

Michigan's *First* Statewide Housing Plan

The Vision: Michigan's successful housing ecosystem provides safe, healthy, affordable, and attainable housing for all in a community of their choice.

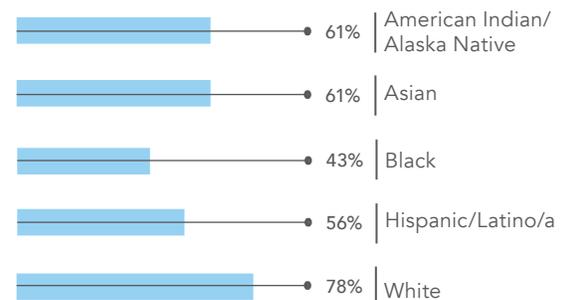
Michigan's housing market faces numerous longstanding inequities that make it difficult for all residents to obtain safe, healthy, affordable, and attainable housing. The COVID-19 pandemic amplified existing disparities in housing access as well as other indicators of health and quality of life. These disparities exist along geographic (urban, suburban, and rural) and social (race/ethnicity, age, income) dimensions throughout the state. To address these complex, interacting challenges in a coordinated manner that engages all stakeholders in the housing sector, our state needed a plan: Michigan's first statewide housing plan.

- Across Michigan, 1.5 million, or 38 percent of households struggle to afford the basic necessities of housing, child care, food, technology, health care and transportation.
- Homeownership and homelessness show significant disparities along racial lines. In 2019, 78% of Whites (non-Hispanic/Latino/a) owned their homes, compared to 43% of Blacks and 56% of Hispanic/Latinos/a, 61% of Asians, and 61% of American Indians/Alaska Natives. Among the state's homeless population, 52% are Black, despite being only 14% of Michigan's overall population.
- Housing affordability is a major barrier in Michigan. Before the pandemic, 48% of Michigan renters and 18% of homeowners paid too much for housing (over 30% of their income). This situation worsened after the pandemic.
- Between January 2013 and October 2021, the average sales price for a home in Michigan increased by 84%. During that same period, the asking rent for a Michigan apartment increased in price by 20%, with the highest increases registered in mid-market properties most likely to contain affordable units.
- Many users of Housing Choice Vouchers find that locating rental units where they can use their subsidy is very challenging. This is due to a relative lack of quality units for rent and a shortage of landlords who wish to participate in the program.
- According to U.S. Census Bureau research, throughout most of the pandemic, about 239,000 Michigan residents reported little or no confidence that they could make their rent or mortgage payments on time. About half of this group indicated that an eviction was very or somewhat likely.
- Michigan's housing stock is aging; 47% of all housing units in the state were built prior to 1970.
- Construction of new units is occurring at a much slower pace than normal. The average number of building permits is less than half of the state's pre-Great Recession levels.

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Homeownership Rates



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Strategic Direction

To address the issues above, Michigan needs to increase the supply of safe, healthy, affordable, and attainable housing while improving equity and racial justice throughout the housing sector.

To rectify longstanding historical patterns of racial discrimination and segregation in housing access, a strong and intentional focus on equity and racial justice is interwoven throughout the plan. The plan is human-centered, putting people at the core of its goals and strategies. It also recognizes housing as a social determinant of health and a key component of communities. Finally, the plan prioritizes the inclusion of many voices, especially those with lived expertise, in its development and implementation.

This work is too large and complex to be solved by one agency alone. A coordinated, data-driven and outcome-oriented effort by stakeholders across the housing sector is needed. This is the purpose of Michigan's first Statewide Housing Plan. By working in a coordinated fashion on the goals in the plan, housing partners can make more headway than they might independently.

One of the key tasks of the Statewide Housing Plan will be to strategically coordinate and leverage housing investment from a variety of sources, including federal and other funding sources. Governor Gretchen Whitmer has committed to supply the state with 75,000 new housing units in the next five years through a combination of public and private resources; the Statewide Housing Plan will provide guidance on how to carry out this commitment to maximum effect throughout the state.

The Michigan State Housing Development Authority (MSHDA), Michigan's state housing finance authority (HFA), launched and funded the process to develop the plan. Research and facilitation services are being provided by Public Policy Associates (PPA), a research and consulting firm.

Plan Development Process and Timeline

To ensure that the Statewide Housing Plan reflected the needs of all Michiganders—especially those who have historically been excluded from opportunities for safe and stable housing—it was essential that the planning process be grounded in research, with strong engagement from a wide variety of organizations and Michigan residents. Significant time and effort were required to ensure that equity and racial justice were appropriately addressed, that the voices of people with lived expertise were included, that no important inputs were missed, and that the plan included current knowledge of housing efforts in Michigan and across the country.

The process has included the following activities:

- A review of literature about national housing trends and innovations, as well as state and regional reports and plans, to provide insights for housing in Michigan.
- A review of 16 HFAs to increase understanding of how well Michigan is reflecting national trends and best practices, including interviewing leadership from those HFAs.
- Interviews with national housing experts.
- Meetings of a State Agency Group and a Partner Advisory Council (of stakeholder organizations) to help develop and refine plan elements.
- Interviews and focus groups with individuals with diverse lived experiences to learn their housing challenges and gather suggestions for housing system improvements.
- A public survey of over 6,500 homeowners, renters, potential homebuyers, and landlords throughout Michigan.
- Solution Workgroups with 16 different theme areas that intersect with housing (e.g., financial institutions, local government, families living in poverty), involving more than 300 participants.
- Engagement with partners and stakeholders of the Michigan Campaign to End Homelessness, including focus groups with individuals who have experienced homelessness.
- Participation in numerous meetings and presentations with other partners and public to share and gather information.
- Review of plan drafts by housing subject matter experts.

The planning began in August 2020 with research activities that continued into 2021. In February 2021, the Partner Advisory Council began meeting, and the State Agency Group began meeting in June 2021. Additional input gathering—including the public survey, interviews, workgroups, and discussions with those with lived expertise—occurred throughout 2021 and is ongoing. The plan is currently being drafted, reviewed, and refined.

The final plan is slated for release in early May 2022, in connection with the Building Michigan Communities Conference (May 3-4). For more information about the conference, please visit buildingmicommunities.org.

What To Expect in the Plan

The Statewide Housing Plan has a five-year time horizon and envisions that Michigan’s successful housing ecosystem provides safe, healthy, affordable, and attainable housing for all in a community of their choice. The plan is currently under development and subject to revision. However, the contents of the plan are expected to include the following:

1

An overview of the purpose and parameters of the plan.

2

The context that informs the plan, including historical housing inequities, the current housing ecosystem, and current housing needs, to demonstrate why the plan is needed.

3

Description of research and engagement activities that informed the planning process.

4

Description of the principles on which the plan is based (equity, inclusion, human-centeredness, housing as a social determinant of health, intersectionality of housing with other sectors, and community).

Priorities



Equity and Racial Justice



Preventing and Ending Homelessness



Older Adult Housing



Homeownership



Housing Ecosystem



Housing Stock



Rental Housing



Communication and Education

The Statewide Housing Plan is designed to complement and align with other state-level plans that intersect with the housing sphere. These include plans for the **Michigan Statewide Housing Needs Assessment**, the **MI New Economy**, the **Michigan Campaign to End Homelessness**, the Michigan Department of Health and Human Services – Social Determinants of Health Strategy, **Michigan Department of Labor and Economic Opportunity’s Poverty Task Force**, and others.

The plan will be used as an overarching guide for strategic investment in housing throughout the state. The priority areas, goals, and strategies will inform metrics, the creation of tactics and specific actions for housing investment, driven by data on where, how many, and what types of housing are needed.

Next Steps

Implementation planning is in progress and action on the plan’s goals and strategies will start upon its release. In addition, in Summer 2022, a series of informational meetings will be conducted across the state to introduce members of the public to the key elements of the Statewide Housing Plan.