resources or political clout to make necessary changes - ie. Build new or improve programs.”
- “Generally all agree about the needs; how to address them may be more controversial.”
- “Several service agencies have stated their clients share the same issues and agree Jackson needs more affordable livable housing.”

To address the housing related concerns the survey asked agencies to provide recommendations as to what can be done to enhance the provision of affordable housing and emergency shelters and associated services within the City and/or County. Some of the recommendations made include:

- “Raise combined fund / endowment or get a dedicated fund / trust fund formed for the County”
- “Enforce laws for landlords to keep up buildings up to code”
- “Improve funding for current efforts; Build new affordable housing or encourage others to do so. Educate community on needs / availability”
- “Coalition of Housing (subcommittee through Continuum of Care) funneling federal dollars because of the amount of deterioration & aging of homes in Jackson”
- “There is a strong need for supportive housing in Jackson County – Not just more section 8 units but actual supportive housing for multi–problem families & chronically mental ill”

Private Sector Survey Results

A host of different private sector businesses including, apartment complexes/property managers, realtors and mortgage lending agencies were surveyed to get an idea of the issues regarding affordable housing from through the eyes of for–profit housing providers. The survey asked each respondent a series of general questions along with some additional questions relating more specifically to the individual business. Fifteen responses were received consisting of nine apartment complexes/property managers, two real estate office, and four lenders.

The overall opinions of the affordability of housing in the City of Jackson and Summit and Blackman Townships was that it was generally “Average” or “Somewhat Inexpensive,” and the cost of housing in the balance of the County was perceived to be either “Average” or “Somewhat Expensive.”

Realtors

The survey included 14 questions for realtors inquiring about the cost of homes, home sales and barriers to home ownership within Jackson County. While only 2 realtors returned the survey and the data collected is somewhat limited by the low return rate, the information is still useful. The realtors indicated that it is easiest to sell homes within the City in areas generally: North of Ganson and west of West Ave./South of Michigan or in the Western-Northwest - School district / Summit Township area. The reasons given were generally that these areas are perceived to be safe and that these areas have historically been populated area. While at the same time it was more difficult to sell homes in the area around Biddle, Mason, and Blackstone streets, the southeast side of the City and the east side of Summit Township. Areas beyond the City Limits where it was more difficult to sell homes were far out into the County in Hanover, Horton and the Springport Area

Of the homes sold in City of Jackson , Blackman and Summit Townships between 10% and 16% within the City were single family homes values at \$80,000 or less while 20% of the homes in Summit and Blackman Township were single family homes values at \$80,000 or less. The homes sold for sold for \$80,000 or less by the agents responding to the survey accounted for 3% and 30%.

Both realtors reported that of the total homes sold in the last 5 years less then 25 % of them were in the City of Jackson, one realtor indicated that 25 % were in the Blackman and Summit Townships while the other realtor sold between 76% and 100% in the Townships. Single family homes sales in the Townships beyond Blackman and Summit accounted for less than 25% for one realtor and between 51% and 75% for the other.

The most popular price range for homes in the City, for single-family homes was between \$40,000-\$60,000 and \$80,000-\$100,000, much less than the \$80,000-\$100,000 Blackman and Summit Township and in many area over \$100,000.

The most common barriers renters face in moving toward homeownership as cited by the realtors were inadequate income, personal credit and the lack of choice affordable housing in that order.

Bankers / Financial Institutions

Bankers and financial institutions that provide mortgages to potential homeowners have first hand insight on the affordable housing market within Jackson County. In all 4 financial institutions returned survey. The portion of the survey specifically for the financial institutions asked 4 questions regarding mortgage approval rates, home ownership obstacles and what solutions are possible to increase home ownership.

In general between 81%–100% of the mortgage applications for housing within the City and the County as a whole were approved, one lender cited an approval rate of between 61%–80%. The biggest obstacles typically faced by a household in purchasing an "affordable" home were consistent citing overall no or poor credit history followed by lack of down payment and in adequate income to make payment following purchase, and lastly a lack of affordable housing.

Some of the changes which could be instituted to increase home ownership included; offering credit counseling and first time home buyer classes, creating a down payment savings program, having a subsidized broker or realtor who works with these low-income clients and does not depend on commission as a sole source for income and temporary property tax relief.

Landlords / Property Management Companies Only

Landlords and property management companies had the best response rate. In all 9 surveys were returned by companies or individuals which manage every thing from single-family homes to multi-family apartment complexes and senior apartments. The properties were located throughout the County with 4 in the City of Jackson and one each in Columbia and Blackman Townships.

Some of the biggest obstacles the property managers and landlords face in managing rental property include occupant turnover and property destruction. Other obstacles noted although less frequently were: delinquent monthly payments, property maintenance / repair,

occupant nuisances / distribution and length / cost of eviction.

The unit mix and associated rents per unit by those responding to the survey were as follows.

Apartment Complex unit mix and associated rents

	Rents						
	Under \$300	\$301-\$400	\$401-\$500	\$501-\$600	\$601-\$701	\$701-\$800	\$801+
1 Bedroom	1	1	1	-	-	-	-
2 Bedrooms	-	1	1	2	3		-
3 Bedrooms	-	-	-	1	2	1	-
4 Bedrooms	-	-	-	-	-	-	-

The average annual occupancy rate for property managers was generally 81% to 100%.

Focus Groups

Social Service Consumers Focus Group

The Focus Group meetings were held at DisAbility Connections on May 13, 2002. The Focus Group began at 10:00 pm with consumers or users of the social service or housing agencies meeting. This session was intended to allow consumers or users to share their opinions and concerns regarding the services in Jackson. Focus Group attendees were given a brief introduction to the purpose of the project and reason for the Focus Group. Following the introduction an open discussion was initiated with the following questions and topics.

Are you satisfied with the services you are receiving?

- The Services I am getting from the shelter are good.
- Public housing - the waiting list is to long for 4 bedroom units Section 8 housing is distributed through a lottery. As a result some people/families wait a long time for housing while others have a short wait. Need to revamp the process

Are you satisfied with your home/apartment?

- Not applicable; however there is a need for more transitional housing
- Need more affordable housing for large families; existing large homes (4 beds) are about \$900/mo. And require that rent does not exceed 40% of income. Can't afford that. Quality of large homes POOR

Do you have adequate access to social and housing services and facilities (transportation, house available, etc.)? If no, why and how can they be improved?

- No, need housing associate to work with client–someone to work with shelter clients regarding housing choices
- FIA services good – can get food stamps and assistance quickly, But need money for stuff other than food i.e. bus fare, clothes, credit applications etc.
- Need affordable safe daycare – FIA will pay for daycare but it takes to long for them to pay then you lose daycare because daycare provider does not like to wait.
- Extended bus hours to allow second shift workers an option for transportation
- Assistance with help to clean up bad credit

How many of you are

- single person households
- 2–3 person households
- 4–5 person households
- 7–person household – 2 adults, 5 children ages up to 12 years.

Where do you live?

- City of Jackson – Interfaith Shelter

If you are staying in a homeless shelter do you have adequate access to food, medical care, transportation etc.?

- All services from the Interfaith shelter are very good

What will it take to eliminate your homeless situation?

- Transitional housing
- Credit assistance/support
- Large affordable housing (4 beds)
- Faster approval process. Takes too long for getting approved
- More Section 8 units can get a Section 8 Voucher but there are not enough landlords who take Vouchers

Do you feel there is a problem with crime, drugs, noise, or other issues within your neighborhood?

- Drugs and crime bad but improving

How long have you been receiving services?

- Interfaith Shelter – 3 months
- Do'Chas – 3 months – counsel the children – they visit us
- Public Schools – 3 months – provides support with the children

How long do you expect to continue using the services?

- To hard to tell, been here 3 months

Miscellaneous Comments From AM focus group meeting

- Need a whole complex with 3 and 4 bedroom apartments
- Need transitional housing
- Interfaith policy is: Jackson County residents 30 day
Out of County 2 weeks
- Interfaith will begin to offer mental health counseling
- Currently have a VA Advocate to help Vets.
- Some affordable housing is located in bad neighborhoods and no one wants to move there because of the neighborhood.
- No boys shelter – teenage boys shelter needed
- Interfaith gets \$100 per month free bus fair = \$.50 for children \$1.00 for Adults per ride.
- People often move out of the shelter and into the first section 8 units available or else they will lose their Voucher. Then the move out of the home because it is in bad condition and the landlord will not fix it up
- More tenant education on tenant rights with special and supportive services
- More collaborative effort – lots of grant funded agencies but end once grant is over the services are gone
- HMIS – Homeless Management Information System – HUD mandate by 2004
- 211 – Social service information hotline

Housing and Social Service Provider Focus Group

The afternoon session began at 1:00 pm and attended by a broad range housing and social service agency representatives. The Focus Groups provides a forum for the agencies to express their concerns regarding affordable housing in Jackson County. The Focus Group attendees were given a brief introduction to the purpose of the project and reason for the Focus Group. Following the introduction an open discussion was initiated with the following questions and topics.

What aspects of the affordable housing market needs the most attention?

- Overall building quality
- Much of the rental property in the City is old and not up to code
- The CAA has seen an increase in applicants of the Weatherization program, indicating it is increasingly more difficult for homeowners to keep up on maintenance. Much of this is in the Rural Areas of the County
- Code enforcement is lacking throughout the County and City. Sometimes worse in the outlying townships because they do not require building permits or do not inspect construction or enforce codes, resulting in substandard or unsafe homes.
- Many of the programs in place to assist homeowners have to many restrictions and as a result make it to difficult to use the money, restrictions include: liens on property, 30+ percent match of project cost by owner, long term repayment programs resulting in debt for 20 years and never get loan paid off before it needs to be fixed again (ex. Roof)
- Unequal distribution of affordable housing
- East side of the city has more affordable housing than in the southwest side
- Outside the city limits fewer options for affordable housing
- The better the school districts the more expensive the housing. People want to live in the good district thus driving up the price of housing Ex. Western School District
- Cost / Affordability of housing
- Cost of rental housing has increased significantly

- Increase in the amount of subsidies paid to landlords has increased causing the price to increase
- The shift away from manufacturing jobs to lower paying service jobs has made it more difficult to pay for housing.
- Homeownership has become increasingly more difficult as the cost to maintain the homes has increased, taxes increases, etc.
- Homeless youth can not sign a lease because they are too young.
- Once youth turn 18 they often have bad credit, poor rental history and low paying jobs and can't afford the rent.
- Some things to help make homes more affordable include
 - 1st time homebuyers cooperative or peer meetings where people can talk to contractors, bankers, credit counselors, and other 1st time home buyers about home ownership
 - Change in HUD / MSHDA housing restrictions to allow greater flexibility in using grant funds for assistance in home maintenance and type of fundable programs allowed

Structural Deterioration

- Landlord upkeep lacking
- Stricter code enforcement in especially in the Townships but also the City
- Need increased permit and construction inspections of homes in Townships
- The cost of repair is too high for many low-income homeowners, resulting in repairs not being made in a timely fashion and structural deterioration.

Lack of housing selection

- Not enough quality or safe homes/apartments with 3 or 4 bedrooms to accommodate large families
- Not enough landlords who accept Section 8 Vouchers.
- Length of time Vouchers are useable not long enough because the Vouchers expire before a home or apartment becomes available
- The quality of homes which take Vouchers often substandard

- Need to construct a subsidized apartment complex with all 3–4 bedroom units
- Work to increase the length Vouchers are useable
- Manufactured homes are affordable option for homeowners but the cost of additional requirements too high, EX. Lot purchase, utility hookup, taxes,
- Manufactured home communities not a option as the resale value not high enough and over time they become substandard and financial loss for the individual.
- Could develop a manufactured home community cooperative – where the owner has a vested interest in the upkeep and condition of the community.
- Work with the City on the acquisition of tax reverted property, raze substandard homes and to sell lot for a minimal fee and allow the placement of a manufactured home thus reducing the cost of associated fees.
- Work with developers to create a mixed income community, 70 % market rate apartments, 30 % subsidized, with 10 % of total units barrier free for those with disabilities
- New home construction in Rural Areas on the high end \$250,000+ thus driving up property cost and home values making homes less affordable.
- Lack of transitional housing with supportive services. Often difficult for people getting started to remain stable because there is a lack of supportive services and no housing option between shelters and apartments or homes.

Accessibility for the physically/mentally impaired

- A huge problem
- Most existing home not accessible for those with physical disabilities, no bathrooms or bedrooms on 1st floor, stairs, doors not wide enough, etc.
- People with disabilities have a hard time getting credit because it is difficult for them to work
- Transportation is difficult

- It is more expensive to renovate a home to become accessible than it is to construct new.
- Could establish a cooperative to buy, renovate and sell homes that are accessible
- 250 - 300 tax reverted homes will become available in July through the City. Would be a great place to start.
- Great opportunity for non-profits to rehab those homes
- Need a developer to work with, most developers are from out of County and develop out of city in township.

Inadequate emergency shelter / Inadequate number of emergency shelters

- 1 year ago the existing shelters seemed sufficient but currently all shelters are full and the need is increasing.
- No shelters for males - especially teen boys
- Need transitional housing to assist those in the shelter with a place to go and get on their feet instead of throwing them into an place on their own were the can't handle it and end up back in the shelter.
- The problem is year around
- Need transitional housing - supportive services and counseling only work if the individual is in a "stable" environment
- Need to have some intervention / counseling for users of shelters to assist them with their mental health or substance abuse issues

Tenant / Landlord relations

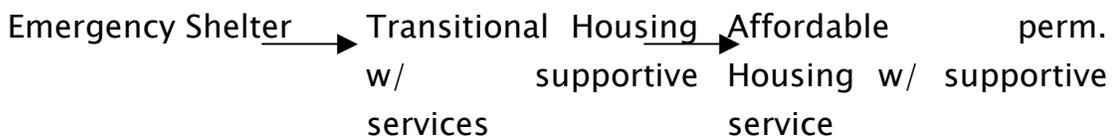
- Tenants are often afraid to report problems because of intimidation by landlords and fear of eviction, scared of eviction because it is difficult to find affordable housing or housing in general
- Tenants unaware of their rights as tenants.
- Need to create a "Tenant Union" to address housing issues and provide support to tenants.
- Jackson Affordable housing and Legal Services provide information about tenant rights-they are very busy

Homeowner education / Assistance / Household credit

- Jackson Affordable housing works with MSU Extension on homeownership education
- Need credit education before the individual gets bad credit – start in high school – Junior Achievement is doing this on a limited basis
- Foreclosures appear to have increased and there are some 250–300 tax reverted properties – both indicators that home ownership is difficult and the costs associated with home ownership are too much. Some foreclosures may be caused by the tight restrictions placed on homeowners by lenders and other state organizations.
- Could have a credit workshop with realtors and lenders once every 2–3 months to inform Jackson County residents about credit

Other

Many of the participants felt that many of the needs were interrelated and cited a need to develop a program to assist individuals get out of emergency shelters. The program would be structured as follows:



Focus Group participants were then asked to rank each issue's importance. The discussion was quite extensive on a number of the issues and participants found it difficult to pick just one issue. Additionally, they cited that many of the issues were interrelated and that the issues should be grouped.

What aspects of the affordable housing market needs the most attention?

- 1- Cost / Affordability of housing
- 1- Lack of housing selection
- 1- Household credit
- 2- Overall building quality
- 2- Structural Deterioration
- 3- Accessibility for the physically/mentally impaired
- 3- Inadequate emergency shelter / Inadequate number of emergency shelters
- 4- Tenant / Landlord relations
- 4- Homeowner education / assistance
- 5- Unequal distribution of affordable housing

What are the major obstacles in providing adequate housing in Jackson County?

Focus Group participants were then asked to rank each issues importance. Participants felt that the issue of affordability was interrelated with income and lack of down payment and these issues should be grouped.

- 1- Affordability
- 1- Lack of down payment
- 1- Insufficient income
- 2- Poor credit
- 3- Accessibility
- 4- Insufficient number of homes for large families
- 5- Renter to Homeowner education
- 6- Lack of land for development of new housing

Other

The out migration of the population from the City to the Rural Areas is causing a burden upon the city causing a loss of taxes and increased gentrification

What can be done to increase affordable housing / emergency shelter and associated services within Jackson and or Jackson County?

Construct more subsidized apartments

Rezone areas to allow increased densities

Enhance the availability of education for renters to become homeowners

Improve housing code enforcement

Work with developers and realtors to create or identify affordable housing

Mixed income developments with “70%” market rate units “30%” subsidized units

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