Housing Plan

Marquette County, Michigan

Prepared by the Marquette County Planning Commission with assistance by the County of Marquette Resource Management and Development Department Staff
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1. Introduction
Shelter is a basic need of all individuals. While most housing is privately owned, it is generally considered a valid governmental function to influence it. The supply and condition of housing affects the quality of life within a community and the physical welfare of individuals. It directly relates to the tax base, which affects the ability of governmental units to fund services. Location and quality of housing, and tenure can develop or hinder a sense of community with other individuals, ultimately affecting mental health, crime rates, and social programs. Housing costs, as a major component of personal budgets, contribute significantly to the overall economy of an area and to each household's standard of living.

The housing can be evaluated with respect to four criteria: availability, suitability, condition, and affordability. Each of these features affects the ability of a dwelling unit to meet the needs of any given household. What meets one household's needs may not provide satisfactory shelter to another household. In addition, within each household different lifestyles will affect the value given to and tradeoffs made among these four criteria. For example, the desired condition of the structure may be reduced to accommodate what can be afforded. Location may be compromised to meet size requirements.

Early community settlement patterns in Marquette County developed around iron ore mines. Today many of those communities still exist even though several of the mines have closed. A strong sense of belonging to a community makes those places a desirable place to live and raise a family. However, most must commute long distances to work each day.

The Resource Management and Development Department of Marquette County administers a housing program with a main goal of improving the housing stock within the County. This Plan will also provide an overview of the current program.

This Plan Evaluates:
the housing stock in Marquette County with respect to four criteria:

1. Availability,
2. Affordability,
3. Suitability, and

If an acceptable balance can be reached among the four factors, the housing needs of a household can be met. Lack of balance or dominance of one aspect means housing needs are not met.

Also considered will be the distribution of housing throughout the County according to the four criteria.
2. **National and Local Housing Trends**
The housing market in Marquette County is a reflection of local economic conditions in addition to regional and national occurrences.

Housing has a direct impact on the U.S. economy. Less than ten years ago the housing market was a driving force in what was considered a healthy, growing economy. New housing starts were at record numbers both nationally and locally. Existing houses were being bought and sold rapidly and banks were lending money easily. This created jobs in the construction and manufacturing industries along with service jobs such as real estate agents, lawyers, and brokers.

The economic benefits from a growing housing market include the revenues generated for federal and local governments which includes taxes paid from the income of workers that pay federal, state and Social Security taxes and business owners similarly taxed. In addition, the states generate sales taxes on materials sold to homebuilders, the sale of existing houses and many local jurisdictions garner fees for building permits, utility extensions and zoning compliance.

Since the downturn in the housing market in 2008, economists continue to monitor the housing market relative to where it was at its peak around years 2001 through 2004. Recent reports show that the current housing market is sluggish everywhere. Concerns are that the housing market will not be able to perform its previous function of pulling the nation out of a recession, primarily due to tighter credit conditions for buyers and builders.

A slow housing market creates housing price declines. This lowers household net worth and leads to even more cautious lending to households. This in turn reduces housing demand, which again lowers the price of housing and so on.

**The Housing Bubble**
One of the most significant occurrences in housing nationwide is the Housing Bubble and its eventual burst. The Housing Bubble began after the end of the high tech and dot.com era, about 2001 and burst around 2008. The Housing Bubble is defined as an era where conditions were created that drove up the prices of homes such as low mortgage interest rates, loose lending practices and even local land use regulations. As prices for homes increased, homeowners spent against false equity in their homes and speculators and developers rapidly bought, built and sold houses for large profits.

Housing prices started stabilizing around 2006. Soon home foreclosure rates began to escalate because many homeowners owed more for their houses than they were worth on the market. In addition, many homeowners were carrying sub-prime mortgages that adjusted and doubled their payments after 12 months. The Housing Bubble burst was denoted by a significant deflation period that is still being felt by homeowners today.

In 2007 the United States sub-prime mortgage industry collapsed because of the large number of home foreclosure rates. More than twenty five sub-prime lenders declared bankruptcy, reported huge losses, or put themselves up for sale. Lending was halted and the national economy was in peril. This led to business closings, high unemployment rates and Federal Government intervention.
**LOCAL IMPACT**

**Homeowners in Marquette County**

Marquette County did not experience the severe housing price increase and ensuing decrease that was realized in other locations across the country but the County did experience many of the same symptoms and results. Like many locations throughout the country, the local housing market is slow and many people are holding on to their houses until the market improves.

In contrast, housing is the most affordable it has been in decades. This is good news for those that can invest in a house but the days of fast gains are gone and won’t be back anytime soon. Borrowing money for a house is still considered risky because a drop in the value of the home could mean little or no equity. In the meantime maintenance and repair costs are ongoing, costs not realized when renting.

**Renters in Marquette County**

At a time when housing is the most affordable, homeownership is still out of reach for many unless they have perfect credit and can afford a down payment on a house of up to 20%. The continuing high unemployment rates and slow economy keeps many people from qualifying for a home mortgage. As a result, many have to rent their housing. This will likely cause a growing demand for rental units into the future.

**NEW CONSTRUCTION**

Information from building permits was gathered from the Marquette County Resource Management and Development Department to determine the amount and location of new residential development in Marquette County over the past decade. Eighty-seven percent of the permits were matched to existing parcel identification numbers and are represented by dots displayed on the following map. Incorrect parcel identification numbers on permits, parcels not yet split in the parcel data layer, and condominium development under a single parcel are contributing factors to new construction that was not able to be mapped.

Condominium development has occurred over the past decade in the County. The Land Use, Value, and Ownership chapter of the Marquette County Comprehensive Plan addresses condominium development and can be reviewed at the following website:

http://co.marquette.mi.us/departments/planning/comprehensive_planning_documents.htm

A noticeable finding from the study is that nearly half of the residential building permits over the past 10 years have been for construction on waterfront property. Less than 30% of this property has direct access off of state highways or county primary roads. Not only does the water development occurring in Marquette County have potential negative impact to the environment and water quality, it places a burden on the local road system and the provision of government services. An increase in runoff from impervious surfaces and fertilize/herbicide use and the clearing of vegetation for water access and views, are examples of negative impacts.
Each dot represents new residential construction in Marquette County.

The blue dots reflect construction on waterfront property.

Source: Mqt Co RMDD, 2000-2010
3. Availability
The population, number of existing housing units, tenure of occupancy (owner occupied or renter occupied) and current vacancy rates among those units determine the availability of housing in Marquette County. These factors are relative to the number of individuals and households seeking housing. Figure 2 shows historic totals for both population and housing units in Marquette County. The housing boom of the 1970s is noticeable as is the loss of population starting in the 1980s. Despite a loss of population, the number of housing units continued to increase.

Population
The 2010 U.S. Census placed the population of Marquette County at 67,077, a 3.8% increase from the 2000 U.S. Census total population of 64,629. Figure 3 shows population by local unit of government over the past 30 years and labels the 2010 population figures.

Housing Units
There are 34,330 housing units in Marquette County, an increase in over 1,450 since the year 2000. Of that number, 27,538 are occupied and 6,792 are vacant.

Figure 4 displays the number of occupied (owner and rented) and vacant housing units by local units of government. Rented occupied housing tends to be located in the “urban core” and the Sawyer community. About 69.0% of the occupied housing units are owner occupied compared to the State at 72.1%. The lower percentage of owner occupied units is probably due to the high population of university students that are typically renters. Renter
occupied units are 31.0% of the occupied housing units in the County compared to the State at 27.9%. The average owner occupied household size is 2.41 persons while the average renter household is only 1.94; both household sizes are slightly lower than the State averages of 2.57 and 2.29 respectively.

Figure 5 provides a breakdown of vacant housing by type and compares years 2000 and 2010. Unlike national trends, the vacancy rate in Marquette County has decreased (from 21.6% to 19.8% since the 2000 U.S. Census). An increase in the number of occupied housing units at Sawyer has attributed to the decrease in vacancies over the past decade.

Houses may be vacant for a variety of reasons. Homes that are in the process of being sold or rented are valid reasons for being vacant. In Marquette County, 64% of the vacant housing units (or 12.4% of all housing units) are considered “for recreational, seasonal, or occasional use”. This figure is substantially higher than the State percent of 39.7 (or 5.8% of all housing units). Houses used seasonally or for recreation are also legitimate vacancies. In many townships, 2010 vacancy type data shows less vacancies classified as “recreational, seasonal, occasional use” and more classified as “other”. This trend may be due to seasonal properties going into foreclosure (See Figure 5).

Houses that are not intended for a particular use, defined as “other” in Figure 5 are depicted in black. These units are neither for rent or for sale and are likely in the foreclosure process. The units may be undergoing repair for future use. If a house remains vacant for an extended period it begins to deteriorate, making the neighborhood look blighted and can affect the surrounding property values. In addition, abandoned houses are a safety hazard for children that may be intrigued with a vacant house.
Figure 5 - Vacant Housing By Type, Local Unit of Government, 2000 and 2010

Source: US Census, 2010

Year 2000 on top
Year 2010 on bottom

- For Rent
- For Sale
- For Rent or Sale, Not Occupied
- Recreational, Seasonal, Occasional Use
- Other
**Figure 6- Rental Vacancy Rate, Marquette County, Select Areas, 2000 and 2010**

![Figure 6](image)

Source: U.S. Census 2010

Figure 6 compares rental vacancy rates for renter occupied units in select areas of Marquette County from 2000 and 2010. A lower rental vacancy rate indicates that rental units are not readily available. Marquette City and Township have the lowest rental vacancy rates in the County. In addition to owner occupied and renter occupied housing there are 4,225 seasonal/recreational houses in the County or 12.9%. This is predictably higher than the overall State statistics with only 5.5% of the houses being seasonal/recreational.

Marquette County’s rural location and miles of unspoiled beauty make it an attractive location for seasonal homes.

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**Housing at Sawyer**

K.I. Sawyer is located approximately 20 miles south of the City of Marquette, twenty-three miles from the City of Negaunee and 28 miles from the City of Ishpeming. Gwinn is the nearest community and is five miles from Sawyer and has a population of approximately 1,900. When the K.I Sawyer Air Force Base closed in 1995 most of the military housing units became available for the civilian population in a relatively short period of time. The ex-military housing units were newer and in better condition than many of the older housing stock that reverted to affordable rental units in other locations throughout the County. According to the 2010 US Census there are 1,599 housing units at Sawyer and a population of 2,859 people. Almost 40% percent of those units are vacant. Many of those vacant units are located in a series of multiplexes that are in close proximity to K.I. Sawyer Elementary School. Housing at Sawyer is only about 20% owner occupied with the remaining 80% renter occupied. In addition, the median household income at Sawyer is only at $28,725, considerably less than the county wide median household income of $41,576. According to the American Community Survey 2005-2009, 36% of the people were in poverty with 44% of the related children. For families, 32% of all families and 82% of families with a female householder and no husband present had incomes below the poverty level. The median monthly housing costs for mortgage owners was $853, non-mortgaged owners $375 and renters $610. This means that 35% of the homeowners with mortgages, 18% of non-mortgage owners and 50% of renters at Sawyer spent 30% or more of their household income on housing. Additionally, for those that are employed, the most common occupations were minimum wage jobs such as sales and service. Unfortunately, most of those occupations are located over 20 miles away from Sawyer so workers must travel long distances to work a low paying job. Sawyer has an excess of affordable housing but lacks community services and light commercial development that supports residential use and provides employment opportunities such as grocery, clothing and household supply stores and gas stations. As such, there is a large concentration of renters and some homeowners living away from community goods, services and jobs.
Housing for an Aging Population

The population of the nation is aging and that trend is true in Marquette County. According to the 2010 Census 14.7% of the population is over the age of 65. Projections show that by the year 2020 this age group could make up 17.6 percent of the County’s population. As age increases, mobility decreases and the more assistance and dependency on services are needed in order to live comfortably. As it relates to this Housing Plan, the aging population will require different housing accommodations in order to live comfortably whether it be modifications to existing housing or an increase in assisted living centers.

The County’s housing stock is old, see section 5 Suitability and Condition, page 15. Typical dwellings in the old mining communities, such as Ishpeming, Negaunee, and Michigamme, are multi-storied structures with no bathroom and/or bedroom on the main level. Also common are steps into or throughout the unit. These characteristics present a problem as individuals age and lose mobility. Seniors, regardless of health and access to services, will only be able to age in place if the place accommodates a reduction in mobility.

If housing cannot be renovated to accommodate a reduction in mobility or the needs of an individual get to a point that require assistance in order to live comfortably, a different type of housing must be sought. Subsidized housing is available, but often has extensive waiting lists. Assisted living facilities provide support for daily living to ensure health, safety, and well-being. Nursing homes provide care to individuals with significant deficiencies with activities of daily living. The U.P. Long Term Care Facilities Directory found on the U.P. Commission for Area Progress, UPCAP, website and the Marquette County Subsidized Quick-List developed by Deb Trombly, NFTS Housing Coordinator, yields 104 beds in 3 assisted living facilities, 645 beds in 5 nursing facilities, and 599 beds in subsidized housing units in Marquette County. Subsidized housing is government-supported housing for low to moderate income people and is not exclusively for seniors.

Figure 8 shows the locations of senior housing by type and number of beds in Marquette County.

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1 Mill Creek Assisted Living Facility, with 38 beds and an additional 25 beds to Brookridge Heights, were also included.
Marquette does have a homeless population although generally some form of shelter is available particularly for adults. The Room at the Inn, Janzen House, Harbor House, and Lutheran Social Services offer shelter on an emergency and transitional basis.

The Room at the Inn is an emergency nighttime shelter for adults run by an interfaith coalition of churches and volunteers. The location of the shelter changes weekly and is open from mid-September through May.

The Janzen House is located in downtown Marquette and can serve 32 clients. The facility is typically at 95-100% capacity. The director of the Janzen House reports that more housing options and programs for felons would help their capacity issues.

The Women’s Center in Marquette operates several programs for victims of domestic violence including emergency shelter, counseling, and support services. In 2006, the Harbor House was moved from a confidential location to a larger facility directly across the street from the Marquette County Sheriff’s Department. The Women’s Center reports that during their 2007/2008 fiscal year they had a total of 2,908 shelter nights (beds filled), provided services to 140 children, and helped 423 adult victims of domestic violence. They also provided $118,900 in rental assistance to families in transition to re-establish homes free from violence.

Lutheran Social Services has three homelessness programs. The Substance Abuse and Homeless Prevention Program serves families and individuals at risk of being homeless and have a history of
substance abuse. The Welcome Home Program helps individuals transition from homelessness to safe, secure and permanent housing. Voices for Youth offers services designed to meet the basic needs of homeless youth, while offering support services that will allow youth to be reunited with their family or make a successful transition to independence.

**Group Quarters**
Marquette County has a total population of 4,883 residing in group quarters. According to the Census, group quarters are defined as institutional and non-institutional. The institutionalized population includes the residents of the prison and hospitals. The 2010 Census reports 2,133 people are institutionalized and 2,750 non-institutionalized in Marquette County. Non-institutional group quarters include all other group quarters such as college dormitories, rooming houses, and religious group homes.

**Availability Issues/Opportunities**
1. The population in Marquette County has increased by 3.8% since the U.S Census 2000 population estimates. This is the first increase in population since 1980. The total number of housing units has continued to increase at a current rate of 4.2%.

2. Housing at Sawyer is available and considered affordable to lower income households. Young families and single parent households have been the primary occupants. Marquette County should encourage a mixed community through the availability of a greater range of houses (both lower and higher end units). Although home ownership has increased in the last few years, there is still a concentration of low-income households in an area with insufficient access to support services such as basic retail services and healthy food. It is also geographically isolated from jobs and other communities in the County.

3. Currently the demand for rental units is too high in the City of Marquette and Marquette Township, where a majority of jobs in the county are concentrated. The lack of supply is driving rental prices upward.

4. Marquette County has a housing vacancy rate of 19.8%, a slight decrease from the 2000 US Census. Sixty-four percent of vacant housing units, or 12.4% of all housing units, are classified as “recreational, seasonal, or occasional use.” Although this type of vacancy has increased in areas of the County, such as Republic Township, data shows that there are fewer vacancies classified as seasonal and more classified as “other.” This suggests that seasonal and second homes are becoming foreclosed.

5. Some of those vacant units are allocated for rental or sale, while others are simply vacant and could represent abandonment. Abandoned structures often are dilapidated, become a health hazard and decrease property values. Local units of government should implement or enforce ordinances that eliminate the problem.

6. Homelessness represents a critical housing need. Although there are some services for homeless people, there is no homeless shelter in the County.

7. Marquette County’s population is aging, and much of the County’s housing stock is old and does not accommodate the reduction in mobility associated with age. This will create a shortage of housing that is suitable for an aging population.
4. Affordability

Housing is considered affordable if it consumes no more than 30% of a household’s gross monthly income. This simple statistic, however, does not consider the magnitude of the affordability problem that faces many in the County. An upper income household may be able to afford to pay 30% percent or more for housing, yet a household with an annual income of $15,000.00 cannot even afford to spend 10% of its income for rent.

When affordable housing is not available, households are forced to pay a higher percentage of their incomes to reside in adequate housing, resulting in money shortages for home improvements and living expenses or they must downgrade to lesser but more affordable housing conditions. Factors affecting affordability include household income versus cost of housing, government policies, and operating costs.

Affordability by Type

Housing is considered more affordable than ever. Interest rates are the lowest they have ever been and housing prices have either stabilized or have actually gone down. However, stringent bank lending practices, high unemployment and a sluggish economy are keeping many from homeownership. Those that have achieved homeownership are still better off financially than their tenant/renter counterparts.

According to the 2005-2009 American Community Survey, there are approximately 11,238 homeowners with a mortgage on their house. Of those homeowners, only 5% pay more than 30% of their household income for their mortgage payment. This is likely due to higher incomes and a household’s ability to refinance to receive lower interest rates on their mortgage which lowers their monthly payment.

For renters, the outcome is just the opposite. Over 55% of renters in Marquette County pay more than 30% of their household income for housing. Renters typically have lower incomes than homeowners, making them more vulnerable to market rent conditions. This creates major financial compromises in rental households already struggling with lower incomes.

Government’s Role in Housing

The government’s role in housing includes financing, taxes, tax credits and tax exemptions. The home mortgage is a major financial sector that the government has been involved with through the creation of government sponsored enterprises or GSEs. The Federal government created several GSEs known as the Federal National Home Loan Mortgage Association or Fannie Mae and the Federal Home Loan Mortgage Corporation known as Freddie Mac.

Financing

Fannie Mae was established in 1938 after the Great Depression as part of Franklin Delano Roosevelt’s New Deal. Fannie Mae provided local banks with federal money to finance home mortgages in an attempt to increase home ownership and increase the availability of affordable housing. Fannie Mae created a secondary mortgage market where mortgage loans are bought and sold between mortgage originators, securitizers and investors. By 1954 Fannie Mae held a monopoly over the secondary mortgage market. An amendment to the act turned Fannie Mae into a mixed-ownership corporation.
In 1968, it converted to a publicly held corporation to remove its activity and debt from the federal budget. Today's Fannie Mae is an enterprise that is both Fannie Mae and the Government National Mortgage Association (Ginnie Mae). Ginnie Mae remained a government organization and supports FHA-insured mortgages, Veterans Administration (VA) and Farmers Home Administration (FmHA) insured mortgages with the full backing of the United States government. In 1970, the Federal government authorized Fannie Mae to purchase private mortgages, i.e. those not insured by the FHA, VA, or FmHA.

George H.W. Bush signed an act to amend the Charter of Fannie Mae and Freddie Mac to facilitate the financing of affordable housing for low-income and moderate income families and set annual goals for low to moderate income mortgage purchases from 30% to 55% by 2007.

In 1999 Fannie Mae came under pressure by the Clinton Administration to expand mortgage loans to low to moderate income borrowers in distressed inner city areas. As a result Fannie Mae had to ease credit requirements on the mortgages it was willing to purchase. Ultimately these high risk loans were counted toward affordable housing goals. The intent was that Fannie Mae’s underwriting standards would provide a safe and stable means of lending to buyers who did not have prime credit and those loans would become the standard.

Unfortunately, Fannie Mae’s safe loans did not become the standard. Mortgage originators began to distribute more of their loans through private label securitizers, typically operated by investment banks. This caused a shift away from GSEs and greatly contributed to the decline in underwriting practices, ultimately leading to the financial crisis.

Under a new approach endorsed by President Obama, Fannie Mae or Freddie Mac or other successors would charge a fee to mortgage lenders and banks and use the money to create an insurance pool to cover the losses on mortgage securities caused by defaults on the existing loans.

**Current Lending Practices**

A major cause of the housing bubble was the irresponsible lending practices of banks eager to cash in on seemingly unending increases in housing values. In response to their losses, banks are following stricter lending practices, in which good credit and larger down payments are required for home ownership. As a result, housing prices have stagnated, and houses have remained on the market much longer than during the bubble. Renting has become the only option for many people who formerly were buying homes.

**Taxes**

Property taxes are determined by the assessed value, market value or cash value of the property. The County Board of Commissioners and the Michigan State Tax Commission must review local assessments and adjust or equalize them to 50% of market value as required by State law. This becomes the State Equalized Value or SEV.

Property tax exemptions are given to primary residence property referred to as Michigan Homestead Taxes. If the property is commercial property, an investment property or a vacation home, the property owner pays full taxes or Non-Homestead Taxes.

Michigan's property tax credit is a way the State of Michigan helps qualified homeowners pay
some of their property taxes. The credit is determined (on a separate form) when filing their income taxes and is based on a comparison between household income and property taxes. The credit is designed to give the greatest property tax relief to senior citizens, disabled or blind persons and disabled veterans as well as the surviving spouse of a veteran. Michigan residents who are not in these groups may also qualify for the credit.

**Affordability Issues/Opportunities**

1. Many young families and senior citizens have critical housing needs because of expenses, location needs, health needs, and lower incomes. Affordable housing needs to be available where these services are offered.

2. As fewer people qualify as home buyers under current lending practices, demand for rental housing will increase. The demand will likely drive rental rates upward, pay more than they should for housing, or live in substandard rental units with multiple people. As rents rise, people are less able to pay for other needs.

3. There is a serious need for more affordable and/or subsidized rental units. In addition to being affordable, the rental units should be in good condition and should be located in close proximity to jobs and services.

4. As economic troubles continue, so will homelessness. It is important for the County of Marquette to continue to assist with the provision of safe, decent affordable housing before housing needs become so critical that homelessness occurs.
5. Suitability and Condition
The suitability and condition determines the adequacy of housing in terms of size, location, age of housing structure, and necessary kitchen, indoor plumbing facilities, and heating types. Suitability and condition of housing is compromised when cost of housing becomes a factor for those with limited incomes.

All housing, regardless of its availability, suitability for specific households, and affordability, is also evaluated on its condition. A unit’s condition is based upon its age, efficiency, and the maintenance it has received. These issues affect the useful life of the structure, overall living conditions, market value, or rental cost, and operating costs.

Size
The primary concern with size is crowding. Units with more than one person per room are considered crowded. Crowding is important because it can affect mental and physical health of the individuals occupying the unit. It is also an indicator that larger units are either unavailable or unaffordable. Crowding in Marquette County is not a major concern.

Location
Figure 9 shows occupied housing units in Marquette County based on 2010 US Census Data. Each dot represents two occupied housing units. The majority of occupied housing units are within city limits and along State trunklines, such as M-28 and US-41.

According to 2010 US Census figures, 48% of the County’s population lives within the city limits of Ishpeming, Marquette, and Negaunee. A relatively equal split of population living in cities and townships has not always been the case. Figure 10 classifies the total population in Marquette County by city and township. It was not until the housing construction boom of the 1970s that the townships population exceeded that of the cities. Prior to the 1970s as much as 68% of Marquette County residents lived within city limits.
Concentrations of housing in the rural areas of the County are generally located in small communities that developed where mines once existed and around inland water bodies. Remote places throughout the County also exist. While there are some people that want to live in rural areas of the County, others are forced to live outside the City of Marquette because housing is more affordable.

### AGE

Marquette County housing stock is relatively old as demonstrated in Figure 11. Nearly one-quarter of structures were built in 1939 or earlier. Statewide, only 17 percent of structures were built before 1939. Over 23,000 housing units were built in the County before the State began requiring building permits in 1970. Housing units built before that time did not have access to modern, low maintenance materials. Energy standards were lower, many older homes were never insulated properly, and their windows are inadequate. Construction standards currently required by the state building code may not have been used, increasing the possibility of defects and poor workmanship.

Table 1 shows the percent of houses built before 1969 by unit of government. The Cities of Ishpeming and Negaunee show the highest percent of older houses.

### Repair And Maintenance

A variety of factors influence the decision to repair or improve an existing home, including household income, interest rates, building costs, the cost of other housing options, and the personal need or priority to undertake the repair.

The County’s Building Code Division issues structural, mechanical, plumbing, and electrical permits for new construction and improvements. Tracking the number of mechanical, plumbing, and electrical permits for existing residential dwellings (referred to as “maintenance permits”) is a good way to monitor housing maintenance activity in the County. With an aging housing stock, it is essential that repairs and upgrades occur. Figure 12 shows the number of maintenance permits versus total housing units by local unit of government for part of 2011. Figure 13 shows the number of residential alterations (structural only) since 2007.
These permits were issued to homeowners or property owners having the financial resources to do the repair work. Lower income households, however, typically do not have any extra money to fund major household repairs. Most or all of those households spend their money on immediate household needs. To compound the problem, many low-income families can only afford older homes already in need of major repair work.

A home in need of repairs can have a negative effect on household occupants and the surrounding neighborhood. Serious problems create health and safety hazards, increase energy costs, contribute to blight, and generally degrade living conditions.

The US Census measures housing unit adequacy by gathering data on complete plumbing and kitchen facilities. Plumbing facilities include hot and cold piped water, a flush toilet, and a bathtub or shower. All three facilities must be located inside the house, apartment, or mobile home but not necessarily in the same room. Kitchen facilities include an installed sink, range or other cooking appliance, and refrigerator. The US Census American Community Survey, 2005-2009 data show that three percent of occupied housing in the County lack complete plumbing facilities and kitchen facilities.
Figure 14 compares heating fuel types. Two-thirds of the housing units in Marquette County utilize utility gas for heating. Utility gas is generally available in the urban areas which account for the majority of housing units within the county. Six percent of occupied housing units use fuel oil, kerosene, etc. for heating. This percentage is higher than the State’s 2%. Bottled, tanked, or LP gas is also used at a higher percentage in the County than it is statewide.

![Figure 14 - Occupied Housing Unit Heating Fuel Percentage by Type, 2005-2009, Select Areas](image)

Building codes are intended to assure minimum construction standards are met but have little impact on maintenance. Unlike building codes, there is no state mandate for maintenance. Some local units choose to control maintenance through nuisance or unsafe building ordinances, which are very general and are applied only in extreme cases of property neglect.

MSHDA requires units of government to have property maintenance codes adopted before they will allow a Neighborhood Preservation Program to occur. So far, this includes nuisance or unsafe building ordinances and rental codes.

**Suitability/Condition Issues and Opportunities**

1. Seniors have special housing needs such as handrails and first floor bedrooms and bathrooms. As a larger portion of our population ages, it is important that homeowner rehabilitation programs target the physical needs of senior citizens so they can age in their own homes if they choose to.

2. The majority of houses in Marquette County are relatively old. While older homes are often more affordable to purchase, they are more costly to maintain, repair, and heat. In addition, a home in need of repairs can have a negative effect on household occupants and the surrounding neighborhood. Serious problems create health and safety hazards, increase energy costs, contribute to blight, and generally degrade living conditions.

3. Rental codes require rental property owners to maintain safe, decent housing for their tenants. When rental codes do not exist, rental property owners are often reluctant to dip into their profits to improve their rental properties.

4. The oldest houses and the oldest populations are both concentrated in old mining communities. Many of these communities are widely dispersed and tend to be far from the urban corridor.
6. Goals and Policies

General Goal.

To achieve a sustainable housing stock that meets the changing needs of Marquette County’s population, with a range of costs and types.

Sub-goals.
1. A variety of housing types that promote healthy lifestyles in areas with available transportation, community facilities, and other services.
2. All housing shall be energy efficient.
3. Preservation of sound existing neighborhoods; rehabilitation of deteriorating neighborhoods.

Policies.
1. The private housing industry should be used to its maximum potential in meeting community housing needs. However, housing should be recognized as a public as well as a private responsibility.
2. Encourage the development and provision of energy-efficient housing, including winterization and rehabilitation of existing housing.
3. Use of areas which are capable of supporting residential development without hazard to the development or to the environment.
4. Continue to pursue federal and state housing assistance programs to improve the existing housing stock.
5. Encourage coordination among builders, lenders, and housing agencies in the provision of affordable housing.
6. Encourage the rehabilitation and conservation of existing housing stock.
7. Encourage new housing developments that create mixed communities where a variety of people of different income ranges and physical abilities live together in locations within or close to urban centers.
8. Advocate for programs and policies that allow seniors to remain in their homes or communities.
9. Work with MSHDA to identify and modify housing programs that will meet the housing needs of Marquette County.
10. Recommend zoning authorities review where single family dwellings are permitted and encourage their limitation to districts in built-up locations where services are easily accessible.
11. Marquette County should encourage organizations that provide for the homeless.
7. Marquette County Programs related to Housing

Community Development Housing Program
The goal of the Marquette County Housing Rehabilitation Program is to preserve existing affordable housing stock throughout the County by providing assistance to low and moderate-income homeowners. With a little financial help, these homeowners can make a big contribution to the overall health of the neighborhood in which they live. The Housing Rehabilitation Program helps homeowners maintain their residence as safe, sanitary dwellings that meet local housing codes and helps to prevent houses from becoming dilapidated nuisance properties.

The County of Marquette has been administering the housing rehabilitation program since 1994 distributing nearly 3 million dollars in rehabilitation funds throughout the County. These are Federal and State funds provided to the County through the Michigan State Housing and Development Authority (MSHDA).

Current Programs:

1. Homeowner Assistance Activities
   - Deferred loans are made available to homeowners with an income at or below 80% of the area median for rehabilitation to single and two family dwellings or emergency repairs.
   - Information on eligibility, income, and funding is available at [http://www.co.marquette.mi.us/departments/planning/homeowner_assistance_programs.htm](http://www.co.marquette.mi.us/departments/planning/homeowner_assistance_programs.htm)

2. Property Improvement Program-- PIP
   - Low-interest home improvement loans to single-family homeowners with annual household incomes up to $65,000 ($74,750 in certain areas) and reasonable credit.
   - Information on eligibility, income, and funding is available at [http://www.co.marquette.mi.us/departments/planning/property_improvement_program.htm](http://www.co.marquette.mi.us/departments/planning/property_improvement_program.htm)

3. Marquette County Housing Initiatives in the City of Ishpeming
   - Rental Rehabilitation
   - Homeowner Rehabilitation

4. Marquette County Housing Initiatives in the City of Marquette
   - Homeowner Rehabilitation

The Application Selection Process
Applications are solicited as soon as the grant funds are approved for the program. Often there are more than enough applications on file to begin the process. Many of the applicants are referred to the County Housing Rehabilitation Program through other local housing assistance agencies.

Application processing to determine eligibility is a lengthy, time consuming process. Applicants are selected on a “first come-first ready” basis. Once an applicant is determined to be eligible, the following steps take place:

Examples of Rehabilitation Activities:
- roofs, windows, doors, siding, plumbing, electric, lead paint hazard reduction

Examples of Emergency Repair:
- Well, septic, furnace
Future of County Allocation

Recently, MSHDA announced new initiatives for county allocation funds. In the past, grantees receiving county allocation from MSHDA were allowed to implement housing projects on scattered sites throughout their county. In the future, MSHDA will expect grantees to utilize their county allocation toward “placed based economic development”. MSHDA’s intent is to merge public and private investment in communities where workers, entrepreneurs, and businesses want to locate, invest and expand. Planning will occur to establish where these locations or “places” are in Marquette County.

Land Bank Authority

Prior to 2004, local governments did not have the authority to effectively manage tax reverted property. The County Treasurer would auction the property off, often bundled with other tax reverted property, only to see many of the auctioned properties come back through the system again as tax-reverted property three years later.

In January 2004, Governor Granholm signed into law the Land Bank Fast Track Legislation, Public Act 258, to provide local governments the legal and financial tools to put tax reverted properties back into productive use. Once the property is held by the Land Bank its title is cleared of all liens and past claims so a new owner may purchase it without worrying about unresolved claims.
Other related Public Acts that assist land bank authorities with property reuses include the following:

PA 259
- Amends the Michigan Brownfield Redevelopment Act to allow any land bank authority owned property to be considered “blighted property”. This allows a tax increment board or local Brownfield Redevelopment Authority to redevelop the property.

PA 261
- Created the Property Tax Emption Act which exempts property held by the land bank from taxes and exempts property sold by the land bank authority from general property taxes for five years.
- Creates the Tax Reverted Clean Title Act which imposes a specific tax equal to the same general tax rate, for five years, on property sold by the Land Bank Fast Track Authority. One half of the specific tax is used to fund the Authority’s title clearance and land disposition and the other half goes to the taxing units in the same proportions as taxes collected under the General Property Tax Act.

The Marquette County Land Bank Authority was created on May 21, 2009. Currently the County Treasurer is the Chairperson and two County Board members are Vice Chairperson and the Secretary. The mission statement of the County’s Land Bank Authority is to work collaboratively with local units of government and community organizations in finding the best way to return tax-foreclosed properties to the tax roll.

As such, the Marquette County Land Bank Authority continues to accomplish their mission by finding innovative ways to deal with tax delinquent properties. In some cases a particular property might be desirable to an adjacent property owner and the Land Bank is able to sell it quickly. Other properties may contain environmental hazards or buildings that are dilapidated beyond repair. In those cases, the property has to be cleaned up or the buildings demolished to prepare the property for resale.

In 2010, the Marquette County Treasurer set up the Marquette County Brownfield Redevelopment Authority as another tool to further the goal of returning blighted and/or contaminated sites to the tax rolls.

According to the Marquette County Land Bank Authority’s adopted Priorities, Policies and Procedures, requirements for the sale of land bank property include future homeownership and affordable housing, neighborhood revitalization, the return of property to the tax roll and the provision of financial resources for operating the land bank.

These priorities make the Marquette County Land Bank Authority a valuable participant in neighborhood revitalization. For example, in 2010 the Authority acquired eight duplex units at Sawyer through tax foreclosure. The Land Bank Authority sold all 8 units to owner occupants to promote their goal of homeownership.
8. Action Plan and Strategies

The Marquette County Board has consistently demonstrated its commitment to a governmental role in influencing the quality of housing in Marquette County. Since 1981, the County has assisted over 200 homeowners with nearly 3 million dollars in homebuyer and home improvement funding and assistance. These funds increase property values, and enhance communities and neighborhoods, while providing safe, decent and affordable housing to low and moderate-income citizens.

County Governments are eligible for these state/federal funds to implement local housing assistance programs. Marquette County can continue their commitment to improve housing by taking full advantage of these funding opportunities. It is recommended the Marquette County Board of Commissioners adopt the following strategies to meet the housing needs in the County as identified in the housing plan:

**Marquette County Community Development Block Grant Program**

- **Activity:**
  - Apply for CDBG funds from MSHDA and partner with MSHDA and Northern Michigan Bank as an escrow agent for Property Improvement loans. Distribute funding from the grant for homeowner rehabilitation, home purchase rehabilitation, and/or down payment assistance and emergency programs throughout the county.

- **Funding Sources:**
  - MSHDA Community Development Block Grants - provided by MSHDA to conduct homeowner rehabilitation, improve housing stock and promote homeownership.
  - Northern Michigan Bank – provides funding for homeowner rehabilitation in a supporting role to the Marquette County Community Development Program.

- **Implementing Organizations and Their Roles:**
  - Marquette County Community Development – is the eligible applicant for CDBG funds. Serving as grant administrator, they will implement the Community Development Program while adhering to project guideline and regulations.
  - Northern Michigan Bank – partners with the County for homeowner rehabilitation as a support funding option for homeowners.

**Marquette County Target Rehabilitation Areas**

- **Activity:**
  - Apply for funding to target rehabilitation areas in neighborhoods in the cities of Ishpeming and Negaunee that will act as a catalyst for other homeowners in the area.

- **Funding Sources:**
  - MSHDA – provide funding to select portions of a community to maximize impact of rehabilitation funds.
  - Owner contribution - homeowners pay a percentage of rehabilitation according to income.

- **Implementing Organizations and Their Roles:**
  - Marquette County Community Development – is the eligible applicant for additional MSHDA funding for target neighborhoods.
  - The Cities of Ishpeming and Negaunee – assists County with neighborhood selection and communications with homeowners.
**Activity:**
• Apply for funding to improve rental housing and rental units in targeted areas.

**Funding Sources:**
• MSHDA – provide funding to select portions of a community to maximize impact of rehabilitation funds.
• Landlord contribution - Landlords pay seventy-five percent of rehabilitation to rental units.
• Leveraging Agencies - Work with leveraging partners to maximize rehabilitation dollars.

**Implementing Organizations and Their Roles:**
• Marquette County Community Development – is the eligible applicant for additional MSHDA funding for target neighborhoods.

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**Activity:**
• Through their advisory capacity during local planning reviews – provide guidance to local units of government about the need for development of affordable housing near population centers, the need for households of all income levels at Sawyer, the need for safe, decent and affordable rental units, particularly in the City of Marquette but also in the City of Negaunee and Ishpeming. Advise local communities of potential housing program requirements so they have an opportunity to be prepared if funding becomes available.

**Funding Sources:**
• NA

**Implementing Organizations and Their Roles:**
• The Marquette County Planning Commission – reviews and makes recommendations to local units of government while performing statutory reviews of proposed rezonings, comprehensive plans and zoning ordinances.

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**Activity:**
• Work directly with MSHDA and local units of government to evaluate and define communities of choice.

**Funding Sources:**
• MSHDA

**Implementing Organizations and Their Roles:**
• Marquette County Community Development – is the eligible applicant for additional MSHDA funding for target neighborhoods.
• Local Units of Government
• Neighborhood Organizations