

Ottawa County, Michigan Housing Needs Assessment

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1.0 Executive Summary

1.1 Introduction

It is the task of this Housing Needs Assessment to provide insight and guidance for the community and its residents and stakeholders, as it pertains to homeowner absenteeism (seasonality), foreclosures, migrant housing, housing affordability, and senior housing options.

This report provides historic and future projections of the overall market, economy, and housing conditions for four Quadrants, local municipalities, and Ottawa County. Below is a summary of our findings, followed by key recommendations for providing affordable housing and achieving balance in the market. This report can be used to market the housing needs of the county and will encourage further housing development.

1.2 Summary of Findings

In preparing this report, we have analyzed the county from a demographic, socio-economic, spatial, and governmental viewpoint. We have conducted this analysis by Quadrant when applicable, but also at the community level to gain better understanding of the local dynamics of the county. The key findings from this report are listed below (not in order of importance):

- The population in Ottawa County grew at nearly 3 times the rate of the State of Michigan from 2000 to 2006. The Southeast and Northeast Quadrants exceeded the growth rates for the county over the same period. Communities within these regions should begin taking measures for accommodating and managing this growth. See Section 4.3, “Population and Growth,” on page 18 for further details.
- The 2006 median age in the Ottawa County was well below the State of Michigan average at 33.0 and 37.2 respectively. For the Quadrants, the Northwest Quadrant had the highest median age at 39.0, while the Northeast Quadrant had the lowest at 27.5. The high median age in the Northwest Quadrant may indicate a demand for additional senior housing. In addition, the low median age in the Northeast Quadrant may be attributed to the prevalence of students at GVSU, and may indicate a demand for student housing. See Section 4.4, “Age,” on page 19 for further details.
- The 2006 median household income in Ottawa County was relatively high compared to the State. Spring Lake Village had the lowest median household income in the county for the same period. While the community has relatively few residents comparatively, it is important to note in terms of potential home values and opportunity. Similarly, Park Township had the highest median income in 2006. While

incomes are high, it will be important to measure housing affordability in this community. See Section 4.6, “Household Income,” on page 21 for further details.

- Multi-family housing should be considered for Blendon, Jamestown, and Olive Townships, as these communities had the largest average household size with approximately 3.3 persons per household in 2006. Alternatively, smaller single family units should be considered for the Cities of Ferrysburg and Grand Haven, and the Village of Spring Lake each having average household sizes of approximately 2.1 persons per household. See Section 4.8, “Average Household Size,” on page 22 for further details.
- A portion of the household growth in the Southeast and Northeast Quadrants of the county can be attributed to the success of local school districts. If this is correct, the county should anticipate the same type of growth in the Spring Lake market. See Section 5.3, “Local Public Schools,” on page 24 for further details.
- Grand Valley State University (GVSU) brings thousands of students into the market each year that need housing. Growth in the Allendale market can be a result of the market meeting student housing demands. Hope College has a fraction of the students as GVSU, however the same principle applies. Some of the demand for housing will be met on campus, but additional units may be needed to meet the needs. See Section 5.5, “Colleges and Universities,” on page 26 for further details.
- The majority of major employment is in the Holland/Zeeland market area. These jobs are primarily in the manufacturing industry. This is an indicator of the type, size, and price of housing that should be available in those markets. Also, as manufacturing jobs are replaced with service and retail industry jobs (following statewide trends), it will be important to provide housing to accommodate the change in salaries. See Section 5.8, “Labor Force and Employment,” on page 27 for further details.
- Nearly half of the residents in the City of Grand Haven also work in the City, indicating a demand for local housing options. Alternatively, only 7.8% of the labor force in Robinson Township actually lives there. The Township also has the second highest travel time to work, indicating a bedroom community and a potential demand for single family homes. See Section 5.12, “Commuting and Travel Time to Work,” on page 31 for further details.
- Shelter overburden is an issue in the Northwest Quadrant of Ottawa County, mainly among owner households with mortgages. The Village of Spring Lake, Crockery Township, and Spring Lake Township are in need of additional affordable housing units as these communities had the highest share of owner-occupied households with severe shelter overburden. Additionally, Zeeland Township and Olive Township should also work to provide truly affordable housing, as these two communities have inordinately high percentages of severely overburdened households. See Section 7.3 and Section 7.4 for further details.
- Based on the results of the supply-demand analysis, the Northwest Quadrant can support (absorb) up to 680 new owner-occupied units priced below \$125,000 through 2015. The Northeast Quadrant can support up to 440 new owner-occupied

units priced between \$80,000 and \$150,000. The Southwest Quadrant can support up to 940 new owner-occupied units priced below \$125,000. Lastly, the Southeast Quadrant can support up to 1,010 new owner-occupied units priced between \$80,000 and \$150,000. See Section 8.3, “Housing Opportunity,” on page 55 for further details.

- For renter-occupied units, the Northwest Quadrant can support up to 100 new renter-occupied units with rents below \$400. The Northeast Quadrant can support up to 90 new renter-occupied units with rents below \$500. The Southwest Quadrant can support up to 200 new renter-occupied units with rents below \$500. The Southeast Quadrant can support up to 160 renter-occupied units with rents below \$500. See Section 8.3, “Housing Opportunity,” on page 55 for further details.
- Local communities with inordinately low shares of renter-occupied units include Zeeland Township, Jamestown Township, Port Sheldon Township, and Robinson Township. This may indicate a pent up demand for renter-occupied units. See Section 6.5, “Housing Unit Tenure,” on page 35 for further details.
- The Southeast Quadrant has the lowest share (10.5%) of homes priced below \$100,000. This is relatively low when compared to the State average at 27.2%. This may indicate market capacity for low-income housing in this Quadrant. See Section 6.7, “Housing Value,” on page 36 for further details.
- A large share (19.6%) of the homes in the Northwest Quadrant were built prior to 1950. This may indicate support for rehabilitation of older homes in this sector of the market. See Section 6.9, “Housing Age,” on page 37 for further details.
- Seasonality is fairly moderate throughout the county. As to be expected, the number of seasonally vacant units increases sharply along the Lakeshore communities. The lone exception to the rule includes Blendon Township. All 17 of the vacant units in the township were reported as seasonal. This may be due to seasonal migrant housing. See Section 6.10, “Seasonality and Second Homes,” on page 37 for further details.
- Overall, housing construction and construction costs are down from previous years in Ottawa County. This tends to work in the community’s favor, as lower than average construction costs will equate to lower overhead for constructing low income housing. See Section 6.11, “Construction Analysis,” on page 38 for further details.
- The majority of for-sale houses in Ottawa County are priced between \$150,000 and \$199,999. and range in size between 1,000 and 2,000 square foot in size. These units tend to offer at least 2 bedrooms and 1.5 bathrooms. These results may indicate an oversupply of units in these ranges. See Section 6.12, “For-Sale Single-Family Housing,” on page 39 for further details.
- Foreclosures are a growing concern for communities everywhere. In Ottawa County, the Southwest Quadrant has the highest number of foreclosures. Within that Quadrant, the Holland market has the highest number of foreclosures. See Section 6.13, “Foreclosures,” on page 40 for further details.

- There appears to be a limited supply of senior family residential units that offer barrier free entry. This indicates possible market support for local communities to work with developers to create additional units to meet this apparent gap. See Section 6.16, “Senior Housing,” on page 43 for further details.
- In Ottawa County, a total of 2,365 rental units, or 14.2%, are affordable for the lowest income households (0 to 30% Area Median Family Income (AMFI)). Of the 66,942 total owned or for sale units recorded, the largest number (31,999 or 47.8%) are only affordable to those households that earn 80% or Higher AMFI. See Section 6.17, “Low Income Housing,” on page 44 for further details.
- There appears to be a gap in housing for migrant workers. A study conducted in 2006, suggests that there are over 6,000 migrant workers in Ottawa County, while the Michigan Department of Agriculture lists maximum occupancy of available units at 2,375. See Section 6.19, “Migrant Housing,” on page 49 for further details.

1.3 Recommendations

Based on current housing conditions, opportunities for new affordable housing, and a review of Ottawa County’s housing delivery system, we have formulated four recommendations, as detailed below:

1. Rehabilitate Existing Housing Stock
2. Encourage New Housing to Meet Specific Demands
3. Provide Avenues for Delivering Affordable Housing
4. Create Long-Term Affordability

Recommendation 1. Rehabilitate Existing Housing Stock

The national housing market is at a historic low in terms of home value appreciation. Many homes are in fact depreciating in value. As this occurs, homebuyers looking to trade up into a more sizeable home with more amenities, either stay in their current home rather than risk a loss in sale price. The trickle-down effect creates an oversupply of new homes that sit vacant due to low movership rates.

There is an abundance of housing stock in Ottawa County that can be rehabilitated to offer contemporary market amenities. Rehabilitating existing stock will create more starter homes and enable homebuyers to trade up while reducing oversupply in the market. Local municipalities should work with home owners and landlords to rehabilitate existing housing stock, with priority in the Western Quadrants, where there are the highest concentrations of older housing stock.

Recommendation 2. Encourage New Housing to Meet Specific Needs

While we do recommend rehabilitating some of the existing housing, we also recommend adding new housing to meet specific community needs. The specific needs are addressed below.

Owner-occupied housing. Based on the results of our comprehensive supply-demand analysis and fieldwork, Ottawa County can support up to 4,320 new owner-occupied housing units ranging in price between \$50,000 to \$300,000, in 2010. The lower-end units could be in the form of subsidized single-family units, or low-income multi-family units.

The Northwest Quadrant has market support for up to 1,000 new units by 2010, with 560 of those units priced below \$150,000. The Northeast Quadrant has a smaller number of households to absorb new units, so the Quadrant's market support is lower. The Northeast Quadrant can support up to 440 new units, of which 300 are priced below \$150,000.

The Southwest Quadrant has market support for up to 1,760 new owner-occupied units, 900 of which are priced below \$150,000. There is also support for up to 760 new homes in the Southeast Quadrant ranging in price between \$50,000 and \$150,000.

In terms of low-income housing, local municipalities or other local agencies, should consider subsidizing a portion of the downpayment. A local downpayment subsidy program could have a significant impact on local households seeking to purchase a home who would otherwise not qualify for a mortgage. Downpayments of \$5,000, \$7,500 or \$10,000 would increase the number of renters qualifying for a home mortgage by four percentage points, 11 percentage points and 17 percentage points, respectively.

Renter-occupied housing. Rental housing is an important housing option for many households that do not have the capability or interest in owning their own home. There is a strong separation between low-end and high-end rental market support in Ottawa County. The county has market capacity for up to 640 new rental units priced below \$500 a month. The county also has support for 440 units priced above \$1,000 a month. Again, the lower-end units could be in the form of subsidized single-family units, or low-income multi-family units.

Through 2010, the Northwest and Northeast Quadrant have market support for up to 100 new rental units each, for units priced under \$500 a month. The Southwest Quadrant has support for 130 rental units priced between \$300 and \$500 a month. There is also support in the Southeast Quadrant for up to 190 new rentals priced under \$500.

Senior Housing. There is market support for additional senior housing options in Ottawa County. The over-65 age demographic is increasing faster than all others in the county, yet housing availability is limited. Communities with waiting lists included Holland, Grand Haven, and Spring Lake. There were relatively few units available that were low-income or income based.

Local municipalities should work with developers and landlords to add age restricted housing to all of the Quadrants with particular focus on the Northwest Quadrant. This Quadrant has a growing concentration of individuals over the age of 55.

Shelters for the Homeless. There are few options for homeless men, women, and children outside of the Grand Haven and Holland communities. Local municipalities should prepare to work with community and non-profit organizations to provide additional shelter space to meet these needs.

In addition to the Homeless Management Information System, Ottawa County should also consider conducting a county-wide homeless study similar to the *Kent County Homeless Study*, which was conducted in 2000 by the Center for Community and Economic Development at Michigan State University.

Migrant Housing. There is an apparent gap in housing for migrant and seasonal workers in Ottawa County. According to a study conducted in 2006 by the Michigan Inter-agency Migrant Service Committee found that Ottawa County had 6,030 migrant and seasonal farm workers, the most in the State. The maximum occupancy for seasonal and migrant workers in Ottawa County was 2,375 at 60 licensed sites, as of 2006.¹

Local municipalities should work with the Department of Agriculture to determine whether or not licensing can be increased to accommodate the shortage. Communities could also work with organizations like Telamon Corporation to discover and better meet the needs of the migrant and seasonal labor community.

1. Based on licensing guidelines set by the Michigan Department of Agriculture Environmental Stewardship Division. An additional 84 units were considered vacant due to seasonal labor based on results of a Community Research Institute study conducted in 2006.

Recommendation 3. Provide Avenues for Delivering Affordable Housing

The need to engage and educate the community to create a more supportive environment for affordable housing, is of vital importance. This would include outreach efforts to elected officials, housing delivery participants, and the general public concerning the need for, and benefits of, affordable housing. Below are recommendations and strategies for providing avenues for delivering affordable housing in Ottawa County.

Ottawa County municipalities should perform a detailed audit of adopted zoning ordinance regulations to overcome barriers to affordable housing:

- Ensure that sufficient and suitable land is zoned to accommodate residential development at higher densities;
- Ensure that sufficient and suitable land is zoned to accommodate residential development other than single-family detached housing; and
- Remove restrictive dwelling unit requirements, for example, large floor area requirements, that inflate housing prices and prevent affordable units from being built.

Ottawa County municipalities should encourage the private sector to provide affordable housing within market-rate residential developments through techniques such as:

- Requiring a percentage of affordable units within market-rate developments;
- Offering density bonuses to projects that incorporate affordable housing; and
- Providing a fast track approval process for projects that incorporate affordable housing.

The Ottawa County Housing Commission, local municipalities, and non-profits should be organized, authorized, and empowered to undertake the follow tasks:

- Administer and fund county-wide or local down payment assistance programs for low- to moderate-income households looking to purchase a home;
- Administer and fund county-wide or local mortgage and rental assistance programs for low- to moderate-income households facing the potential of losing housing;
- Proactively seek funding assistance to support local non-profit and governmental affordable housing efforts;
- Create a comprehensive “one-stop” brochure of the housing programs currently being offered within the county; and
- Offer informational housing assistance workshops to homeowners (i.e., how to buy a home, predatory lending, and foreclosure prevention).

Recommendation 4. Create Lasting Affordability

Given the importance of adding new units and preparing to deliver affordable housing, it is crucial for the county to establish long-term measures to ensure housing affordability for years to come. The following tools should be a part of the county's affordable housing efforts.

Community Land Trusts. A community land trust is a private non-profit corporation created to acquire and hold land for the benefit of a community and provide secure affordable access to land and housing for community residents. In particular, CLTs attempt to meet the needs of residents least served by the prevailing market.² As developable land becomes more scarce in areas like Grand Haven, Holland, and Hudsonville, it will be more difficult to maintain sustainable property values. Communities within the county should work with neighborhood associations and local lending institutions to establish community land trusts.

CLTs have in place "limited equity" policies and formulas that restrict the resale price of the housing in order to maintain its long-term affordability. The land trusts will help communities in Ottawa County to:

- Maintain property that is truly affordable to residents of the community;
- Gain control over local land use and reduce absentee ownership;
- Provide housing for lower income residents in the community;
- Keep housing affordable for future residents;
- Capture the value of public investment for long-term community benefit; and
- Build a strong base for community action.

Housing Cooperatives. Housing Cooperatives are a type of owner-occupied housing option, where individuals purchase shares in the overall "corporation" of the development. Because the units are essentially leased, Housing Choice Vouchers are available to income qualified households.

Affordability of individual units is ensured by a price restriction on the sale of shares in the corporation, and theoretically remaining affordable. Housing options are most commonly multi-family condominium style, but can vary from apartment style to detached single-family. Housing Cooperatives were mentioned during the public meetings as an overlooked housing option in Ottawa County, that works most effectively for individuals on a long-term fixed income, like senior citizens and college students.

2. Definition provided by the Institute for Community Economics (www.iceclt.org).

County Land Bank. Recognizing that there are relatively few tax reverted properties in the county compared to comparable jurisdictions, the County should consider establishing a land bank authority as a proactive approach. The State of Michigan enacted enabling legislation to give authority to units of government to create a streamlined system for returning tax-reverted properties to the market. This program will allow Ottawa County to manage tax reverted and foreclosed properties and promote affordability in the community.

1.4 About the Authors

Anderson Economic Group, LLC (AEG) and Wade Trim are professional consulting firms with combined expertise in economics, geography, real estate research, market research, public policy, urban planning, civil engineering, and related city services. Our work in these fields is based on our core values of professionalism, integrity and expertise. For information about our firms and biographical sketches of the authors, visit www.AndersonEconomicGroup.com or www.WadeTrim.com.

1.5 Disclaimer and Cautions

The findings and recommendations of this research effort were based on the assumptions and expertise of the authors. We collected and utilized various data and resources, which we deem reliable. Every reasonable effort has been made to ensure that the referenced data reflect the most accurate and timely information possible. No warranty or representation is made by the consultants regarding the potential success of projects that may result from the information included in this report.

~ END OF EXECUTIVE SUMMARY ~

2.0 Introduction

Access to quality affordable housing is integral and vital to us all. Most often, this is made possible with the help of volunteers, community leaders, partnerships, organizations, foundations, and corporate support. These collaborations also help to provide access to employment and employment assistance, that are crucial to building a foundation to maintain a quality of life.

This report includes terms used in the housing industry that can often intimidate readers that are unfamiliar or experienced with the subject. Because of this, we have made every effort to define industry specific terms in Section 13.0, “Glossary of Terms,” on page 90.

2.1 *Project Overview*

We have prepared a Housing Needs Assessment for Ottawa County to address the issues described above and to provide a tool that will allow the county to improve the housing options for its communities and the region. The findings and recommendations of this study should be used to market to non-profit and for-profit developers to encourage the development of housing that fits the unmet demand.

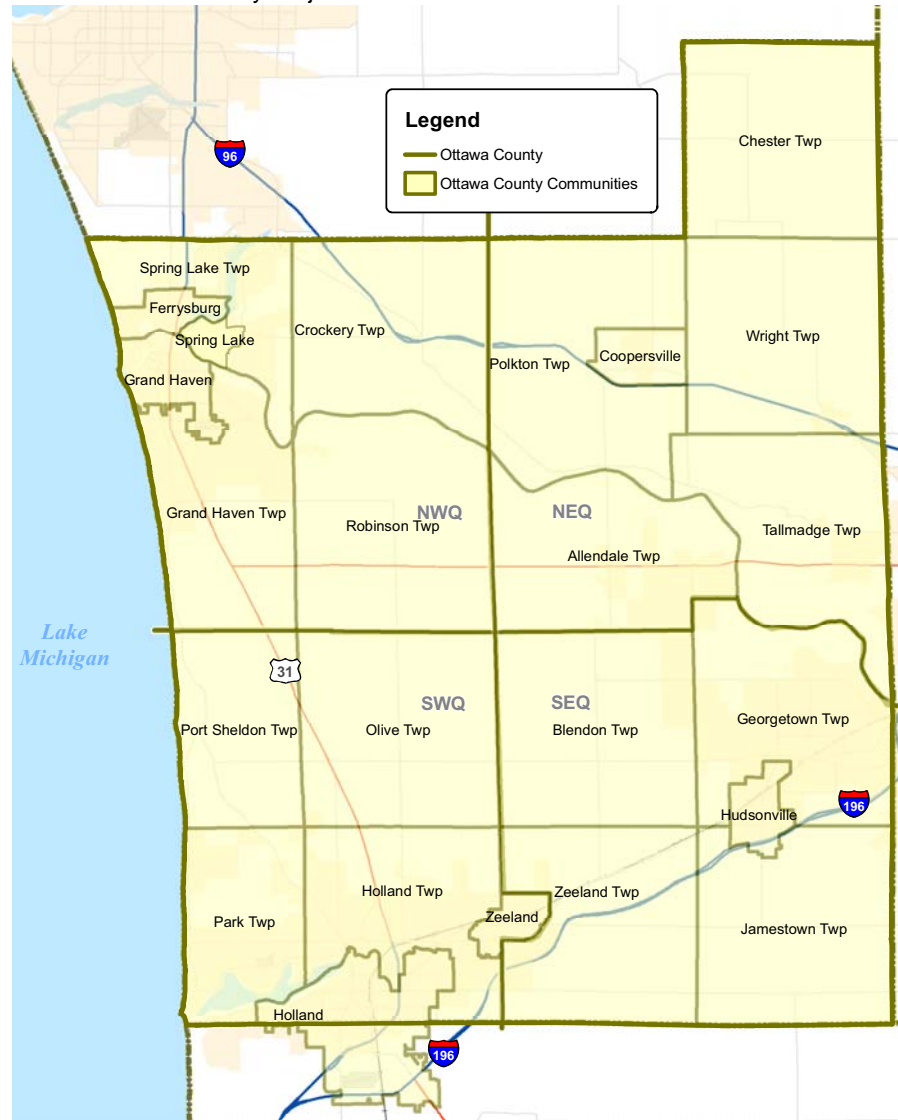
We have developed key strategies and recommendations for guiding and achieving local, regional, and countywide initiatives. The project scope involves a number of elements that are integral to completing this comprehensive strategy. Our work addressed, but was not necessarily limited to the following:

- An economic overview of the county;
- The resident perception of safety, housing quality, access to affordable housing and shelter, employment, and overall community climate;
- The current and projected supply and demand for single and multi-family affordable and market-rate housing types in Ottawa County;
- The potential market for additional shelter space and special needs housing;
- Governmental policies regarding affordable and special needs housing, to include infrastructure;
- An implementation plan for delivering homes and shelters throughout Ottawa County.

2.2 Project Area Description

The county was divided into 4 Quadrants based on previous work done with the United Way, and this is also the manner in which the units of government are typically divided for county-wide projects. Our work tasks focused on the communities first while summarizing results at the Quadrant level (when applicable). Exhibit 1 illustrates the project area, to include the Quadrants and the local communities.

Exhibit 1. Ottawa County Project Area and Four Quadrants



Source: Anderson Economic Group, LLC 2007.

3.0 Methodology and Approach

With respect to the size of this report, we have separated out the majority of the exhibits and attached them as an appendix. The appendix provides detailed tables, maps, and charts to better illustrate the results and make comparisons between geographies.

To complete this Housing Needs Assessment, we utilized several local and federal agencies, as well as private vendor data. We also relied on our professional judgement, site visits, market tours; and our experience with similar projects throughout the nation.

Summaries are provided for select sections of this report allowing the reader to absorb the most vital information without having to read the entire report. Our qualitative and quantitative approach is outlined in the following sections.

3.1 Quantitative Analysis

Our quantitative analysis began with an assessment of the 1990 and 2000 Census, and 2006 and 2011 vendor data provided by ESRI, Inc. Adjustments were made to reflect local-level population projections, building permit data, recent economic events and other market indices. Demographic and socio-economic data was compiled using our Geographic Information Systems (GIS), allowing us to aggregate the data for specific geographic areas including the project's 4 Quadrants.

Utilizing this approach, we were able to present the data through maps, and correlate different variables with each other. The analysis begins at a broad county level and drills down to the Quadrant level, followed by the local community.

3.1.1 Market Overview

We began our analysis with a Market Overview. This allowed us to determine the unique characteristics of each community and Quadrant based on key demographic and socio-economic variables. The results were compared for the Four Quadrants, as well as Ottawa, Kent, Muskegon, and Allegan Counties, and the State of Michigan. These geographic comparisons were made to discover any anomalies in the data. Key variables reviewed included:

- Population and Households;
- Income; and
- Age.

3.1.2 Economic Overview

We have conducted an economic overview to better understand the economic factors of each community, Quadrant (when applicable), and the county. The data used in this analysis was collected from a number of sources, including the Bureau of Labor Statistics, the US Census Bureau, and the Bureau of Economic Analysis. In our economic analysis we:

- Identified employment by industry and occupation;
- Conducted a commuter analysis to determine which jurisdictions Ottawa County residents are commuting to work, as well as the average travel time to work; and
- Analyzed current and projected employment conditions for Ottawa County, compared to the State of Michigan.

3.1.3 Housing Conditions

To complete the Housing Condition Analysis, we relied on the data collected from field visits and in-house research, which included projections of home values, monthly rents, vacancy rates, seasonality, total housing units, appreciation, and housing units by tenure (owner vs. renter) for both single-family units and multi-family units. We have also provided projections of housing supply through 2020, to include 2006 and 2011 benchmarks.

Our analysis also compared for-sale units by price, price per square foot, price per square foot by size, and number of bedrooms and bathrooms by size. We summarized building permit activity, and average construction costs per unit in Ottawa County. We also identified the amount of housing currently available to households at 0-30%, 30-50%, 50-80% and 80% or higher of the area median family income (AMFI).

3.1.4 Residential Supply-Demand Analysis

As a final step in our quantitative analysis, we conducted a rigorous supply-demand analysis for both owner and renter-occupied housing. Results of the supply-demand analysis revealed the total “gap” in the market for residential uses. We then determined the share of housing units that the community (Quadrant) can support, assuming a 0% (zero) vacancy rate for both renter and owner-occupied housing units over the next 5 years, and out to 2015 and 2020. Finally, we qualify these results by identifying supportable housing by scale, format and housing types for low, moderate, and high income housing in Ottawa County.

3.2 *Qualitative Analysis*

An important element of our approach included community involvement and public participation. This was necessary to build community support and to truly measure the community perceptions. Our public input process was designed to qualify the analytic results and to better understand the true wants and needs from the residents' perspective. The results of the community meetings and housing needs survey can be found in Section 12.0, "Community Input," on page 80.

3.2.1 **Community Meetings**

With the assistance of the City of Grand Haven and Ottawa County, we invited building managers, complex directors, employers, homeless shelter managers, city missions, activists, public officials, and other community stakeholders to engage a brief discussion regarding the local housing and economic perceptions.

A total of four community meetings were held in a centralized area, within the four Quadrants of Ottawa County, during the month of October. The community meetings involved dialogue and print materials, in a focused discussion format. The goal of these meetings was to identify local housing priorities, and the overall needs and service areas that would effect that local community (Quadrant). The meetings were moderated by Jeffrey Smith and Lauren Hathaway from AEG.

3.2.2 **Housing Needs Survey**

The Housing Needs Survey was sent to community stakeholders, merchants, employers, residents, housing commissions, and volunteer organizations to gain insight into perceptions of the community housing climate and local economic conditions. After all of the surveys were collected, we reviewed, tabulated, and charted the results with a series of histograms, and summarized the responses. Responses to the survey allowed us to identify any issues related to the potential and future welfare of housing and access to employment in the county, and provided a foundation on which to build our additional research and ultimately, our recommendations.

3.3 *Government and Policy Issues*

For this Housing Needs Assessment, Wade Trim identified government and policy issues impacting the availability and quality of housing in the county. As part of this study, Wade Trim addressed the following items:

- The impact of zoning regulations on affordable housing
- The amount of subsidy needed to make housing affordable

- Implementation strategies for improving the current housing conditions
- The importance of keeping home-ownership at a 60% level
- Identification of factors that keep the local housing market from meeting local needs
- Analysis of public lands to decide whether they should be released for affordable to moderate housing
- The additional infrastructure needed to make additional land ready for the development of housing
- The location of potential housing developments

3.4 *Housing Delivery System*

Wade Trim also identified the optimal system for producing new residential units and shelters for residents. For this portion of the study, Wade Trim addressed:

- Local Non-Profit Organizations Producing Housing
- Public Housing Commissions
- Emergency Shelter
- Group Home Operators
- Private Developers
- Government Entities, i.e. Local, County, and State

This information enabled the consultant team to provide delivery system recommendations by housing type, and determine which of those providers would be best suited to meet future housing demands based upon their role in the marketplace, capacity to meet projected needs given their current obligations, and funding availability.

Candidate housing providers (active or not participating in local housing construction) were identified by organizational type (public, private, non-profit, etc.), and their traditional role in the housing marketplace. Funding mechanisms available to meet projected needs were examined to determine sponsor participation requirements, and funding levels.

Local public and non-profit housing providers active in the marketplace were interviewed to determine projects which are planned, but not yet built, and to assess their capacity to undertake new initiatives. Lastly, local housing developers were interviewed to document their ability to satisfy supply requirements, given their current commitments or assessments of risk.

3.5 *Strategy and Land Use Assessment*

During the early stages of the work, a top-line inventory of land uses throughout Ottawa County was conducted. The inventory consisted of existing and planned uses that may have a positive or negative impact on other land uses in the county.

Based on this inventory, and the projections for growth, we developed strategies for specific development opportunities with a focus on market-rate, special needs, work-force, and senior housing. The strategies include detailed recommendations for potential new employment opportunities, site selection analyses concerning housing, and economic development.

4.0 Market Overview

4.1 Introduction

We have analyzed population and household characteristics to better determine the demographic and socio-economic makeup of the county, as well as to determine the potential demand for housing. The complete data for this analysis can be found in Appendix B. Some indicators weigh more heavily than others, but all are key for determining the overall need for additional housing in Ottawa County.

Evaluating *Population and Growth* helps communities to understand where the market is growing or declining and by how much, in turn allowing communities to make informed decisions on how best to provide for their residents. Analyzing *Age* provides insight into demand for age specific housing.

Per Capita Income and *Household Income* measure the incomes of individuals and households within a community. This statistical measure combined with other income variables, helps to determine the overall demand for housing and at which price points. Generally, lower income households tend to purchase lower valued homes and vice-versa.

Most frequently, households tend to buy houses instead of individuals, and household size provides occupancy averages. Evaluating *Households* and *Household Size* provides a true measure of housing need. Households are measured in addition to population due to the fact that growth trends in one, do not necessarily correlate, or translate, directly to the other.

4.2 Section Summary

The population in Ottawa County grew at nearly 3 times the rate of the State of Michigan from 2000 to 2006. The Southeast and Northeast Quadrants exceeded the growth rates for the county over the same period. Communities within these regions should begin taking measures for accommodating and managing this growth.

The 2006 median age in Ottawa County was well below the State of Michigan average at 33.0 and 37.2 respectively. For the Quadrants, the Northwest Quadrant had the highest median age at 39.0, while the Northeast Quadrant had the lowest at 27.5. The high median age in the Northwest Quadrant may indicate a demand for additional senior housing. In addition, the low median age in the Northeast Quadrant may be attributed to the prevalence of students at GVSU, and may indicate a demand for student housing.

The 2006 median household income in Ottawa County was relatively high compared to the State. Spring Lake Village had the lowest median household income in the county for the same period. While the community has relatively few residents comparatively, it is important to note in terms of potential home values and opportunity. Similarly, Park Township had the highest median income in 2006. While incomes are high, it will be important to measure housing affordability in this community.

Multi-family housing should be considered for Blendon, Jamestown, and Olive Townships, as these communities had the largest average household size with approximately 3.3 persons per household in 2006. Alternatively, smaller single family units should be considered for the Cities of Ferrysburg and Grand Haven, and the Village of Spring Lake with each having average household sizes of approximately 2.1 persons per household.

4.3 *Population and Growth*

As of the 2000 Census, a total of 238,314 persons resided in Ottawa County. This reflects growth of 26.9% (2.4% compounded annually) from its 1990 population of 187,768. During the same period, the State of Michigan grew by about one quarter of that rate, increasing from 9,295,297 to 9,938,444. According to ESRI, Inc., the county's population was 263,966 in 2006. This reflects a compound annual growth of 1.7%.

The compound annual growth rate from 2006 to 2011 is expected to be 1.5% for Ottawa County and 0.6% for the State of Michigan. Although Ottawa County has gained population, and is expected to continue to gain at a faster rate than Michigan, its rate of growth is *decreasing* (2.4% from 1990 to 2000, 1.7% from 2000 to 2006, and an expected 1.5% from 2006 to 2011).

As of 2000, 96,509 persons resided in the Southwest Quadrant of Ottawa County. This is the most populated Quadrant, and it experienced the highest compound annual growth rate from 1990-2000 with 2.8%. With 105,399 persons in 2006, it experienced a lower compound annual growth rate, 1.5% from 2000 to 2006.

Although each of the Quadrants experienced lower growth rates from 2000-2006 as compared to 1990-2000, the Southwest Quadrant experienced the largest drop from 2.8% to 1.5%, and it went from having growth above the county average to having growth below the county average (2.8% compared to county average of 2.4% from 1990-2000, and 1.5% compared to the county average of 1.7% for 2000-2006). The compound annual growth rate for 2006-2011 is expected to remain fairly constant at 1.4%.

As of 2000, the next largest Quadrant was the Southeast Quadrant with 67,214 persons, followed by the Northwest Quadrant with 49,996 persons, and the Northeast Quadrant with 31,769 persons. The Quadrants experienced the following compound annual growth rates between 1990-2000: Southeast Quadrant (2.6%), Northwest Quadrant (1.6%), and the Northeast Quadrant (2.2%).

Growth in these Quadrants remained fairly constant between 2000 and 2006 with the following growth rates: Southeast Quadrant (2.1%), Northwest Quadrant (1.4%), and the Northeast Quadrant (2.0%). The expected compound annual growth rate for 2006-2011 is expected to decrease for all of the Quadrants, especially the Southeast and Northeast Quadrants. However, the Southeast Quadrant is still expected to have above average population growth, as compared to the overall county, from 2006-2011. Expected compound annual growth in these Quadrants between 2006 and 2011 are as follows: Southeast Quadrant (1.7%), Northwest Quadrant (1.3%), and the Northeast Quadrant (1.5%).

The two largest communities in terms of population are Georgetown Township with 41,658 persons in 2000 and Holland City with 35,020 persons in 2000. However, the growth rate for these two civil divisions are at or below the county average from 2000 to 2006 and 2006 to 2011. From 2000 to 2006, Georgetown Township and Holland City had compound annual growth rates of 1.8% and 0.5%, respectively. The fastest growing areas, from 2000 to 2006, were Zeeland Township (3.9%), Jamestown Township (3.8%), Allendale Township (3.4% annual growth), and Holland Township (3.0% annual growth); (see Appendix B-1).

4.4 Age

The median age in Ottawa County in 2000 was 32.2 years, as Michigan's median age was 35.5 years. The county's median age has risen from 1990 when it was 30.3 years; Michigan's has also risen from 32.6 years in 1990. The county and Michigan's median ages also rose in 2006 to 33.0 and 37.2 years, respectively. In 2006, about 50% of the county's population was between the age of 20 to 54, 30% was under the age of 20, and 20% was 55 and over. From 2000 to 2006, the age bracket of 55 and over grew at 3.6% annually, the age bracket of 20 to 54 grew at 1.7% annually, and 19 and under grew at 0.7% annually.

The Quadrants had similar proportions of each age bracket as Ottawa County in 2006. The Northwest Quadrant had a slightly higher percentage of 55 and older persons (24% compared to the county's 20%), which was offset by a lower 19 and under percentage (27% versus 31% for the county).

The Northeast Quadrant had the lowest percentage of 55 and older persons (16%), offset by a higher percentage of 19 and under (33%). Each of the Quadrants experienced its largest growth from 2000 to 2006 in the 55 and over age bracket, with the Southeast Quadrant having the largest annual growth in that segment with 4.7% from 2000 to 2006.

The Northeast Quadrant had the largest growth in the 20 to 54 age bracket with 2.6% annual growth. The Southwest Quadrant had the largest growth in the under 20 age bracket with 0.9% per year. In 2006, Allendale Township and Olive Township had the lowest percentage of their population in the 55 and over age bracket with 9% and 12%, respectively. Spring Lake Village, Ferrysburg, and Grand Haven had the highest concentration of individuals in the 55 and over age bracket with 33%, 32%, and 29% respectively.

Zeeland Township and Allendale Township had the highest percentage of 19 and under individuals with 35% and 38%, respectively, and Grand Haven and Ferrysburg had the lowest with 22% and 23%, respectively. From 2000 to 2006, every community experienced greater growth in the 55 and over age bracket as compared to the other two age brackets (see Appendix B-2).

4.5 *Per Capita Income*

According to the 2000 Census, per capita income for Ottawa County for 1999 was \$21,676, about 2.5% lower than the State average of \$22,168. Between 1999 and 2006, per capita income grew 3.5% (compounded annually) compared to 3.2% for the State. The county's per capita income was \$27,494 compared to \$27,724 for the State.

In 1999 and 2006, the Northwest Quadrant had the highest per capita income at \$24,409 and \$30,896, respectively. The Northeast Quadrant had the lowest per capita income with \$18,619 in 1999 and \$23,550 in 2006. Growth for all four Quadrants from 1999 to 2006 was consistent at 3.4% to 3.5%.

Ferrysburg City and Park Township had the highest per capita incomes in 2006, with \$39,558 and \$35,106, respectively. Allendale, Robinson, Wright, and Zeeland Townships had the lowest per capita incomes. Allendale Township and Holland Township had the highest growth in per capita income between 1999 and 2006, with 5.1% and 4.1%, respectively (see Appendix B-4).

4.6 Household Income

The median household income in Ottawa County has been increasing steadily from 2000 to 2006 at 3.4%, increasing from \$52,536 in 2000 to \$64,215 in 2006. More than half (54.7%) of the county's households are earning \$60,000 or more. This is relatively high compared to the State average, where 45.2% of the households are earning \$60,000 or more.

As of 2006, the Southeast Quadrant has the highest median household income of the four Quadrants, at \$69,619, with a growth rate of 3.4% from 2000 to 2006. The Southwest Quadrant has the highest growth rate of the four Quadrants at 3.6%, through the same period. The Southeast Quadrant also has the highest share of households earning \$60,000 or more. Conversely, the Northeast Quadrant has the highest share of households earning \$30,000 or less.

At the community level, Park Township has the highest median household income at \$81,133. Estimates for 2011 project Park Township's median household income at \$96,891. Communities with 2000 to 2006 growth rates of 3.5% or more include Port Sheldon Township (3.5%), Hudsonville (3.5%), Coopersville (3.6%), Georgetown Township (3.7%), Allendale Township (3.8%), and Grand Haven Township (4.0%), and Holland Township (4.4%); (see Appendix B-5 and B-10).

4.7 Households

In 2000, there were 81,662 households in Ottawa County. In 2006, there were 92,312, representing an annual compound growth rate of 2.1%. From 2000 to 2006, the number of households in Michigan grew by 0.8%.

The Southwest Quadrant had 36,871 households in 2006, followed by the Southeast (25,929), the Northwest (21,491), and the Northeast (11,012). The Northeast and Southeast Quadrants experienced annual growth of 2.5% between 2000 and 2006, the Northwest and Southwest had lower growth in households at 1.8%.

The communities with the greatest annual growth in households between 2000 and 2006 were: Allendale Township (4.1%), Jamestown Township (4.2%), and Zeeland Township (4.3%). Chester Township, Crockery Township, Holland City, Olive Township, and the Village of Spring Lake each had annual growth in the number of households of less than 1% (see Appendix B-3).

4.8 *Average Household Size*

The average household size for Ottawa County was consistent at 2.8 persons in 2000 and 2006. Michigan's average household size decreased from 2.6 persons in 2000 to 2.5 persons in 2006.

The Northeast and Southeast Quadrants each decreased from 3.0 persons in 2000 to 2.9 persons in 2006. The Northwest Quadrant remained constant at 2.5 persons per household between 2000 and 2006, and the Southwest Quadrant decreased from 2.8 to 2.7 persons per household.

Blendon, Jamestown, and Olive Townships had the largest average household size with approximately 3.3 persons per household in 2006. Ferrysburg, Grand Haven, and the Village of Spring Lake had the smallest household size with approximately 2.1 persons per household each (see Appendix B-3).

5.0 Economic Analysis

5.1 Introduction

We have analyzed the local economy to determine the overall viability for housing and to examine key indicators of the overall health of Ottawa County. Quality schools, access to institutes of higher learning, hospitals (accessibility to jobs and personal health), and employment options, influence the overall demand for housing and housing types.

Recognizing that many factors play into a school's desirability or lack thereof, for this report, school performance was measured to determine the overall quality of *Public Schools*. In addition, the expansive *Private School* system in Ottawa County plays a role in the desirability (demand) of housing in local communities.

Colleges and Universities play a large role in the housing arena. For instance, a higher than normal rental occupancy rate can be explained quickly by existence of a College or a University in a market, as well as a high seasonal vacancy rate.

Housing demand increases as access and proximity to *Medical Facilities* and *Major Employers* increase, as potential homeowners and renters are looking for both jobs and access to convenient healthcare.

The local *Labor Force* and *Unemployment* are key to determining the stability of a housing market. As unemployment and labor force rise, home values and rental rates tend to fall, in turn decreasing demand for housing.

Employment by Industry Sector and *Occupation* help communities to determine the appropriate home values and rent ranges based on average wages earned by industry or occupation. Evaluating the types of jobs provided in a community allows for more targeted and ultimately attainable development of housing needed.

Analyzing *Commuting and Travel Time to Work* helps communities plan future housing development through commuting patterns. Ultimately, the demand for housing in these commuter communities rises with the increase in employment opportunities.

5.2 Section Summary

A portion of the household growth in the Southeast and Northeast Quadrants of the county can be attributed to the success of school districts in these Quadrants. If this is correct, the county should anticipate the same type of demand in the Spring Lake market.

Grand Valley State University (GVSU) brings thousands of students into the market each year that need housing. Growth in the Allendale market can be a result of the market meeting student housing demands. Hope College has a fraction of the students of GVSU, however the same principle applies. Some of the demand for housing will be met on campus, but additional units may be needed to meet the needs.

The majority of major employers are in the Holland/Zeeland market area. These jobs are primarily in the manufacturing industry. This is an indicator of the type, size, and price of housing that should be available in those markets. Also, as manufacturing jobs are replaced with service and retail industry jobs (following statewide trends), it will be important to provide housing to accommodate the change in salaries.

Average salaries in the Holland - Grand Haven MSA are lower in construction, extraction, and maintenance occupations compared to sales and service. Two communities in particular, Robinson Township and Olive Township, have higher than 40% occupation in blue-collar jobs.

Nearly half of the residents in the City of Grand Haven also work in the City, indicating a demand for local housing options. Alternatively, only 7.8% of the labor force in Robinson Township actually live there. The Township also has the second highest travel time to work, indicating a bedroom community and a potential demand for single-family homes.

5.3 Local Public Schools

There are over 40,000 students enrolled in public schools within the Ottawa Area Intermediate School District (OAISD). There are 11 public high schools and 4 alternative education high schools. Table 1 lists the schools in the OAISD along with 2006 reading and math State proficiency scores.

According to Standard & Poor's State Education Data Center (SEDC), students from all but one of the 11 school districts in 2006 performed at or above the State averages in reading and math proficiency. It is worth noting that the 2006 proficiency scores for reading in the State of Michigan and Ottawa County were 78.3% and 85.1% respectively, and the math proficiency scores were 68.8% and 80.0% respectively.

These State test results show how well students have mastered reading and math skills in comparison to State standards. However, State test results alone do not convey a complete picture of academic achievement, and should be measured with other performance and demographic information. These test results only show a snapshot of school performance, and do not reflect whether a school is improving or worsening over time.

TABLE 1. State Reading and Math Test Scores - 2006

School District / Geography	Reading Proficiency (%)	Math Proficiency (%)
<i>State of Michigan</i>	78.3	68.8
<i>Ottawa County</i>	85.1	80.0
Allendale Public Schools	87.0	79.7
Coopersville Public Schools	83.6	76.9
Grand Haven Area Public Schools	89.1	82.8
Hamilton Community Schools	87.6	85.8
Holland Public Schools	77.0	64.8
Hudsonville Public Schools	90.4	89.8
Jenison Public Schools	88.7	85.2
Saugatuck Public Schools	90.0	80.7
Spring Lake Public Schools	95.5	90.8
West Ottawa Public Schools District	78.4	76.1
Zeeland Public Schools	85.2	78.6
<i>School districts within Ottawa County but not in the Ottawa Area ISD</i>		
Fruitport Public Schools	78.8	64.1
Grandville Public Schools	88.7	83.0
Kenowa Hills Public Schools	81.1	69.7
Kent City Public Schools	79.3	72.7
Ravenna Public Schools	81.8	75.5
Sparta Public Schools	83.5	71.5
<i>Source: Standard & Poor's State Education Data Center (www.schooldatadirect.org)</i>		

5.4 Local Private Schools

Religion plays an important role in the lives of many Ottawa County residents, and this affects the choices they make in where they live, how they spend their money, and how they allocate their time. It is also evidenced by the size and strength of Christian schools in the area.

A group of settlers moved to Ottawa County from the Netherlands in the 1850's and founded the City of Holland. These newcomers brought with them their Dutch heritage, but also their deep faith and commitment to Christian education.

Today, the legacy of their efforts can be observed by the Christian school systems that succeed through the generous volunteer efforts and financial contributions by parents and the church community. Table 2 provides a list of private schools in Ottawa County.

TABLE 2. Private Schools in Ottawa County

Allendale Christian School	Holland Christian Schools	South Olive Christian School
Beaverdam Christian School	Holland Seventh Day Adv. School	St. John's Lutheran School
Borculo Christian School	Hudsonville Christian Schools	St. Joseph's School
Calvary Schools of Holland	Hudsonville Unity Christian	St. Mary's School
Corpus Christi Catholic School	Jenison Christian School	St. Michael's School
Daystar Christian Academy	Lakeshore Baptist Academy	Trinity Lutheran School
Freedom Baptist Schools	Lakeside Montessori	Unity Christian High Schools
Grand Haven Christian School	Lamont Christian School	Zeeland Christian Schools
Grand Haven Seventh Day Adv. School	Learning Tree Montessori	
Heritage Christian School	Rose Park Christian School	
<i>Source: Private School Report (www.privateschoolsreport) and Ottawa Area ISD (www.oaisd.org).</i>		

5.5 Colleges and Universities

Ottawa County is home to Grand Valley State University in Allendale and Hope College in Holland. Grand Valley State University (GVSU), established in 1960, is a four-year public university offering over 200 areas of study, including 69 undergraduate programs and 26 graduate programs. The campus has over 23,000 students in the residential main campus and urban campus in Grand Rapids.

Hope College is a private, undergraduate college affiliated with the Reformed Church of America. It is the only private, four-year, liberal arts college in the United States with national accreditation in art, dance, music and theatre. With approximately 3,200 students and 89 majors, Hope College educates students from all over the United States and Abroad.

5.6 Medical Facilities

Healthcare plays a large role in Ottawa County's economy. The market is served by three major hospitals and healthcare facilities including Holland Hospital, Zeeland Community Hospital, and North Ottawa Community Health System.

Holland Hospital is a 178-bed, non-profit, general medical and surgical hospital located in Holland. Zeeland Community Hospital is a 57-bed, non-profit hospital located in Zeeland. North Ottawa Community Hospital (NOCH) is an 81-bed acute care hospital located in Grand Haven.

5.7 Major Employers

Ottawa County is rich with major employers. Employment opportunities include leading manufacturers, medical providers, and higher education. The county has a diverse and growing economic base with opportunities for workforce development at leading institutions. Clearly the Southwest Quadrant has the largest employers in terms of number of employees. Countywide, the top 14 employers fill over 20,000 positions, as shown in Table 3.

TABLE 3. Major Employers in Ottawa County - Minimum 500 Employees

Employer Name	Community	Category	Number of Employees
Herman Miller Inc.	Zeeland	Furniture Manufacturing	5,920
Johnson Controls Inc.	Holland	Auto Manufacturing	3,250
Gentex Corporation	Zeeland	Auto Manufacturing	2,186
Grand Valley State University	Allendale	Higher Education	2,093
Haworth Inc.	Holland	Furniture Manufacturing	1,900
Holland Community Hospital	Holland	Healthcare	1,585
Magna Donnelly	Holland	Auto Manufacturing	1,450
Ottawa County	Ottawa County	Municipal / Government	1,184
Sara Lee Corporation	Zeeland	Food Processing	1,050
Hope College	Holland	Higher Education	755
Tiara Yachts Inc.	Holland	Marine Equipment and Sales	700
Royal Plastics, Inc.	Hudsonville	Plastics Manufacturing	700
ODL Inc.	Zeeland	Auto Manufacturing	566
Boar's Head Provisions Co., Inc.	Holland	Food Processing	540
Hart & Cooley Inc.	Holland	HVAC Manufacturing	500

Source: Right Place, Inc. and Ottawa County Department of Human Resources.

5.8 Labor Force and Employment

The county's labor force reached its trailing decade high of 140,750 in 1999 then fell 7% to 130,692 in 2002. Through 2006, the labor force has grown by 8% to 138,851. At this level, the labor force is only 1% off the 1999 high. Compared to the 1996 labor force of 124,889, the county labor force has grown by 11% to its 2006 level.

The statewide labor force lagged the changes the county saw. The State labor force reached its trailing decade high of 5.1 million in 2000 and again in 2001. Like the county, the State labor force fell in 2002 to 5.0 million. Through 2006, the State labor force grew 1%, approaching the levels of 2000 and 2001. Compared to 1996, however, the State labor force has fallen 4%.

The county's employment also reached its trailing decade high of 137,375 in 1999 then fell to 123,656 in 2002 as shown in Table 4. Through 2006, employment has grown 6% to 131,564, also only 1% off the 1999 trailing decade high. Compared to 1996 employment of 124,889, county employment has grown by 11% to its 2006 level. Employment in the State, compared to its trailing decade high in 2000, dropped 5% to 4.7 million in 2006. However, statewide employment has actually grown 1% since 2003 and 2% from its trailing decade low in 1996.

TABLE 4. Ottawa County Employment Trends - 1996-2006

Year	Labor Force	Employment	Unemployment	Unemployment Rate
1996	124,889	121,177	3,712	3.0
1997	130,838	127,372	3,466	2.6
1998	135,278	132,083	3,195	2.4
1999	140,750	137,375	3,375	2.4
2000	136,058	132,456	3,602	2.6
2001	135,091	129,577	5,514	4.1
2002	130,692	123,656	7,036	5.4
2003	132,217	124,388	7,829	5.9
2004	134,381	126,942	7,439	5.5
2005	137,050	130,002	7,048	5.1
2006	138,851	131,564	7,287	5.2

Source: Bureau of Labor Statistics, 2007.

5.9 Unemployment

Since 1996, Ottawa County has had a lower unemployment rate than the State. In 1999, the unemployment rate in the county of 3.0% was 40% below the statewide rate of 4.9%. In 2001, the unemployment rate began to trend upwards in the county, and across the State. 2003 brought the highest unemployment levels of the trailing decade, 5.9% in the county and 7.1% statewide. Since that high water mark, unemployment in the county has dropped 11% to 5.2%. Unemployment across the State has dropped since 2004, falling to 6.9%.³

3. The Bureau of Labor Statistics reported that as of December, 2006, the national unemployment rate was 4.5%.

5.10 *Employment by Industry Sector*

Ottawa County industry-sector employment closely mirrors that of the State. The Service industries are the leading employers for both regions, employing 32% in the county and 40% across the State. The Manufacturing industries are the next largest employers, accounting for 30% in the county but only 23% across the State. Retail is the third largest employer in the county and the State, with 12% employment for both. The Construction industry is the fourth largest employer, providing 6% in both the county and the State.

The Financial Services industry (Finance, Insurance and Real Estate) is the last of the industries that employs over 5%, employing 5% across the State and 4% in the county. The remaining industries in descending order include, Wholesale, Transportation and Public Utilities, Public Administration, and Agriculture and Mining, each employing less than 5% in both the county and the State.

The four Quadrants demonstrate differences across the county, both in terms of employment as well as industry sectors. As shown in Appendix C-3, with 45,710 jobs, the Southwest sector provides 37% of the jobs in the county. With 34,952 jobs, the Southeast employs 28%. The Northwest supports 26,869 or 21% while the Northeast has 16,703 or 14%. The Southeast and Southwest Quadrant have 63% of the service industry jobs between them. In the Southwest Quadrant, manufacturing is the leading employer, edging out service jobs 16,762 to 15,589.

Service employment makes up the largest share of employment for many of the local communities. Approximately 44% of the Allendale Township labor force is in the service industry, followed by the Village of Spring Lake at approximately 41%. The second leading employment industry for local communities is Manufacturing. Holland Township, Olive Township, and Zeeland Township lead the county in share of labor in Manufacturing, employing 41.7%, 38.9%, and 37.9%, respectively.

The third highest employment category for local communities is Retail Trade. Polkton Township, Port Sheldon Township, and Coopersville lead the county in share of labor in Retail, employing 15.6%, 15.1%, and 14.9%, respectively.

5.11 Employment by Occupation

Another way to classify employment types within an area is to reference specific job duties, rather than the part of the economy in which it exists. Occupational data describe employment in this manner. A number of occupational categories are depicted in Appendix C-5. Table 5 on page 30 lists the average salaries in 2006 for these occupations for the Holland - Grand Haven Metropolitan Statistical Area (MSA), the State of Michigan, and the United States. The MSA was used due to lack of data at the county level.

Communities within the county should begin planning housing that meets the needs of workers in the sales and service categories, as statewide trends indicate growth in these sectors and decline in more blue-collar occupations. Average salaries are lower in construction, extraction, and maintenance occupations compared to sales and service. Two communities in particular, Robinson Township and Olive Township, have higher than 40% occupation in blue-collar jobs.

Ottawa County data closely mirrors statewide industry employment. First, the level of employment in the highest-status jobs in Ottawa County (those in the managerial and professional category) is equivalent to the State (32% vs. 31%). This is also the highest paying occupation in the region. Second, the level of blue-collar employment (measured by the sum of the construction/extraction/maintenance and the production/transportation/material moving occupations) is slightly higher in the county (30%) than in the State (27%).

TABLE 5. Select Occupation Salaries - Holland and Grand Haven MSA, State, and Nation

Occupation	Holland - Grand Haven MSA	State of Michigan	United States
Managerial and Professional	\$66,224	\$71,326	\$70,630
Sales and Service	\$33,385	\$34,437	\$33,128
Farming and Forestry	\$26,030	\$25,010	\$21,810
Construction, Extraction and Maintenance	\$34,297	\$37,647	\$33,643
Production, Trans and Material Moving	\$30,860	\$34,395	\$29,970
<i>Source: Michigan Labor Market Information - 2006 (www.milmi.org).</i>			

Semi- or non-skilled positions (in the production/transportation/material moving occupations) are slightly more common in Ottawa (22% of all jobs) than in the State (18%). The county and the State are similar with regard to the Sales and Service industries. The county employs 37% compared to 40% across the State.

County-wide, 46,160, or 37%, of the jobs are in the Sales and Service industries. 39,221, or 32%, of the jobs are Managerial or Professional. 26,771, or 22%, of the jobs are in Transportation / Material Moving while 9,805, or 8%, of the labor force is engaged in Construction, Extraction, and Maintenance. 1,211, or the remaining 1%, of the jobs are in the Farming and Forestry categories.

Within the Quadrants, the industry job population generally follows the same ranking. The Managerial and Professional sector represents as much as 37% (9,909 jobs) of the employment in the Northwest Quadrant and as little as 26% (4,387 jobs) in the Northeast Quadrant. The Northwest Quadrant has reversed the order, as the Sales and Service sector is the number one employer above Managerial and Professional. The Sales and Service sector represents as much as 41% (6,868 jobs) of the employment in the Northeast Quadrant and no lower than 35% (Northwest and Southwest Quadrants - 9,752 and 16,362 jobs, respectively). Transportation ranges from 26% (11,750) in the Southwest to 19% (6,600) in the Southeast Quadrant (see Appendix C-5).

5.12 Commuting and Travel Time to Work

Statistics from the 2000 Census show that a majority (62%) of workers who live in Ottawa County also work in the county. Conversely, only 23% live and work within their local municipality. Compared to the State, 71% of the labor force works in their county of residence and 25% both live and work within their local municipality.

Roughly 70% of the labor force in the Northwest Quadrant live and work in Ottawa County. This is a decrease from 1990 where 73.9% of the labor force lived and worked in the county. The Northeast Quadrant had the lowest share of in-county workers at 43%, and also reported the highest commute times at 22 minutes on average.

The Southwest Quadrant has the highest share of residents that work within Ottawa County at 77% of the workers. This Quadrant also reported the lowest commute time in the county at 17 minutes. The Southeast Quadrant was the only Quadrant to have an increase in share of workers working within the county from 1990 to 2006.

Olive Township has the highest share of its labor force working in Ottawa County at 85.3%, whereas Tallmadge Township has the lowest share at 24.3%. In terms of workers employed within the local community, the City of Grand Haven has the highest share at 45.1%, followed by the City of Holland at 44.6%.

Tallmadge Township and Georgetown Township had the largest growth of workers working in the county between 1990 and 2000 at 33.0% and 10.2%, respectively. Robinson Township and Allendale Township had the largest decrease in workers over the same period with -17.2% and -15.9%, respectively.

6.0 Housing Conditions

6.1 Introduction

Below we have analyzed a number of key variables like housing size, price, and tenure (owner vs. renter), to gauge the overall housing market in the county. Determining local housing conditions is critical to understanding the overall housing need.

This section of the report primarily looks at the supply side of the market, in terms of number of units, size, owner vs. renter, price, and age to name a few. These indicators are vital to the overall opportunity for housing in Ottawa County.

It is the role of this Housing Needs Assessment to determine the availability of housing options by unique categories (low income, migrant, senior, etc.) to help communities make informed decisions about location and quantity of specific types of housing.

6.2 Section Summary

Local communities with inordinately low shares of renter-occupied units include Zeeland Township, Jamestown Township, Port Sheldon Township, and Robinson Township. This may indicate a pent up demand for renter-occupied units.

The Southeast Quadrant has the lowest share (10.5%) of homes priced below \$100,000. This is relatively low when compared to the State average at 27.2%. This may indicate an opportunity for low-income housing in this Quadrant.

A large share (19.6%) of the homes in the Northwest Quadrant were built prior to 1950. This may indicate an opportunity to rehabilitate older homes in this sector of the market.

Seasonality is fairly moderate throughout the county. As to be expected, the number of seasonally vacant units increases sharply along the Lakeshore communities. The lone exception to the rule includes Blendon Township. All 17 of the vacant units in the township were reported as seasonal. This may be due to seasonal migrant housing.

Overall, housing construction and construction costs are down from previous years in Ottawa County. This tends to work in the community's favor, as lower than average construction costs will equate to lower overhead for constructing low income housing.

The majority of for-sale houses in Ottawa County are priced between \$150,000 and \$199,999, and range in size between 1,000 and 2,000 square foot in size. These units tend to offer at least 2 bedrooms and 1.5 bathrooms. These results may indicate an over-supply of units in these ranges.

Foreclosures are a growing concern for communities everywhere. In Ottawa County, the Southwest Quadrant has the highest number of foreclosures. Within that Quadrant, the Holland market has the highest number of foreclosures. Additionally, the average selling price for a foreclosed home in Allendale is \$185,105, which is above the 2006 average home values for that market.

There appears to be a gap in housing for migrant workers. A study conducted in 2006, suggests that there are over 6,000 migrant workers in Ottawa County, while the Michigan Department of Agriculture lists maximum occupancy of available units at 2,375.

There appears to be a limited supply of senior family independent living units that are income based and/or subsidized. Local communities should begin working with developers to create additional units to meet this apparent gap.

In Ottawa County, a total of 2,365 rental units, or 14.2%, are affordable for the lowest income households (0 to 30% Area Median Family Income (AMFI)). Of the 66,942 total owned or for sale units recorded, the largest number (31,999 or 47.8%) are only affordable to those households that earn 80% or Higher AMFI.

6.3 Number and Growth of Housing Units

The total number of housing units has grown across the county between 2000 and 2006. Overall, Ottawa County experienced a 2.0% Compound Annual Growth Rate (CAGR) during that time, increasing from 86,856 units in 2000 to 97,794 units in 2006. This is a faster rate of growth than the State of Michigan (1.0%) over the same time period. See Appendix B-7 and B-8 for further analysis.

Similar growth in housing units occurred in each Quadrant, with the Southeast Quadrant growing the fastest at 2.5% annually between 2000 and 2006. This was followed by the Northeast Quadrant (2.4%), Southwest Quadrant (1.7%), and the Northwest Quadrant (1.7%). The Southwest Quadrant had the highest number of housing units in 2006 at 39,350, followed by the Southeast Quadrant (26,610), Northwest Quadrant (23,396), and the Northeast Quadrant (11,591).

The communities with the highest annual growth in number of housing units from 2000 to 2006 were Zeeland and Jamestown Townships at 4.2%, followed closely by Alledale Township at 4.1%. The slowest annual growth in housing units occurred in Crockery Township and Spring Lake Village at 0.5% each.

Georgetown Township had the highest number of housing units in 2006 at 16,428, followed by the City of Holland at 13,077 and Holland Township at 12,685. Chester Township had the smallest number of housing units at 823, followed by Polkton Township (906) and Wright Township (1,183).

6.4 *Housing by Number of Bedrooms*

Analyzing housing stock by the number of bedrooms allows us to measure the availability of small and large homes, for both owner- and renter-occupied units. For Ottawa County, half (50.1%) of the owner-occupied homes have 3 bedrooms, which is slightly lower than the State (54.2%). Alternatively, only 2.5% of the owner-occupied homes have 1 bedroom. In terms of renter-occupied units, half (50.2%) of the units have 2 bedrooms, with over 20% having only 1 bedroom.

At the Quadrant level, the Southeast Quadrant has the largest share of homes with 3 or more bedrooms at 81.7% of the owner-occupied housing stock. Conversely, the Southwest Quadrant has the highest share of units with 2 or less units at 23.0% of the owner-occupied housing stock. The Northeast Quadrant has the highest share of renter-occupied units with 3 or more bedrooms at 37.2% of the stock, while the Northwest Quadrant has the highest share of renter-occupied units with 2 or less bedrooms at nearly 80% of the rental stock.

Wright Township has the highest share of owner-occupied units (10.8%) and renter-occupied units (12.8%), with 5 or more bedrooms, compared to the other communities in Ottawa County. The City of Zeeland has the highest share (9.9%) of 1 bedroom owner-occupied units, while over half (57.6%) of the renter-occupied units in the Village of Spring Lake were 1 bedroom units (see Appendix B-18 and B-19).

6.5 *Housing Unit Tenure*

Housing tenure indicates whether a household owns or rents the housing unit they live in. In 2006, 77.1% of housing units were owner-occupied in Ottawa County, while 17.3% were renter-occupied.⁴ The remaining 5.6% of units were vacant. This indicates that Ottawa County has a much higher rate of owner occupancy than the State of Michigan (66.5%). The rate of renter occupancy was lower than the State (22.1%), as was the vacancy rate (11.4%).

The Southeast Quadrant had the highest rate of owner occupancy in 2006 at 84.9%, followed by the Northeast (79.1%), Northwest (75.3%), and Southwest (71.6%) Quadrants. Conversely, the Southwest Quadrant had the highest rate of renter occupancy at 22.1%, followed by the Northwest (16.6%), Northeast (15.9%), and Southeast (12.6%) Quadrants. The Northwest Quadrant had the highest vacancy rate at 8.1%, followed by the Southwest (6.3%), Northeast (5.0%), and Southeast (2.6%) Quadrants.

Zeeland Township had the highest rate of owner occupancy in 2006 at 92.3%, followed by Jamestown Township (91.7%) and Robinson Township (90.1%). The City of Holland had the highest renter occupancy rate at 30.3%, followed by the City of Grand Haven (26.7%), Holland Township (26.4%), and Allendale Township (23.8%). The relatively high percentage of renters in Allendale Township is due in a large part to the presence of Grand Valley State University. Port Sheldon Township had the highest vacancy rate at 14.0%, followed by the City of Ferrysburg (13.0%) and Spring Lake Village (11.0%). See Appendix B-8 for further details.

6.6 *Importance of Home Ownership*

The importance of the homeownership rate is felt at the national level as the housing sector accounts for a significant share of national economic activity (16% of the total economic activity in 2005).⁵ At the community level, homeownership is often seen as contributing to stable neighborhoods, increased social networks, increased community involvement and reduced crime.

4. As of 2000, the United States homeownership rate was 66.2%. Generally speaking, most markets range between 60% and 80% owner-occupied, 10% to 30% renter-occupied and 5 to 15% vacant.

5. Social Benefits of Homeownership and Stable Housing. National Association of Realtors. Research Division, January 2006.

To serve the existing homeowners within a community and to prevent a decline in homeownership, programs that focus on helping citizens retain ownership of their homes are also of great importance. Such programs include those that provide financial assistance or general guidance with regard to housing rehabilitation, weatherization, property taxes, mortgage refinancing, and foreclosure prevention.

At the individual or household level, homeownership provides a stable core to personal net worth, with the median net worth of a homeowner far exceeding the net worth of a renter.⁶ For these and a myriad of other real and perceived benefits, homeownership has widely been cited as an integral part of the American Dream.

Over the last century, homeownership has steadily increased within the United States as less than half of Americans owned their homes at the beginning of the 20th Century. As of the fourth quarter of 2006, the national homeownership rate stood near 69% at record levels.⁷

6.7 Housing Value

As of 2006, more than half (52.1%) of the homes in Ottawa County were valued between \$100,000 and \$199,999, which is high relative to the State where 41.6% of the homes are valued in this range. The county has a smaller share (6.6%) of homes valued below \$50,000 than the State (9.4%) (see Appendix B-13). The median home value in the county \$169,262, as of 2006, was well above the State (148,154), and comparable region (see Appendix B-13). However, median home value growth remained below that of the State between 2000 and 2006.

The Northwest Quadrant had the highest share (7.5%) of homes valued \$400,000 or above, followed by the Southwest Quadrant (5.4%). The Northeast Quadrant had the highest share of homes valued below \$100,000, followed by the Northwest Quadrant. For the median household income, the Southeast Quadrant had the highest median, but the lowest growth rate for 2000 to 2006. The Southwest Quadrant had the second lowest median, while posting the highest growth rate for the same period.

At the community level, Park Township had the highest share of homes valued \$400,000 or above, at 13.7%, compared to the City of Zeeland where 0.5% of the homes fall in this value range. Olive Township had the largest share (33.3%) of homes valued below \$100,000, followed by Coopersville (30.4%). Coopersville also had the lowest median home value as of 2006.

6. *Ibid.*

7. *Ibid.*

6.8 *Gross Rent*

Gross rent equates to the total amount renters pay, to include utilities and the contract rent. As of the 2000 Census, the median gross rent in Ottawa County was \$579, slightly above the State at \$546. However, the State's median gross rent outpaced the county's, between the years 1990 and 2000 (see Appendix B-15).

The Village of Spring Lake had the lowest (\$398) median gross rent for the communities, and Port Sheldon Township had the highest, at \$775. The median gross rent in Wright Township appreciated 117.3%, increasing from \$243 to \$528 between 1990 and 2000. The median gross rent in Wright Township decreased over the same period, dropping from \$444 to \$434.

6.9 *Housing Age*

Ottawa County's housing stock is well distributed between newly built and older homes. More than half of the homes in Ottawa were built since 1980, which is comparable to the State. The map in Appendix A-8 shows newer homes concentrated near the center of the county and around urban areas. Based on the map, the area south of 196 in the Southeast Quadrant has the highest concentration of older homes in the market.

The Southeast Quadrant has the highest share of modern housing stock, with 55.7% of the housing stock being built since 1980. A more spatial analysis indicates that the area near the east-west border of the Southwest Quadrant and the Southeast Quadrant, has the highest concentration of newer homes, than elsewhere in the county (see Appendix A-8).

Allendale Township has the highest share (68.7%) of homes built since 1980, followed by Holland Township (67.0%), and Zeeland Township (65.8%). Alternatively, the City of Grand Haven has the highest share (37.7) of homes built before 1950, followed by Wright Township (36.1%), and the Village of Spring Lake (36.1%). See Appendix B-11 for further details.

6.10 *Seasonality and Second Homes*

Seasonal and second homes are very common in Ottawa County, as the county shares a border with Lake Michigan which is ideal for seasonal tourism. Seasonal homes also refer to migrant housing where during the growing season workers occupy the housing and once the harvesting is complete, the workers often migrate to another market, leaving the units unoccupied until that market's next growing season.

High seasonality can be a concern for communities, as these homes are left vacant and often unkept over long periods of time. Vacation homes can also artificially drive up the price of the local housing market.

Of the vacant housing units in 2000, 44.1% were due to seasonal vacancies in Ottawa County. This does appear high, however the State of Michigan average is 54.1% of units. Not surprisingly, the two Quadrants that share borders with Lake Michigan have the highest share of seasonally vacant units. 56.1% of the units in the Northwest Quadrant are seasonal, and 50.2% of the units in the Southwest Quadrant are seasonal.

All of the vacant units in Blendon Township were reported as seasonal, out of 17 total vacancies. This may be due to a high share migrant housing in Blendon. Port Sheldon Township also had an inordinately high share of seasonal vacancies at 96.7%, although this may be due to the Township's location along the lakeshore (vacation homes). Conversely, none of the vacant units in Hudsonville were seasonal (see Appendix B-17).

6.11 Construction Analysis

We have analyzed ten year trends for unit construction and costs for single-family, two-family (duplex), three to four-family (triplex and quad), and five or more family units. In most cases, the more units that are constructed at once, the lower the construction costs per unit. Below is our summary for Ottawa County and the four Quadrants. See Appendix E-1 through E-20 for supporting exhibits.

Ottawa County

- Single-family construction costs have been decreasing over the last two years, down to \$152,819 per unit. The total number of two-family units has been decreasing as well as construction costs per unit over the last few years. Prior to 2005, costs per unit were settling around \$80,000.

Northwest Quadrant

- Construction costs for single-family units in the Northwest Quadrant, have leveled over the last three years, settling in the \$190,000 range. Two-family unit costs have been increasing since 2003, with a cost per unit of \$120,000 in 2006. Less than 20 three to four-family units have been constructed since 2001. Similar to Ottawa County as a whole, the construction costs per unit for five or more family, have reached 10 year lows.

Northeast Quadrant

- In the Northeast Quadrant, construction costs per unit have been decreasing since 2004, down to \$96,324. Based on a limited number of two-family units, construction costs have risen sharply over the last two years from \$65,124 in 2004 to \$152,750 in 2006. No three or more units have been constructed since 2004.

Southwest Quadrant

- The number of single-family units in the Southwest Quadrant, has been decreasing since 2004, while the construction costs per unit have risen over the same period, to \$185,554 a unit. After a booming 2003 and 2004, three and four family unit construction has fallen off sharply since. Construction costs have decreased slightly to \$157,782 in 2006.

Southwest Quadrant

- Single-family construction costs have remained steady over the last four years, settling in at \$173,380 per unit in 2006. The number of three to four family units has decreased since 2004, while the cost has increased over the same period. Construction of five or more family units has been sporadic over the last ten years, but as of 2005, cost per unit was under \$40,000.

6.12 For-Sale Single-Family Housing

Our supply analysis also includes a review of current (August 2007) for-sale units in the county, to verify our field observations and to qualify the analytic results of this Housing Conditions analysis. This step began with a collection of over 2,000 observations of for-sale single-family units throughout the market. Our search was limited to only communities within the county. We analyzed unit prices, and price versus number of bathrooms and bedrooms (see Appendix E-6 through E-25). Here is a summary of our observations by Quadrant:

Northwest Quadrant

- The largest share of available single-family units in the Northwest Quadrant have for-sale prices between \$150,000 to \$199,999, followed by the \$100,000 to \$149,999 price bracket. The majority of units are below \$150 per square foot, and under 2,000 square foot in size. A large share of units are also priced below \$100 per square foot. Over half of the units offer 3 bedrooms and at least 2 bathrooms.

Northeast Quadrant

- 43% of the for-sale homes in the Northeast Quadrant are priced between \$150,000 to \$199,999. The next highest price bracket was between \$100,000 to \$149,999. Nearly all of the units in this Quadrant were priced below \$200 per square foot with a large share of units below \$100 per square foot. For-sale single-family units in this Quadrant offer units with 1 bedroom, but most units have 3 to 4 bedrooms. The majority of homes also offer between 1 to 2.5 baths.

Southwest Quadrant

- Over 64% of the for-sale units in the Southwest Quadrant are priced below \$200,000. The largest share of units are between \$100,000 to \$149,999. Nearly half of the for-sale units in this Quadrant have price per square foot below \$100. Few units are below 1,000 square foot in size. There are no 1 bedroom units for sale in the Quadrant, and few 2 bedroom units are available.

Southeast Quadrant

- Less than 1% of the homes for-sale in the Southeast Quadrant are priced below \$100,000. More than a quarter of the homes are priced above \$250,000. The majority of the homes for-sale are below 2,500 square feet and range between \$50 and \$450 per square foot. There are 1-bedroom homes available, but the majority of homes are offering between 2 and 4 bedrooms.

6.13 Foreclosures

Over the last few years, foreclosures have become a serious statewide and national problem. Regulators, lending institutions, households, and communities have all felt the negative impact of foreclosed homes. Federal, State, and local agencies are working to prevent homeowners from facing the financial burden and personal disaster of foreclosure, with additional help on the horizon.

A large portion of the foreclosures come from borrowers who have subprime adjustable rate mortgage (ARM) loans. After the fixed-rate period of the loan ends, the rate often adjusts to a significantly higher rate, often leaving the borrowers unable to keep pace with the higher mortgage payment.

Borrowers are not solely responsible for high foreclosure rates as some lenders are practicing predatory lending tactics. Predatory mortgage lenders often prey on low- to moderate-income households who cannot afford home ownership under normal terms. When rates increase beyond the household's means, lenders strip borrowers of home equity and threaten families with foreclosure, ultimately destabilizing communities.

There are over 500 foreclosed homes in Ottawa County, with an average price of approximately \$141,000. Comparatively, there are over 17,000 foreclosures in the State of Michigan with average price of \$91,171. Table 6 provides a breakdown of foreclosures by geography, including the average price.

The Northeast Quadrant has relatively few foreclosures compared to the remaining Quadrants. The Holland community has the most foreclosures, while the Allendale community has the highest average price for foreclosures.

Appendix A-11 provides a spatial representation of the foreclosures in Ottawa County. This map illustrates that the foreclosures are concentrated around urban areas (Grand Haven, Holland, Coopersville, and Jenison/Hudsonville), with a small number scattered in more rural areas.

TABLE 6. Foreclosures by Number and Average Price - October 2007

Geography	Number of Foreclosures	Average Price
<i>State of Michigan</i>	<i>17,162</i>	<i>\$91,171</i>
<i>Ottawa County</i>	<i>516</i>	<i>\$141,027</i>
Northwest Quadrant	102	\$139,533
Grand Haven	61	\$131,867
Nunica	10	\$128,193
Spring Lake	31	\$158,594
Northeast Quadrant	40	\$133,117
Allendale	10	\$185,105
Conklin	2	\$81,495
Coopersville	21	\$105,567
Marne	7	\$160,301
Southwest Quadrant	277	\$149,706
Holland	220	\$134,192
West Olive	15	\$172,692
Zeeland	42	\$142,234
Southeast Quadrant	97	\$141,749
Hudsonville	51	\$144,862
Jenison	46	\$138,635
<i>Source: Anderson Economic Group's Analysis of Realtytrac.com data, October 2007.</i>		
<i>Note: Data was only available at the zip code level.</i>		

6.14 Manufactured Housing

Identifying the location and quantity of manufactured home parks in a community is important for assessing housing, as homes in these parks typically depreciate in value and have fees and rents that are not often associated with site-built units. In addition, parks usually have a higher density of units per acre than site-built units, in turn adding more demand to public utilities in a local community. Based on our fieldwork and data provided by the Michigan Manufactured Home Association, there are 19 manufactured home parks in Ottawa County. Appendix A-12 illustrates the location for these parks.

The largest number of these parks are located in the Southwest Quadrant (6), followed by the Northwest Quadrant (5), and the Northeast and Southeast Quadrants, with 3 each. Based on our research, none of these parks are age restricted. Appendix A-7 illustrates the concentration of mobile homes in Ottawa County. The Southwest Quadrant appears to have the widest distribution of mobile homes, relative to the other Quadrants, while the Northeast Quadrant has the most concentrated distribution.

6.15 Multifamily Housing

To conduct the multifamily housing analysis, we collected information from 56 apartment complexes across Ottawa County. Using our GIS database, we mapped both concentration and location of these multifamily units. Appendix A-12 illustrates the locations and average monthly rent prices for apartment complexes in Ottawa County, and Appendix A-7 illustrates the overall distribution of multi-family housing in Ottawa County. Table 7 illustrates averages for low, mid, and high rent ranges in Ottawa County.

The majority of the low rent ranges correspond to 1 bedroom units. High rent ranges represent 3 and 4 bedroom units. The results indicate rental units in the Northeast Quadrant tend to be more expensive per month than the other Quadrants overall. The Southwest Quadrant has the lowest average rental rates in comparison.

TABLE 7. Average Rent Ranges for Ottawa County

Geography	Average Rent for Smaller Units	Average Rent for Mid-Sized Units	Average Rent for Larger Units
<i>Ottawa County</i>	\$580	\$652	\$749
Northwest Quadrant	\$594	\$646	\$725
Northeast Quadrant	\$665	\$737	\$824
Southwest Quadrant	\$554	\$621	\$719
Southeast Quadrant	\$614	\$714	\$813
<i>Source: Data collected using Rent.com and MSHDA Housing Locator (November 2007).</i>			

6.16 Senior Housing

We have collected information on 22 senior rental housing complexes in Ottawa County. We found a total of 1,517 units with 58 units available, or open for rent. Only 9 out of 577 income based units were available in the county. Seven of the available units were located in Coopersville, and two were located in Holland (See Table 8). There were 14 available units out of a total 410 units priced below \$700 a month. The majority of the facilities offered barrier free units, meaning the units were designed to accommodate wheelchairs and walkers.

TABLE 8. Sampling of Independent Living Senior Housing Facilities in Ottawa County

Facility	Geography	Total	Avail. Units	Rent Range		Square Foot Range	
				Low	High	Low	High
Stonebridge Apartments	Allendale	52	4	\$595	\$695	648	808
The Depot	Coopersville	51	4	D		630	875
River Village Apartments	Coopersville	40	3	D		650	1,062
Christian Haven Home ^a	Grand Haven	56	5	\$1,055	\$2,032	120	154
Pinewood Place	Grand Haven	101	0	D		600	720
Freedom Village	Holland	326	13	\$1,800	\$4,000	714	1,800
Greenbriar Apartments	Holland	66	0	D		620	860
Greenbriar Townhouses	Holland	60	0	D		660	1,064
McIntosh Manor	Holland	32	1	D		544	
Oakcrest Manors	Holland	43	2	\$1,450	\$1,950	643	1,086
The Village at Appledorn	Holland	111	2	\$660	\$790	734	894
Waverly Meadows	Holland	70	3	\$585	\$645	650	891
Waverly Meadows II	Holland	48	4	\$705	\$810	702	943
Wildwood Creek Manor	Holland	75	1	D		585	
Oak Crest Manor	Jenison	18	1	\$1,300	\$1,700	630	1,040
Evergreen Village	Spring Lake	60	0	N/A		620	740
Liberty Woods Senior Co-op ^b	Spring Lake	46	2	\$423	\$463	832	1,140
Lloyd's Bayou North	Spring Lake	10	1	\$630		670	
Lloyd's Bayou South	Spring Lake	10	1	\$630		670	
Lloyd's Bayou	Spring Lake	111	1	\$630		670	900
Oakcrest Manor	Spring Lake	39	10	\$1,300	\$1,950	600	1,060
HavenHuis Apartments	Zeeland	46	0	D		600	

*Source: Data collected using the MSHDA Housing Locator (December 2007).
The letter "D" denotes rent is based on share of income.*

a. Meals are included in price, and residents share community space.

b. The co-op is based on a limited equity model, shares range from \$88,500 to \$101,500 depending on size.

6.17 Low Income Housing

The U.S. Department of Housing and Urban Development (HUD) maintains a variety of statistics with regard to low income housing, primarily for use by local communities involved in Community Development Block Grant and other HUD housing and economic development programs. Included, are statistics with regard to the availability of low income housing units to households based on specified income levels. These statistics provide a general picture of the low income housing situation within Ottawa County and the local municipalities.

For 2007, HUD calculates the area median family income (AMFI) of Ottawa County to be \$69,000. Table 9 and Table 10 show the number and percentage of low income housing units, rented and owned, by area median family income for each local municipality and Ottawa County. In terms of rental units affordable⁸ for low income households, four unit/income categories are utilized by HUD as defined below:

- 0 to 30% AMFI - These are units with a current gross rent (rent and utilities) that are affordable to households with incomes at or below 30% of HUD Area Median Family Income.
- 30 to 50% AMFI - These are units with a current gross rent that are affordable to households with incomes greater than 30% and less than or equal to 50% of HUD Area Median Family Income.
- 50 to 80% AMFI - These are units with a current gross rent that are affordable to households with incomes greater than 50% and less than or equal to 80% of HUD Area Median Family Income.
- 80% or Higher AMFI- These are units with a current gross rent that are affordable to households with incomes above 80% of HUD Area Median Family Income.⁹

In terms of owned or for sale units affordable to households, three unit/income categories are utilized by HUD as defined below:

- 0 to 50% AMFI - These are homes with values affordable to households with incomes at or below 50% of HUD Area Median Family Income. Affordable is defined as annual owner costs less than or equal to 30% of annual gross income. Annual owner costs are estimated assuming the cost of purchasing a home at the time of the Census based on the reported value of the home. Assuming a 7.9% interest rate and national averages for annual utility costs, taxes, and hazard and mortgage insurance, multiplying income times 2.9 represents the value of a home a person could afford to purchase. For example, a household with an annual gross

8. Affordable is defined as gross rent less than or equal to 30% of a household's gross income.

9. State of the Cities Data Systems (SOCDS) Comprehensive Affordability Strategy (CHAS) Data: Affordability Mismatch Output for All Households. U.S. Department of Housing and Urban Development. [Http://socds.huduser.org/chas/area.odt](http://socds.huduser.org/chas/area.odt).

income of \$30,000 is estimated to be able to afford an \$87,000 home without having total costs exceed 30% of their annual household income.

- 50 to 80% AMFI - These are units with a current value that are affordable to households with incomes greater than 50% and less than or equal to 80% of HUD Area Median Family Income.
- 80% or Higher AMFI - These are units with a current value that are affordable to households with incomes above 80% of HUD Area Median Family Income.¹⁰

For Ottawa County as a whole, a total of 16,660 rental units were catalogued, with the largest number (7,400 or 44.4%) affordable to households at the 30 to 50% AMFI level. A total of 6,035 rental units, or 36.2%, are affordable to households at the 50 to 80% AMFI level.

For the lowest income households (0 to 30% AMFI), a total of 2,365 rental units, or 14.2%, are affordable. Of the 66,942 total owned or for sale units recorded, the largest number (31,999 or 47.8%) are only affordable to those households that earn 80% or Higher AMFI. Nonetheless, a significant number of units are available to households at the 0 to 50% AFMI (9,900 or 14.8%) and 50 to 80% AFMI levels (25,044 or 37.4%) within the county as a whole.

Specific detail for each local municipality is also provided in Table 9 and Table 10. In general, most of the rental units within the various municipalities are affordable to lower income households, particularly the 30 to 50% AMFI and 50 to 80% AFMI households. Wright Township features the largest percentage of rental units affordable to 0 to 30% AMFI households at 54.7%. The next highest percentages of affordable rental units in the 0 to 30% AMFI category are found in Polkton Township, Port Sheldon Township and Olive Township at 42.5%, 39.4%, and 37.4%, respectively.

The statistics in Table 10 for owned or for-sale units also shows that the local municipalities generally offer affordable housing, but not to the extent that low income rental housing is provided. Within many communities, the majority of owned or for-sale units are affordable only to households within the 80% or Higher AMFI category. These communities include: Blendon Township (68.7%); Park Township (67.1%); Port Sheldon Township (66.7%); Jamestown Township (66.0%); and Spring Lake Township (60.5%). The local municipalities offering the highest percentages of owned or for sale units affordable to households within the 0 to 50% AMFI level include: Olive Township (35.3%); Zeeland Township (32.6%); and the City of Coopersville (28.8%).

¹⁰.Ibid.

TABLE 9. Low-Income Rental Housing Units by Area Median Family Income

Geography	Number of Rental Units Affordable to Households at Specified Income Levels							
	0 to 30% AMFI		30 to 50% AMFI		50 to 80% AMFI		80% or Higher AMFI	
	#	%	#	%	#	%	#	%
Allendale Township	210	22.7	365	39.5%	274	29.7%	75	8.1%
Blendon Township	27	15.0%	95	52.8%	44	24.4%	14	7.8%
Chester Township	42	35.0%	66	55.0%	12	10.0%	0	0.0%
Coopersville City	111	31.7%	186	53.1%	53	15.1%	0	0.0%
Crockery Township	39	18.4%	141	66.5%	32	15.1%	0	0.0%
Ferrysburg City	26	10.9%	114	47.9%	83	34.9%	15	6.3%
Georgetown Township	220	9.4%	675	28.8%	1,174	50.1%	275	11.7%
Grand Haven City	283	16.9%	918	54.8%	439	26.2%	34	2.0%
Grand Haven Township	55	13.6%	239	59.2%	100	24.8%	10	2.5%
Holland City (part)*	496	15.1%	1,700	51.8%	935	28.5%	149	4.5%
Holland Township	220	7.2%	1,204	39.5%	1,569	51.4%	58	1.9%
Hudsonville City	30	8.1%	200	54.1%	130	35.1%	10	2.7%
Jamestown Township	10	13.3%	45	60.0%	20	26.7%	0	0.0%
Olive Township	55	37.4%	42	28.6%	50	34.0%	0	0.0%
Park Township	79	12.6%	254	40.4%	277	44.1%	18	2.9%
Polkton Township	34	42.5%	32	40.0%	14	17.5%	0	0.0%
Port Sheldon Township	28	39.4%	19	26.8%	12	16.9%	12	16.9%
Robinson Township	15	11.2%	94	70.1%	25	18.7%	0	0.0%
Spring Lake Township**	55	5.8%	399	42.0%	440	46.4%	55	5.8%
Spring Lake Village	110	34.1%	150	46.4%	63	19.5%	0	0.0%
Tallmadge Township	24	12.5%	93	48.4%	75	39.1%	0	0.0%
Wright Township	58	54.7%	32	30.2%	16	15.1%	0	0.0%
Zeeland City	75	12.8%	235	40.2%	165	28.2%	110	18.8%
Zeeland Township	30	21.1%	67	47.2%	25	17.6%	20	14.1%
Ottawa County***	2,365	14.2%	7,400	44.4%	6,035	36.2%	860	5.2%

*Includes only the segment of the City of Holland within Ottawa County.
**Spring Lake Township numbers do not include the Village of Spring Lake.
***Ottawa County numbers do not equal the combined total of all of the communities due to a unique AMFI level.

Source: Affordability mismatch output for all households, State of the Cities Data Systems (SOCDS), Comprehensive Housing Affordability Strategy (CHAS) Data, and U.S. Department of Housing and Urban Development.

TABLE 10. Low-Income Owner Housing Units by Area Median Family Income

Geography	Number of Owner Units Affordable to Households at Specified Income Levels							
	0 to 30% AMFI		30 to 50% AMFI		50 to 80% AMFI		80% or Higher AMFI	
	#	%	#	%	#	%	#	%
Allendale Township	530	20.8%	970	38.0%	1,054	41.3%	75	8.1%
Blendon Township	83	5.4%	402	26.0%	1,064	68.7%	14	7.8%
Chester Township	159	23.4%	261	38.4%	259	38.1%	0	0.0%
Coopersville City	308	28.8%	532	49.8%	229	21.4%	0	0.0%
Crockery Township	302	25.5%	447	37.8%	433	36.6%	0	0.0%
Ferrysburg City	179	17.2%	312	29.9%	551	52.9%	15	6.3%
Georgetown Township	545	4.6%	5,082	42.7%	6,279	52.7%	275	11.7%
Grand Haven City	720	21.1%	1,688	49.5%	1,001	29.4%	34	2.0%
Grand Haven Township	720	16.4%	1,138	25.9%	2,533	57.7%	10	2.5%
Holland City (part)*	1,153	18.7%	3,078	49.8%	1,946	31.5%	149	4.5%
Holland Township	1,154	16.4%	2,875	40.9%	2,998	42.7%	58	1.9%
Hudsonville City	481	21.8%	1,089	49.3%	639	28.9%	10	2.7%
Jamestown Township	169	11.8%	319	22.2%	949	66.0%	0	0.0%
Olive Township	468	35.3%	333	25.2%	523	39.5%	0	0.0%
Park Township	420	7.6%	1,405	25.3%	3,723	67.1%	18	2.9%
Polkton Township	120	17.6%	216	31.7%	346	50.7%	0	0.0%
Port Sheldon Township	235	16.6%	235	16.6%	943	66.7%	12	16.9%
Robinson Township	122	7.3%	701	42.1%	844	50.6%	0	0.0%
Spring Lake Township**	528	15.9%	783	23.6%	2,008	60.5%	55	5.8%
Spring Lake village	90	11.3%	449	56.5%	255	32.1%	0	0.0%
Tallmadge Township	249	11.9%	611	29.3%	1,227	58.8%	0	0.0%
Wright Township	119	12.4%	437	45.7%	401	41.9%	0	0.0%
Zeeland City	167	9.3%	1,096	60.9%	537	29.8%	110	18.8%
Zeeland Township	803	32.6%	473	19.2%	1,189	48.2%	20	14.1%
Ottawa County***	9,900	14.8%	25,04	37.4%	31,998	47.8%	860	5.2%

4

*Includes only the segment of the City of Holland within Ottawa County.
**Spring Lake Township numbers do not include the Village of Spring Lake.
***Ottawa County numbers do not equal the combined total of all of the communities due to a unique AMFI level.

Source: Affordability mismatch output for all households, State of the Cities Data Systems (SOCDS), Comprehensive Housing Affordability Strategy (CHAS) Data, and U.S. Department of Housing and Urban Development.

6.18 Homelessness

Based on a study conducted by the Ottawa Area Housing Coalition in 2005, 432 individuals were homeless, 178 of which were children. Currently, the county has 6 emergency shelters operated by various non-profit agencies. Four of these shelters are in the Holland/Zeeland area, and the remaining 2 are in the Grand Haven market.

The Housing Coalition is participating in the implementation of a Homeless Management Information System (HMIS). The statewide database allows Ottawa County to track and trend homelessness locally and regionally, and to make informed decisions on providing appropriate shelter.

In October 2006, the Ottawa County Homelessness Advisory Board prepared a 10 Year Plan to End Homelessness. The plan specified five strategies goals that would be vital to the plan's success. These strategies are:

1. **Closing the Front Door:** Steps will be taken to stop individuals and families from becoming homeless. These steps include better coordination of financial assistance and discharge planning for people leaving public institutions.
2. **Opening the Back Door:** For Ottawa County, this will involve the development and implementation of an inclusive program based on Housing First methodology that will include permanent housing for all homeless persons. Necessary services will be provided to ensure that homeless individuals and families placed in permanent housing can remain in housing.
3. **Building Infrastructure:** We must assure that there is adequate safe and affordable housing for all residents and that those working in our community earn income high enough to afford housing in Ottawa County. We must improve the system of data collection to increase our understanding of homelessness in Ottawa County.
4. **Community Involvement:** Success means shared responsibility across the community. Engaging elected leaders, community members, service consumers, and service providers is crucial to realizing the goals set forth in this plan.
5. **Plan Review:** Regular review and annual revision are critical to maintaining the momentum and viability of this plan. By placing this plan at the forefront of homeless service efforts, it will be an effective guide in program and funding structures.

6.19 Migrant Housing

Each year, Michigan hosts thousands of migrant farm workers mainly looking for work in agriculture, construction, and landscaping. According to a study conducted in 2006 by the Michigan Interagency Migrant Service Committee found that Ottawa County had the largest estimated number of migrant and seasonal farm workers with 6,030, followed by Oceana County (4,855), Van Buren County (3,898), Berrien County (3,365) and Kent County (3,280).¹¹

The Michigan Department of Agriculture Environmental Stewardship Division manages migrant labor camp sites for each county in the State. Based on the results of their study, Ottawa County had a maximum occupancy of 2,375 at 60 licensed sites, as of 2006.¹² In addition, only 84 seasonally vacant units in Ottawa County can be attributed to migrant workers, based on 2006 estimates provided by the Community Research Institute at Grand Valley State University.¹³

While the licensed sites are specifically designed for agricultural migrant labor, and some of the vacant units are being filled by seasonal migrant workers, it does indicate a rather large gap in housing when compared to the total number of migrant workers in the county.

6.20 Housing Options for People with HIV/AIDS

In our research, we found no housing options specifically catering to individuals with HIV/AIDS. This is most likely the result of very low demand. The Michigan Department of Community Health provides information on individuals with HIV/AIDS for each county in Michigan. The reports show no incidents of HIV/AIDS in Ottawa County since April 2006. At that time 35 cases of HIV were reported in Ottawa County. 47 individuals were reported to be living with AIDS, which represented less than 1% of the State of Michigan total. See Table 11 for results.

TABLE 11. Persons Living with AIDS and HIV in Ottawa County and the State of Michigan

Geography	Persons Living with AIDS	Persons Living with HIV
Ottawa County	47	35
State of Michigan (Total)	6,226	14,487
<i>Source: Michigan Department of Community Health</i>		

11. Source: Migrant and Seasonal Farmworker Enumeration Profiles Study, 2006 (http://www.michigan.gov/documents/dhs/DHS-MSFW-Study-2006_179382_7.pdf).

12. Source: Migrant Labor Housing Map for the State of Michigan, 2006 (http://www.michigan.gov/documents/MDA_Migrant_Labor_Housing_Map_82315_7.pdf).

13. Source: Ottawa County Community Profile at Community Research Institute (http://cridata.org/tmm_counties_MI_housing.aspx?ID=26139).

7.0 Shelter Overburden

7.1 Introduction

It is commonly accepted that housing is affordable when a household can manage the cost to rent or buy a decent quality dwelling without spending more than 30% of its total income on shelter.¹⁴ If housing payments extend beyond the 30% measure, households are considered to be cost burdened, where they find themselves less able to afford necessities such as food, clothing and transportation.

At a higher level, households that spend more than 50% of their total income on housing are considered severely cost burdened, with the ability to afford other necessities seriously limited.¹⁵ By comparing household costs against total income, a community can generally evaluate the cost burden of its households as well as overall housing affordability using the 30 and 50% benchmarks. For each local municipality, the U.S. Census Bureau catalogues shelter costs as a percentage of household income for selected housing units.

To determine this, the Census Bureau computes the ratio of selected monthly shelter costs to the monthly household income for the household living in the housing unit. The result of this computation from the 2000 Census is presented in Appendix D-1 through D-3 for the county, the Quadrants, and each local municipality.

7.2 Section Summary

Shelter overburden is an issue in the Northwest Quadrant of Ottawa County, mainly among owner households with mortgages. The Village of Spring Lake, Crockery Township, and Spring Lake Township are in need of additional affordable housing units as these communities had the highest share of owner-occupied households with severe shelter overburden. Additionally, Zeeland Township and Olive Township should also work to provide truly affordable housing, as these two communities have inordinately high percentages of severely overburdened households.

14. *Why Not in Our Community?* Removing Barriers to Affordable Housing. An Update to the Report of the Advisory Commission on Regulatory Barriers to Affordable Housing. U.S. Department of Housing and Urban Development, February 2005.

15. *Measuring the Nation's Rental Housing Affordability Problems*. Prepared by Eric S. Belsky, Jack Goodman, and Rachel Drew. Joint Center for Housing Studies, Harvard University. June 2005.

7.3 Owner Cost Overburden

In total, 52,790 specified owner-occupied housing units were recorded in Ottawa County by the Census Bureau. Of these units, 39,171 (74.2%) had a mortgage while 13,619 (25.8%) had no mortgage. In terms of cost burden, 7,077 (18.1%) specified owner-occupied housing units with a mortgage were occupied by households that paid 30% or more of household income on housing costs. In terms of severe cost burden, 1,994 specified owner-occupied housing units with a mortgage were occupied by households that paid 50% or more of household income on housing costs (5.1%).

The Northwest Quadrant has the highest share of households with cost burden at 20.5%, while the Southeast Quadrant has the lowest share at 14.4%. The Northwest Quadrant also has the highest share of severely overburdened households (50% or greater) at 6.9% of the households.

The local municipalities with the greatest percentage of mortgaged units occupied by cost burdened households were Port Sheldon Township (29.4%), the Village of Spring Lake (28.9%), and Crockery Township (25.8%). The local municipalities with the greatest percentage of mortgaged units occupied by severely cost burdened households were the Village of Spring Lake (11.5%), Crockery Township (8.9%) and Spring Lake Township (8.6%).

As a comparison, the rate of cost burdened units in Ottawa County at 18.1% is lower than the national, State, and regional (Grand Rapids-Muskegon-Holland MSA) rates of 26.7%, 21.5%, and 18.9%, respectively. For severely cost burdened units, Ottawa County's rate is also lower than national, State and regional rates of 9.1%, 7.4%, and 5.6%, respectively. Regardless, the figures illustrate the scope of the affordable housing situation in the county with more than 7,000 housing cost burdened households.

The large number of housing cost burdened households in Ottawa County seems to contradict with the results presented earlier from Table 10 on page 47, where it was shown that a large number of owned or for sale units (34,944) are affordable to households with incomes less than 80% of the AMFI. This indicates that other factors beyond the availability of affordable units are contributing to housing cost burden within Ottawa County. These factors may include:

- Households are purchasing homes beyond their means;
- Mortgage lending agencies may be offering mortgages inconsistent with the income limitations of home buyers;
- Affordable housing is unevenly distributed throughout the county;

- Locations that are the most desirable or practical to live (i.e., near major employment centers, entertainment and recreational destinations, or rural areas) may have a limited amount of affordable housing;
- Sufficient affordable housing units for the lowest income households (somewhere below 50% of the AMFI) may not be available;

Additionally, a variety of other financial, social or geographical factors may be contributing to overall cost burden within the county.

7.4 Renter Overburden

There is no universally accepted benchmark to strive for in terms of the optimum home ownership rate for a community. As mentioned above, the benefits of fostering and promoting home ownership at the community level are numerous, but so too are the benefits of offering a variety of housing options, including an adequate supply of rental housing.

Appendix D-1 details the gross rent as a percentage of income for households in the county, separated by Quadrant and community. For the county, 35% of the 10,079 renter households are overburdened. A relatively low number of renters are also severely overburdened (13%), when compared to the State (17%).

The Northwest Quadrant has the lowest share of renter overburdened households at 23%, while the Southeast Quadrant has the highest share (36%). The Southeast Quadrant also has a relatively high share of severely overburdened households at 19%, when compared to the State.

Among the communities, Tallmadge Township has the lowest share of overburdened households. Alternatively, Zeeland Township and Olive Township have an inordinately high percentage of severely overburdened households at 29% and 24%, respectively.

7.5 Increasing Home Ownership through Subsidies

A host of government agencies, programs and policies have been enacted over the decades to increase housing affordability, expand housing options and increase fair access to housing. In general, these programs and subsidies have worked to increase housing affordability and expand housing opportunities throughout the nation.

Despite this progress, however, access to affordable housing remains restricted for many groups such as low- to moderate-income households, the elderly and minorities. Additionally, national or State affordable housing programs are often not responsive to the unique demographic and market conditions found within a localized area.

According to the U.S. Department of Commerce in a July 2007 report on housing affordability, there are three basic ways to increase the affordability of homes for prospective home buyers: lower interest rates, require a lower downpayment for home purchasers, and provide a downpayment subsidy.

In terms of a downpayment subsidy, which could be provided through non-profit or governmental agencies, the Department of Commerce estimates that a subsidy of \$2,500 would increase the number of renters in the United States who would qualify for a home mortgage by one percentage point (one percent of total renters represented 427,450 households in 2002).

A downpayment subsidy of \$5,000, \$7,500 or \$10,000 would increase the number of renters qualifying for a home mortgage by 4 percentage points, 11 percentage points and 17 percentage points, respectively.¹⁶ Clearly, a local downpayment subsidy program could have a significant impact on local households seeking to purchase a home who would otherwise not qualify for a mortgage. This subsidy could come from the local municipality or an independent organization.

16. *Who Could Afford to Buy a Home in 2002?* U.S. Department of Commerce, Economics and Statistics Administration. Issued July 2007.

8.0 Housing Market Opportunity

8.1 Introduction

In the following sections, we first provide the forecasted housing supply by Quadrant in Ottawa County. We then provide the total number of additional units that the market can absorb for each Quadrant based on forecasted supply and demand, and estimated market share. This is known in the industry as Market Opportunity.

The results from the opportunity analysis indicate the total market opportunity for that Quadrant. It is important for local governments to prepare for providing housing units in these price brackets as current and forecasted demand is exceeding the current and forecasted supply. Local municipalities and agencies should utilize this information as a marketing tool to encourage housing development that meets these needs.

8.2 Section Summary

Based on the results of the supply-demand analysis, the market opportunity for additional owner-occupied units is as follows:

- The Northwest Quadrant has an opportunity to add up to 680 new owner-occupied units priced below \$125,000.
- The Northeast Quadrant has opportunity to add up to 440 new owner-occupied units priced between \$80,000 and \$150,000.
- The Southwest Quadrant has opportunity to add up to 940 new owner-occupied units priced below \$125,000.
- Lastly, the Southeast Quadrant has opportunity to add up to 1,010 new owner-occupied units priced between \$80,000 and \$150,000.

For renter-occupied units,

- The Northwest Quadrant has an opportunity to add up to 100 new renter-occupied units with rents below \$400.
- The Northeast Quadrant has opportunity to add up to 90 new renter-occupied units with rents below \$500.
- The Southwest Quadrant has opportunity to add up to 200 new renter-occupied units with rents below \$500.
- The Southeast Quadrant has opportunity for up to 160 renter-occupied units with rents below \$500.

8.3 Housing Opportunity

The following tables represent the opportunity for new residential units in Ottawa County, and is based on the outcome of the supply-demand analysis. Appendix D-4 and D-5 detail the current and forecasted supply of owner- and renter-occupied units; Appendix D-6 and D-7 detail the current and forecasted demand for owner- and renter-occupied units; and Appendix D-8 and D-9 detail the resulting market opportunity after the market share is applied.¹⁷

The displayed number in each bracket for any given year represents the total opportunity in the market *through* that year. The results for each year represent a *rolling* total for the project, and cannot be aggregated year-to-year. The table includes dashes (-) in categories where supply has either met or exceeded demand.

Northwest Quadrant

The Northwest Quadrant has opportunity for up to 1,000 new units by 2010, with 560 of those units priced below \$150,000. The remaining 440 units are priced between \$200,000 and \$299,999. The Northwest Quadrant also has opportunity for up to 230 new rental units. Of the 230 units, there is opportunity for 110 units priced under \$500 a month.

Northeast Quadrant

Compared to the other three Quadrants, the Northeast Quadrant has fewer households to absorb new units, therefore the Quadrant's opportunity is lower. The Northeast Quadrant can support up to 440 new units, of which 300 are priced below \$150,000. For rentals, there is opportunity for up to 160 units, with 100 priced below \$500 a month.

Southwest Quadrant

The Southwest Quadrant has the highest opportunity, with support up to 1,760 new owner-occupied units, 900 of which are priced below \$150,000. The Southwest Quadrant also has opportunity for 130 rental units priced between \$300 and \$499 a month. Our analysis also indicates that up to 110 units can be supported priced below \$200 a month.

Southeast Quadrant

There is opportunity in the Southeast Quadrant for up to 760 new homes ranging in price between \$50,000 and \$150,000. There is also opportunity in the Southeast Quadrant for up to 190 new rentals priced under \$500.

17. Market Share refers to the percentage of the total gap (demand minus supply) that the market can truly support.

8.4 Qualifying the Results

The housing opportunity analysis only provides the actual number of units by price point. To qualify the results of the housing opportunity analysis, we have provided proven examples of the types of units described in the opportunity analysis and the types of quality product that can be built to accommodate the demand.

We have utilized design and construction standards from the Affordable Housing Design Advisor at <http://www.designadvisor.org>. The design advisor provides real-world case studies for single- and multi-family, and renter/owner-occupied development. Table 12 and Table 13 summarize the example developments across the United States.

These examples were selected specifically to meet the unique housing needs for Ottawa County. These developments fall within the price and size ranges given in the opportunity analysis. Exhibit 2 and Exhibit 3 display quality low to moderate income single- and multi-family housing.

TABLE 12. Example Low- to Moderate Income Owner-Occupied Developments

Development	Location	Price	Number of Bedrooms	Size in Square Feet
Holladay Avenue Homes	San Francisco, California	\$50,000- \$60,000	2-3 Bedroom	980-1,140
Harriet Square	Minneapolis, Minnesota	\$77,500- \$84,500	2-3 Bedroom	1,280-1,440
Southside Park Co-Housing	Sacramento, California	\$88,743- \$151,927	1-4 Bedroom	640-1,423
<i>Source: Affordable Housing Design Advisor</i>				

TABLE 13. Example Low- to Moderate Income Renter-Occupied Developments

Development	Location	Rent	Number of Bedrooms	Size in Square Feet
Dermott Villas	Dermott, Arkansas	\$230-\$265	1-2 Bedroom	520-878
Field Street	Detroit, Michigan	\$367-\$425	2-3 Bedroom	900-1,050
YMCA Family Village	Redmond, Washington	\$100 (average)	2-3 Bedroom	650-800
<i>Source: Affordable Housing Design Advisor</i>				

Exhibit 2. Quality Low to Moderate Income Single-Family Units



Exhibit 3. Quality Low to Moderate Income Multi-Family Units



9.0 Government and Policy Issues

9.1 Introduction

Governmental programs and policies play a significant role in the access to housing, availability of affordable housing, and the overall quality of housing. A description of relevant governmental policy issues and their impact on housing within Ottawa County, both positive and negative, is provided below.

9.2 Federal Laws and Regulations Assuring Fair Housing

A significant number of federal laws and regulations have been issued in order to ensure the application of fair housing practices to all residents of the United States. Those statutes garnering the most direct influence in assuring fair housing choice include:

9.2.1 1866 Civil Rights Act

As one of the primary legislative acts establishing the precedent for fair housing legislation, the Civil Rights Act of 1866 provides that:

...such citizens, of every race and color,...shall have the same right, in every State and Territory in the United States, to make and enforce contracts, to sue, be parties, and give evidence, to inherit, purchase lease, sell, hold, and convey real and personal property, and to full and equal benefit of all laws and proceedings for the security of person and property...

9.2.2 Title VIII of the Civil Rights Act of 1968, also referred to as the Fair Housing Act (including Amendments in 1974 and 1988)

This Act makes it unlawful to discriminate in either the sale or rental of housing, real estate related transactions, or in provision of brokerage services against any person regardless of race, color, religion, sex, familial status, or national origin.

In addition to anti-discrimination stipulations, this Act also provides for a discrimination complaint process in which a person filing a complaint may seek, and may be awarded temporary and permanent injunctive relief, including the right to complete a transaction and/or occupy a unit; compensatory and punitive monetary damages; attorney fees and costs.¹⁸

18. *Summaries of Key Fair Housing Laws*. Fair Housing Center of Metropolitan Detroit. February 8, 2000.

9.2.3 Title VI of the Civil Rights Act of 1964

This Act ensures that all citizens, regardless of race, color, or national origin, are allowed to participate in federally assisted programs.

9.2.4 Section 504 of the Rehabilitation Act of 1973

According to this Act, an otherwise qualified disabled citizen is not to be excluded from receiving financial assistance through Federal programs.

9.2.5 Section 109 of Title I of the Housing and Community Development Act of 1974

This Section guarantees that the Department of Housing and Urban Development's Community Development and Block Grant Program will not exclude any person from participation in the program on the basis of race, color, national origin, religion, or sex.

9.2.6 Title II of the Americans with Disabilities Act of 1990

This Act prohibits the discrimination of disabled citizens in regard to participation in or receiving benefits from State or local government financial assistance programs or activities.

9.2.7 Architectural Barriers Act of 1968

This Act represents one of the first attempts to guarantee access for handicapped persons to buildings constructed with assistance from federal funds. In order to help enforce this Act, accessibility guidelines were developed and are called the Uniform Federal Accessibility Standards (UFAS).

9.2.8 Age Discrimination Act of 1975

It is the purpose of this Act to prohibit discrimination on the basis of age, and as such the Act states:

No person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving Federal financial assistance.

9.2.9 Title IX of the Education Amendments Act of 1972

The purpose of this Act is to prevent discrimination on the basis of sex. Under Title IX, educational programs or activities receiving Federal financial assistance may not exclude persons on the basis of sex.

9.2.10 Equal Credit Opportunity Act

This Act provides that a creditor shall not refuse to grant credit to a credit worthy applicant on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract) or because all or part of the applicant's income is from a public benefit.¹⁹

9.2.11 Home Mortgage Disclosure Act (HMDA)

The Home Mortgage Disclosure Act was enacted by Congress in 1975. The Act requires that certain financial lending institutions report loan information such as the loan type, amount of loan, amount of down payment, interest rate, type of property, applicant information, and the action taken on the loan application. This loan information is then made available to the public through the Federal Financial Institutions Council and can be used to identify possible discriminatory lending patterns, among other purposes.

9.2.12 Community Reinvestment Act (CRA)

The purpose of the Community Reinvestment Act is to encourage financial lending institutions to meet the credit needs of the communities in which they operate, including the needs of minorities and low- and moderate-income neighborhoods. This act, which was enacted by Congress in 1977, requires that each financial institution be evaluated periodically to make sure that they are meeting the credit needs of the community. The evaluations, as required by the CRA, are conducted by the federal agencies having supervisory responsibilities over the financial institutions.

Lending institutions are determined by the evaluation agencies to be in need of improvement or noncompliant in the case that certain practices are occurring, such as: unreasonable loan-to-deposit ratios given the service area; poor dispersal of loans throughout the service area; and poor dispersal of loans to individuals of different income levels within the service area.

9.2.13 Presidential Executive Orders Related to Fair Housing

- Executive Order 11063 - Prohibits discrimination in the sale, leasing, rental, or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.²⁰
- Executive Order 12892 as amended - Requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of

¹⁹.*Ibid.*

²⁰.Fair Housing Laws and Presidential Executive Orders. U.S. Department of Housing and Urban Development.

HUD will be responsible for coordinating the effort. The Order also establishes the President's Fair Housing Council, which will be chaired by the Secretary of HUD.²¹

- Executive Order 13166 - Eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally-assisted and federally conducted programs and activities.²²
- Executive Order 13217 - Requires federal agencies to evaluate their policies and programs to determine if any can be revised or modified to improve the availability of community-based living arrangements for persons with disabilities.²³

9.3 State Laws and Regulations Assuring Fair Housing

Several State laws and regulations have been issued in order to ensure the application of fair housing practices and assuring housing choice to all residents of Michigan. These include:

9.3.1 Michigan Elliott-Larsen Civil Rights Act (as Amended)

This State of Michigan Public Act is intended to define civil rights and to prohibit discriminatory practices, policies, and customs in the exercise of those rights. With regard to housing and other real estate transactions, by this Act, it is unlawful to discriminate based on religion, race, color, national origin, age, sex, height, weight, familial status, or marital status.

9.3.2 Michigan Persons with Disabilities Civil Rights Act (PA 220 of 1976)

Under this Act, it is unlawful not to accommodate a person with a disability for employment, public accommodation, public service, education or housing unless the person demonstrates that the accommodation would impose an undue hardship.

9.3.3 Michigan Mortgage Lending Practices Act (PA 135 of 1977)

This Act is meant to prohibit financial lending institutions from using discriminatory lending practices. It requires that each institution have a set of written policies or criteria concerning loan application reviews that are applied uniformly to all applicants within a metropolitan area, or in the case of rural areas, within a county. The Act also prohibits institutions from using the racial or ethnic characteristics or age of housing within the subject property's neighborhood as a factor for denial or altering the conditions of a loan contract.

21.*Ibid.*

22.*Ibid.*

23.*Ibid.*

9.4 *Local Zoning Impacts on Affordable Housing*

The intent of zoning is to promote the health, safety and welfare of a community by establishing zoning districts and regulating the development and use of land, consistent with a community master plan. Municipal zoning ordinances prescribe land uses, building heights, densities, and setback requirements, along with a myriad of other use regulations, and serve as a tool by which a local government can regulate the built environment.

However, when employed in an exclusionary manner, whether by intentional or unintentional means, a zoning ordinance can work against the wellbeing of low- to moderate-income households, elderly citizens, ethnic and minority groups, and other segments of the population, particularly with regard to housing.

For example, a zoning ordinance may limit or prohibit certain types of housing such as multi-family apartments, manufactured homes, or housing for the elderly, thereby limiting housing opportunities for various segments of the population such as young adults, the elderly, low- and moderate-income citizens, and the community workforce population (teachers, police, service employees, etc.).

In such a case, the local zoning ordinance restricts the market's ability to naturally respond to supply and demand for various types of housing. In contrast, zoning ordinances that permit and promote a balanced mix of housing, offering a variety of housing types and affordability ranges, have become an important solution to community wide housing supply and affordability problems.

9.5 *Common Zoning Ordinance Barriers to Affordable Housing*

To promote opportunities for the development of affordable housing within Ottawa County, adopted local zoning ordinance regulations should be evaluated to identify where any potential barriers to affordable housing exist. Where found, the removal or modification of regulatory barriers should be considered.

At the county level, however, this process can only be accomplished in a general manner, as each local community must ultimately determine the appropriateness of their ordinance regulations with regard to affordable housing, consistent with community-specific characteristics and values. Therefore, this discussion will focus on assisting the local municipalities of Ottawa County in their own evaluation process by identifying common regulatory barriers to affordable housing.

Every local zoning ordinance is unique, yet common barriers to affordable housing are found in some form within most zoning ordinances. Typically, these barriers are enabled through practices or techniques that include, but are not limited to:

- Limited variety of housing types permitted;
- Limited residential densities allowed;
- Restrictive dwelling unit standards;
- Restrictive site and design standards; and,
- Disincentives for affordable housing.

Following these general headings, we have created a list of questions that will assist in the evaluation of adopted zoning ordinances by local municipalities. Depending on the answer to the questions, a community may be promulgating a barrier to affordable housing. Where barriers are found, a community should re-evaluate the purpose behind the regulations and weigh any community benefit against the negative impact upon the provision of affordable housing.

Where necessary, amendments to zoning regulations should be enacted. It should be noted that specific figures and percentages are intentionally not provided in the questions below, because there are no universal benchmarks to promote affordable housing that can be applied to every community. For example, the ideal allocation of land zoned for high density residential versus low-density residential will vary considerably for a suburban lakefront township in comparison to a rural farming township. Therefore, the intent is to foster critical discussion of adopted ordinance regulations and their impact on affordable housing, given the unique values held by each community.

Limited Variety of Housing Types:

1. Are there a variety of residential zoning districts that allow for different types of housing beyond single-family detached homes (e.g., duplexes, manufactured homes, apartments, migrant housing, senior housing)? If no, a barrier to affordable housing may exist.
2. Are individual manufactured homes (factory built housing placed on a permanent site) permitted “by right” in all residential districts where site-built housing is permitted? If no, a barrier to affordable housing may exist.
3. Are group homes for adult foster care and/or the developmentally and mentally disabled allowed “by right” in all residential districts? If no, a barrier to affordable housing may exist.
4. Are accessory apartments permitted as a special land use in all single-family residential zoning districts? If no, a barrier to affordable housing may exist.
5. Are accessory apartments permitted “by right” in multi-family districts? If no, a barrier to affordable housing may exist.
6. Is sufficient land zoned for those districts that permit housing types other than single-family detached homes? If no, a barrier to affordable housing may exist.

Limited Variety of Residential Densities:

1. Are there a variety of residential zoning districts that allow for smaller lots or increased densities? If no, a barrier to affordable housing may exist.
2. Is sufficient land zoned for those districts that permit smaller lots or increased densities? If no, a barrier to affordable housing may exist.
3. Do minimum lot size requirements exceed the local health code standards or are otherwise not based on explicit health standards? If yes, a barrier to affordable housing may exist.

Restrictive Dwelling Unit Standards:

1. Are excessive minimum floor areas required or are minimum floor areas otherwise not based on explicit health standards to prevent overcrowding? If yes, a barrier to affordable housing may exist.
2. Is shared housing, which involves the occupancy of a dwelling unit by two or more unrelated individuals who live as a single housekeeping unit, prohibited? If yes, a barrier to affordable housing may exist.
3. Are excessive minimum dwelling unit dimensions required? If yes, a barrier to affordable housing may exist.
4. Do cost prohibitive design standards exist (building materials, minimum number of bedrooms, minimum number of garage stalls)? If yes, a barrier to affordable housing may exist.

Restrictive Site and Design Standards:

1. Are parking requirements for affordable housing types, where fewer vehicles per unit are typical, the same as those for single-family dwellings? If yes, a barrier to affordable housing may exist.
2. Is the minimum land area to qualify for a planned residential development or cluster housing development, where affordable housing could be easily incorporated, excessively large? If yes, a barrier to affordable housing may exist.

Disincentives for Affordable Housing:

1. Are density bonuses or other bonuses offered to offset the cost of building below-market units as an incentive for any market-rate residential development that includes a portion of affordable housing? If no, a barrier to affordable housing may exist.
2. Is there a fast-track approval process for all affordable housing projects? If no, a barrier to affordable housing may exist.
3. Are development impact fees waived or reduced for affordable housing projects? If no, a barrier to affordable housing may exist.

9.6 *Local Zoning Barriers in Ottawa County*

For this Housing Needs Assessment, local zoning ordinances and zoning districts data were collected from each municipality within Ottawa County. As detailed below, each local zoning ordinance was evaluated in a general manner to determine the extent of regulatory barriers to affordable housing within the county.

For each local municipality, Appendix F-1 summarizes the range of zoning districts that permit affordable housing types, maximum densities allowed, and other concepts having an impact on the provision of affordable housing. This data can be evaluated in conjunction with the Local Zoning Districts Map in Appendix A-14, which shows the extent of the various local zoning districts within the county.

As shown in the exhibit, every local municipality in Ottawa County permits two-family dwellings, multiple-family dwellings and other housing types that are typically more affordable than the standard single-family detached dwelling. However, the local zoning districts map clearly illustrates that the majority of the land in the county is zoned for agricultural, rural residential or low density single-family residential use; meaning that only single-family detached homes would be permitted.

Based on factors such as the existing amount of affordable housing, income distribution of its citizens, availability of public infrastructure, and community values, Ottawa County communities should evaluate whether additional land should be zoned to accommodate affordable housing types.

In addition, these agricultural, rural and low density residential districts typically require large lot sizes for residential homes, leading to higher overall housing costs. In many situations, a reduction in lot sizes can be accomplished through planned unit development or clustering techniques, as noted below, but communities that are dominated by agricultural, rural and low density residential zones may still want to consider reducing minimum lot size requirements to promote affordable housing.

Most of the more urbanized communities in the county do provide a greater variety and extent of zoning districts with minimal lot sizes, such as Holland, Grand Haven, and Hudsonville.

Appendix F-1 also shows that every local municipality in Ottawa County allows for planned unit developments or cluster developments, where greater flexibility in terms of design, mixture of land use and density is permitted. In this manner, planned unit developments and cluster developments are more easily able to integrate affordable housing and non-traditional housing types.

Except for a few local municipalities, any type of habitation within an accessory structure (i.e., accessory apartment or “granny-flat”) is prohibited. An evaluation behind the basis of such a prohibition should be conducted, as an accessory apartment serves as an affordable housing unit and also provides additional income for the homeowner.

Through our review of local zoning ordinances, we noted that many communities enforce restrictive dwelling unit standards. One common requirement was a minimum width for any side of a dwelling unit (i.e., 20 feet or 40 feet). The practical result of such a requirement is the potential prohibition of certain types of affordable housing units, such as manufactured homes, from locating within residential districts.

Eliminating such standards may facilitate the development of new affordable housing within a community. However, dwelling unit standards are often well founded; thus, any proposed modifications to the standards should be judged in relation to other important community goals such as preservation of neighborhood character and property values.

We also found that some communities include significantly large minimum floor area requirements for dwelling units or even minimum garage floor area requirements. For single-family dwelling units, some communities require minimum floor areas of 1,200 square feet or higher. These large floor area requirements limit opportunities to construct affordable units within residential districts, as affordable units are generally much smaller in size than standard units.

A review of more than 70 real-world affordable housing developments, as highlighted by the Affordable Housing Design Advisor at <http://www.designadvisor.org>, revealed that affordable units, on average, were being constructed with floor areas as low as the following, based on unit type:

- Rental Studio - 445 square feet
- Rental 1 Bedroom - 612 square feet
- Rental 2 Bedrooms - 807 square feet
- For Sale 1 Bedroom - 724 square feet
- For Sale 2 Bedrooms - 969 square feet

Based on these affordable housing floor area examples, local communities should consider lowering minimum floor area requirements to ensure that affordable housing units can be accommodated.

10.0 Housing Delivery System

10.1 Introduction

Critical to any assessment of current and future housing, including affordable housing, is an understanding of the mechanisms in place for planning, financing, building, maintaining, improving, and marketing housing. This Section presents the general picture of the various mechanisms in place within Ottawa County, which collectively comprise the county's housing delivery system.

Much of the data presented was collected through governmental databases and housing provider lists along with various other internet resources relating to specific housing programs and resources. Insight on the capabilities and constraints of various housing providers was also obtained through telephone interviews.

A housing delivery system is comprised of many participants involved in the planning, financing, construction, maintenance, sale, and improvement of physical structures, as well as those involved in providing services to occupants. These participants form the basic foundation of the delivery system, and can be grouped into several categories such as builders/developers, financiers, regulators, owners/marketers, and post construction service providers. All of these participants are dependent upon the availability of money, materials, people, equipment, laws, regulations, knowledge, technology and land.

All of the housing participants are subject to the basic regulatory processes involved in the provision of housing. Of particular importance is the role of governmental agencies (local, state and federal) in the process, providing standards for housing, subsidizing housing construction, regulating land use and influencing the type and character of housing that the various providers produce.

The most obvious result of the housing participant's efforts and the regulation process is the housing stock found within a community. The housing stock can be classified in many ways, such as renter occupied or owner occupied, single-family or multiple-family, privately owned, publicly owned or non-profit owned.

10.2 Housing Providers in Ottawa County

A wide variety of housing providers currently operate with Ottawa County's delivery system as presented below. These providers can be classified into several basic categories, which will help to understand their particular role in the marketplace and the types of housing or housing services typically provided.

10.2.1 Private Developers/Home Builders

This category consists of for-profit developers and builders who rely on traditional financial institutions to fund the construction of new housing. In general, these providers cater to middle and upper income households by offering mid- to higher-priced housing at quantities and prices determined by market demand.

The predominant unit type produced by for-profit developers in Ottawa County is the single-family detached home. To a lesser extent, but becoming a more common trend in recent years, for-profit developers are constructing non-traditional housing such as attached homes, townhouses, condominiums, and rental units at higher densities with prices determined by the market. Playing a significant role in the regulatory process are local governments (i.e., Boards and Councils, Planning Commissions, Building Departments) and their adopted development standards (i.e., zoning ordinances, subdivision regulations, infrastructure requirements).

In many cases, local government standards prompt for-profit developers to produce a higher value housing product through restrictive standards such as requiring large lot sizes or large home sizes. Once homes are constructed, for-profit developers predominantly rely on the marketing efforts of realtors to sell their product.

As homes built by for-profit private developers and builders age, and as the demand for new and modern housing shifts elsewhere, these units eventually become more affordable to low- and moderate-income households through standard market dynamics. This illustrates the importance of for-profit developers in the housing delivery system, as their housing stock ultimately becomes a major supply for more affordable housing.

For-profit developers and builders are numerous within Ottawa County, too numerous to list individually within this report, with the market consisting of a multitude of local builders as well as national builders.

10.2.2 Non-Profit Organizations

Non-profit organizations are critical providers of low-income and special needs housing products, as well as a variety of housing services. Although traditional bank financing is important for these organizations, such financing is less dominant in this sector. Public and philanthropic financing is far more important for non-profit agencies, as financing tends to be generated through a more complicated combination of public, private and philanthropic funds.

The role of governmental agencies in the housing delivery process for non-profit organizations is significant. This is particularly true when public funds are utilized, as such financing typically brings additional regulatory requirements from governmental agencies such as the U.S. Department of Housing and Urban Development (HUD) or Michigan State Housing Development Authority (MSHDA). Local governmental units also play a role in the delivery process through the application of land development regulations.

Non-profit agencies commonly produce low-income subsidized housing. Because governmental financing is often utilized to construct new housing, most of the housing must be rented or sold at prices affordable to low-income households. Special needs housing is another common type of housing produced through non-profit agencies. Some non-profit agencies also provide emergency shelters for those in immediate need of housing.

Many non-profit agencies are not involved in the provision of housing units, rather, they focus on housing programs. Such programs include: food, health and clothing services; homelessness prevention; educational programs; home purchasing and relocation assistance; property improvement assistance; home energy assistance; domestic violence assistance; disability assistance; substance abuse services; and counseling services.

The non-profit organizations currently operating within Ottawa County, along with their roles in the housing market are provided in Appendix F-2. Outside of emergency shelters and residential care facilities for special needs groups, only two non-profit organizations provide general affordable housing for low-income citizens.

These two agencies include the Lakeshore Habitat for Humanity and the Tri-Cities Area Habitat for Humanity. Both agencies construct single-family homes for low-income families. The remainder of the non-profit organizations identified in the table provide emergency shelters and/or provide a variety of important housing assistance services to low-income persons, teens, the elderly, disabled and abused.

It should be noted that the non-profit provider table does not include the many non-profit organizations that offer housing to special needs groups. Residential care facilities for special needs groups are identified later in this Section.

10.2.3 Emergency Shelters

Emergency shelters are an important housing component provided within the delivery system, providing shelter for those who are left without housing due to various circumstances. Emergency shelter is considered to be a temporary situation, as the non-profit agencies operating the shelters provide assistance designed to get people back into permanent housing. As outlined in Appendix F-2, a total of six local non-profit agencies within Ottawa County provide emergency shelters for the homeless, teens, and abused.

10.2.4 Residential Care Providers for Special Needs Groups

These housing providers offer housing for special needs groups such as the frail elderly, the physically and/or mentally disabled, persons with HIV/AIDS and the homeless. Many of these providers are non-profit agencies, but for-profit businesses also operate group homes within Ottawa County. Additionally, many licensed group home providers operate out of their residence.

Residential care facilities in Michigan are licensed through the Michigan Department of Human Services, and are grouped by the State into several categories including Family Home (within a residence, less than six residents), Group Home (within a residence, seven to 20 residents), and Congregate Care Facility (facility, more than 20 residents).

Agencies or persons managing these residential care facilities tend to provide special supportive services for residents, either directly or through special service providers. Some non-profit agencies also provide emergency shelters for those in immediate need of housing. Appendix F-3 identifies the State licensed care facilities within Ottawa County. In total, these providers have a capacity to accommodate 1,679 special needs residents.

10.2.5 Governmental Entities

Some governmental entities, particularly large urban cities, undertake public affordable housing projects. Outside of major urban areas, however, governmental agencies are less likely to directly provide housing, but are more likely to provide housing assistance programs for low-income citizens. When providing housing, their role in the housing delivery system is similar to non-profit organizations. Financing for housing development projects usually is obtained through a combination of public, private and philanthropic sources.

Within Ottawa County, no governmental agencies provide publicly funded housing. Rather, various governmental agencies work to promote affordable housing and improve housing conditions through offering a variety of housing assistance programs. Appendix F-4 outlines the various housing programs offered by governmental entities. Typical services include property improvement assistance, housing placement assistance, and rent subsidy programs.

10.2.6 Public Housing Commissions

The Ottawa County Housing Commission is the only public housing commission operating within Ottawa County. The recently formed Commission works cooperatively with federal, State, and local governments to address the housing needs of the citizens of Ottawa County. The purpose of the Housing Commission is to take advantage of federal and/or State funding that may become available to Ottawa County residents through a created housing commission. Currently, the Housing Commission does not provide public housing within the county.

10.3 Suitability of Providers by Housing Type and Services

Based on an understanding of the various housing delivery participants and their roles in the marketplace, it is possible to determine those providers best suited to meet future housing needs. Appendix F-5 provides a matrix that matches housing types and housing services provided with the various housing delivery participants within Ottawa County. This table will assist in identifying where future housing demand can be met as well as existing gaps in the provision of housing.

As shown in the table, the only participants in the provision of market-rate single-family dwelling units, multiple-family dwelling units and manufactured housing communities within Ottawa County are for-profit developers and builders. This is typical of most communities, where there is ample supply of market-rate housing, particularly single-family units, and little need to supplement the supply through the efforts of non-profit or governmental agencies.

Even though for-profit developers dedicated to multiple-family communities and manufactured home communities are much less common, the perceived need to supplement supply through non-profit or governmental intervention rarely exists. The supply of affordable housing units within Ottawa County is limited to those provided by for-profit developers and the two Habitat for Humanity agencies operating within Ottawa County.

Residential group homes and care facilities for special needs groups within Ottawa County are provided through a combination of for-profit and non-profit providers. The supply of emergency shelters within Ottawa County is entirely provided by non-profit providers. In terms of housing assistance services, Table 7 generally shows that a wide spectrum of programs are offered by the various non-profit and governmental agencies operating within Ottawa County.

10.4 Capacity of Housing Providers and Funding Availability

As part of the assessment of the capacity of housing providers and availability of funds, two local for-profit home builders and two local non-profit home builders were interviewed. The local for-profit home builders both specialized in the construction of market-rate homes, although one noted that they have participated in non-profit and governmental housing rehabilitation projects in the past.

One local developer currently has four homes under construction, and because of the current poor housing market, will only begin the construction of new homes following the sale of a home elsewhere. The other for-profit home builder did not want to specify the exact number of homes under construction or planned, but noted the poor housing market was impacting overall business.

The two local non-profit home builders both construct affordable homes that are sold to low-income homeowners that meet certain criteria. Qualifying low-income homebuyers rely on the sale of the home at zero profit utilizing low down payment or no interest loans. One of the non-profit housing providers has constructed a total of 44 homes since the organization's inception approximately 20 years ago.

The other non-profit home builder averages approximately six to seven new homes per year. Both non-profit home builders noted the complications in securing adequate financing prior to starting a new home. In addition to the sale of previously constructed homes, one non-profit home builder relies on funding support from churches, volunteer laborers, corporate sponsors, and civic organizations.

10.5 Housing Delivery System Barriers

The capacity of market-rate housing delivery system participants to provide new housing differs from affordable housing participants. At present, it appears that the biggest barrier to the provision of market-rate housing is not the availability of financing, but the poor housing market. Assuming the housing market gradually improves, there should be no problem in providing new market-rate housing within the county utilizing traditional private financing sources.

Clearly, the most critical factor in the provision of affordable housing by non-profit agencies is the availability of financing, as money for affordable and special needs housing has consistently been insufficient for addressing needs. However, some amount of financial assistance for non-profit agencies is available through a variety of programs.

One of the major funding assistance programs that could be utilized to deliver new affordable housing units is the Community Development Block Grant (CDBG) program, operated through the U.S. Department of Housing and Urban Development (HUD). In many cases, non-profit agencies are supplemented by indirect funding from local municipalities that receive CDBG funding directly from HUD.

Within Ottawa County, the City of Holland qualifies to receive CDBG funds from HUD. This means that a non-profit organization such as the Lakeshore Habitat for Humanity, which operates within the City of Holland, could partner with the City and potentially receive indirect CDBG funding from the City.

Non-profit agencies in Ottawa County could seek funding assistance from the Michigan State Housing Development Authority (MSHDA). MSHDA provides assistance to non-profit agencies through three primary funding mechanisms: the Housing Resource Fund (HRF), County Allocation Program, and Emergency Shelter Grants (ESG).

Eligible projects under these programs include homebuyer assistance, homeowner assistance, rental rehabilitation, rental development, homeless assistance and neighborhood preservation.

In addition to a general lack of funding, the delivery of affordable housing units in Ottawa County is hindered by the limited number of non-profit (and governmental) housing providers that currently operate in the county. This means that the supply of affordable housing is almost exclusively at the mercy of for-profit developers.

To overcome this situation, local communities could consider mandates for a certain number of affordable units to be provided within larger market-rate developments. Additionally, educational efforts on the importance of providing affordable housing could lead to increased participation by non-profits, charitable organizations, and local governments in the housing delivery system.

11.0 Matching Housing Needs to Land Use

11.1 Introduction

In an effort to understand overall housing trends within a region, as well as assess the need for affordable housing, it is important to identify where new housing development is likely. In a general manner, this can be done by identifying the high growth communities within a region and the locations where residential development is planned.

Because affordable housing is more common at higher residential densities (i.e., small lot residential, attached units, apartments), an identification of lands planned for high density residential development within high growth areas would help determine where new affordable housing is likely to occur, if at all.

11.2 Location of Potential Housing Development

During the 1990's and through 2006, the fastest growing communities (in terms of absolute population change) were found in the northwestern portion of the county (Grand Haven area), southwestern portion of the county (Holland and Zeeland area), and southeastern portion of the county (Hudsonville, Jenison and Allendale area).

Following this historical trend, these same areas are projected to experience the highest population increases (in terms of absolute population change) between 2006 and 2011. These projected population increases are illustrated on Appendix A-13, Projected Population Change, 2006-2011.

Within the county, the highest growth increases are projected to occur in Holland Township (3,671 new residents), Georgetown Township (3,609), City of Holland (1,792), Allendale Township (1,563), Grand Haven Township (1,336), Park Township (1,239) and Zeeland Township (1,177). Six additional communities are predicted to increase by 500 to 1,000 residents between 2006 and 2011 including the City of Grand Haven, Spring Lake Township (includes the Village of Spring Lake), the City of Hudsonville and Jamestown Township.

For the communities within Ottawa County that are predicted to increase by more than 500 residents between 2006 and 2011, the planned residential areas were mapped to identify the most likely locations for future residential growth. For this purpose, the planned residential areas information was derived through local municipal Master Plans. Because the Village of Spring Lake, Spring Lake Township and Grand Haven Township are currently preparing new Master Plans, existing residential zoning districts were utilized to demonstrate where new residential development is likely to occur.

As shown on Appendix A-14, Planned Residential Lands in High Growth Municipalities, only selected areas within these high growth communities are planned for residential development, with the remainder of the areas planned for non-residential or agricultural use. It is important to note that many of the areas planned for residential use may already be occupied by residential development, meaning that any vacant or agricultural land within the planned residential areas would have the greatest potential to accommodate new development.

New affordable housing is most likely to be developed in areas planned for higher density residential development. Of the lands planned for residential development within the fastest growing communities in Ottawa County, a relatively limited percentage is planned to accommodate higher densities. More commonly, lands planned for residential development are envisioned to be in the form of low density residential (detached) development, where affordable housing is less likely.

Below are some of the larger areas planned for higher intensity development within the fastest growing communities:

- Spring Lake Township - R-3 (Multi-Family) zoned land west of Hiawatha Drive and west of 180th Avenue;
- Village of Spring Lake - Multi-Family zoned land scattered throughout the Village, in addition to infill development opportunities within single-family zoned neighborhoods;
- City of Grand Haven - Infill development activities are to be expected within planned urban neighborhoods, Multi-Family lands, and planned development areas;
- Grand Haven Township - Planned High Density Residential lands on the north side of Comstock Street, east and west of the City limits;
- Allendale Township - Planned Mixed Use district north and south of M-45 between 48th Avenue and 68th Avenue;
- Georgetown Township - Planned High Density Residential lands: along 42nd Avenue, south of Pierce Street; northeast of Van Buren Street at Edson Drive; with smaller Medium or High Density Residential lands scattered throughout the Township;
- City of Hudsonville - Multi-Family planned lands scattered throughout the City, in addition to infill development opportunities within planned urban neighborhoods;
- Jamestown Township - Planned High Density Residential lands: surrounding the enclave of Jamestown; east side of 32nd Avenue, south of the City limits; and within the enclave of Forest Grove;
- Zeeland Township - Planned Mixed Use areas within the enclaves of Beaverdam, Vriesland and Drenthe;

- Holland Township - Planned Medium and High Density Residential lands along 120th Street, between James Street and Quincy Street;
- City of Holland - Infill development activities are to be expected within planned urban neighborhoods, Multi-Family lands, and planned mixed use areas;
- Park Township - Planned Medium Density Residential lands along Butternut Drive near Division Avenue; Planned High Density Residential lands scattered along Ottawa Beach Road.

Although all of the high growth communities plan to accommodate higher density housing to some extent, which could boost the overall supply of affordable housing in the future, the percentage in comparison to lands planned for traditional low density housing is low for each community. This is understandable, given the rural and agricultural character of the townships in particular and the desire to limit overall densities.

However, affordable housing can often be accommodated in a limited manner within larger market-rate developments, without impacting rural character. As part of a planned development or cluster housing project, which is a development technique allowed in every local Ottawa County municipality, affordable housing could easily be accommodated, even within planned low density residential areas.

11.3 *Infrastructure Needs to Support Affordable Housing*

Typically, the lands planned to accommodate higher density residential use, and subsequently, affordable housing, are planned as such due to the availability of necessary infrastructure such as public water and sewer. This is the case for the planned high density residential areas identified in the high growth communities above, as each operate a public water and sewer network to some capacity (see below).²⁴

Therefore, to support affordable housing in the planned high density residential areas, major public infrastructure improvements are not likely to be necessary. More typically, the construction of new utilities necessary to serve a particular project would be funded by private developers.

For the Grand Haven area (cities of Grand Haven and Ferrysburg, Village of Spring Lake, and townships of Spring Lake, Grand Haven and Crockery), water service is provided in selected areas through the Northwest Ottawa Water System. For these same communities, sewer service is provided in selected areas with treatment conducted at the Grand Haven Wastewater Treatment Plant.

24. In some areas, Ottawa County provides public utilities through the Road Commission.

In the northern portion of the county, the City of Coopersville provides a public water (purchased from Grand Rapids) and sewer system (Coopersville Wastewater Treatment Plant). Located in the center of the county, Allendale Township also operates a public water (purchased from Grand Rapids) and sewer system (Allendale Wastewater Treatment Plant).

In the southeastern portion of the county, Georgetown Township, Jamestown Township and the City of Hudsonville all provide public water and sewer service in selected areas with water purchased from the City of Wyoming and sewer treatment through the City of Grandville Clean Water Treatment Plant.

In the Holland area (cities of Holland and Zeeland, townships of Park, Holland and Zeeland), public water service is provided in selected areas through the Holland Water Distribution System. In the same communities, public sewer service is provided in selected areas with treatment at the Holland Area Wastewater Treatment Plant or the Zeeland Clean Water Plant.

For the rest of the communities within the county, public water and sewer service is limited or does not exist. To support new high density residential developments within these rural areas, alternative potable water sources and sewer treatment methods would need to be implemented by the developer.

As an example, larger residential developments that provide a privately operated sewage treatment plant to serve those units within the project are becoming more common throughout the State. In the case of predominantly market-rate low density residential projects that incorporate a limited amount of affordable units, new infrastructure may not be necessary as individual wells and septic systems could serve each unit.

11.4 Public Lands

The extent of public lands within Ottawa County is illustrated on Appendix A-15, Public Lands. These public lands include State parks, county parks, local municipal parks, and unimproved publicly owned lands. In communities with a restricted affordable housing supply, publicly sponsored affordable housing projects may be necessary to improve affordable housing conditions.

Lands already owned by governmental units are often the first to be evaluated to determine whether or not they can be converted to affordable housing projects. Ideal locations for such projects are governmentally owned urban infill sites, where surrounding densities are higher and utilities are readily available.

However, depending on the unique situation of the community, the conversion of publicly owned properties in rural areas to affordable housing may be necessary to fulfill community needs. Although no recommendations to convert publicly owned lands to affordable housing projects are made as part of this study, Map 4 provides the county with an inventory of public lands.

12.0 Community Input

12.1 Introduction

For this Housing Needs Assessment, we have invited the Ottawa County community to share their opinions, thoughts, and concerns, to better identify the true and unique needs for each community. Four public meetings and a survey were conducted as a result of this effort. We have analyzed the results of public meetings and a housing needs survey to community residents, stakeholders, and officials. Issues raised in this process allowed us as “outsiders” to get “insiders” perspective on critical issues facing Ottawa County residents and stakeholders. Our recommendations were tailored to meet some of these concerns.²⁵

12.2 Public Meetings

The conversations during the public meetings were focused on housing concerns of the community, however each meeting had an open format to garner unique responses and concerns, allowing the conversation to be more fluid and to be driven by the participants. A total of 35 people participated in four public meetings, which were held in Ottawa County during two weeks in October, 2007. These meetings were held in the following locations (in chronological order):

- Southeast Quadrant - Georgetown Senior Center in Jenison on Oct. 9th
- Southwest Quadrant - Michigan Works in Holland on Oct. 10th
- Northeast Quadrant - Church of the Saviour in Coopersville on Oct. 17th
- Northwest Quadrant - Grand Haven Community Center in Grand Haven on Oct. 18th

12.2.1 Summary of Community Concerns

All of the communities expressed some concern over providing additional housing. Each meeting brought to light the most critical issues of the immediate community, but based on fieldwork and other analyses, these issues reflected the environment of the greater region. The most critical concerns from each public meeting are summarized below.

²⁵It is worth noting that the survey was not scientific, meaning the sample size was not large enough to be scientifically significant.

Southeast Quadrant

In the Southeast Quadrant, participants discussed the importance of quality schools to the overall health of the community, and that it contributed to families wanting to live there. Other topics discussed included limited housing options for young adults, as well as high foreclosure rates.

Southwest Quadrant

The discussion, at the Southwest Quadrant public meeting, focused on services and community resources. The participants suggested additional measures need to be taken to prevent homelessness and home foreclosures. Perceptions of safety and racial segmentation issues were also discussed.

Northeast Quadrant

Alternative senior housing options were the topic of the night, at the Northeast Quadrant public meeting. The discussion involved the current housing market slump and the effect on an age restricted cooperative housing development. Other concerns addressed involved migrant housing, limited housing options in the community, and high foreclosure rates.

Northwest Quadrant

The Northwest Quadrant public meeting had the highest turnout and the most diverse discussion of issues than the previous three meetings. The discussions focused on homeowner absenteeism, limited mix of housing options, overall affordability, and a rising share of seasonal housing.

12.3 *Housing Needs Survey*

We have analyzed the results of a housing needs survey to community residents, stakeholders, and officials, conducted throughout the month of October, 2007. A total of 168 surveys were completed and returned to our offices over the course of the month. The questions used in the survey were deliberately phrased to garner both direct and personalized responses, allowing the conversation to be more fluid and to be driven by the responder.

We encourage Ottawa County to conduct a similar survey with a larger sample size to strengthen the validity of the results. It is important to consider that responses may be swayed by pressure from media, over-representation of demographic groups, or lack of education on subject matter.

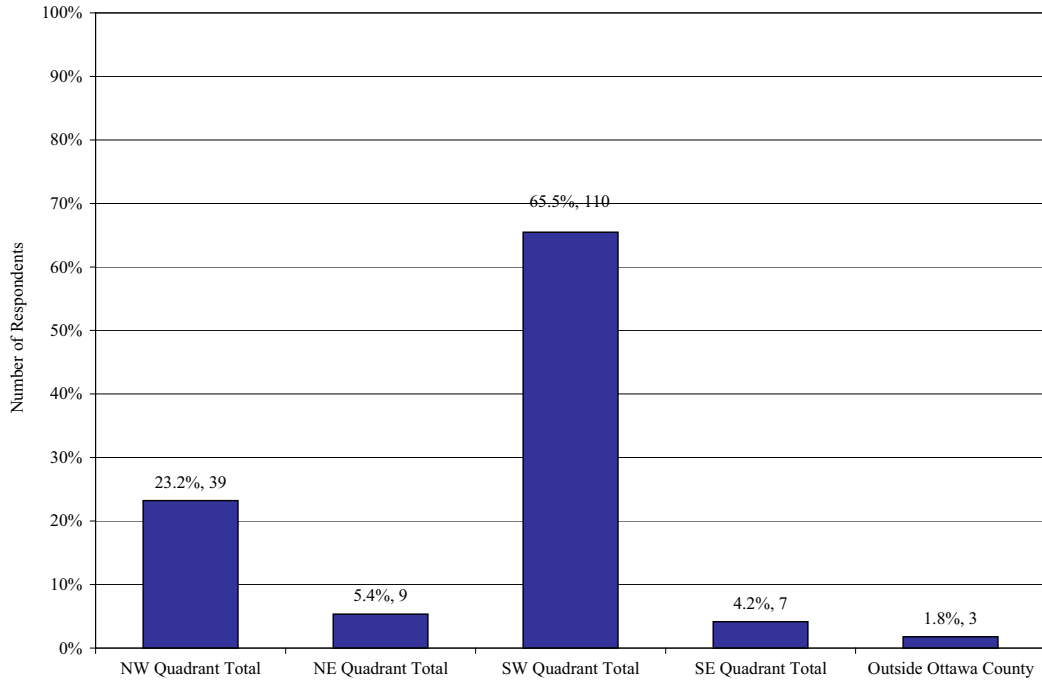
Below is a summary of survey results, followed by charts to better illustrate the results. The charts display the share of responses and the total number of responses to that question. Question #8 displays the average score (10 being the highest) for that response. This is inverted from the survey where 10 was the lowest. A copy of the survey is also provided in Appendix G of this report.

12.3.1 Summary of Survey Results

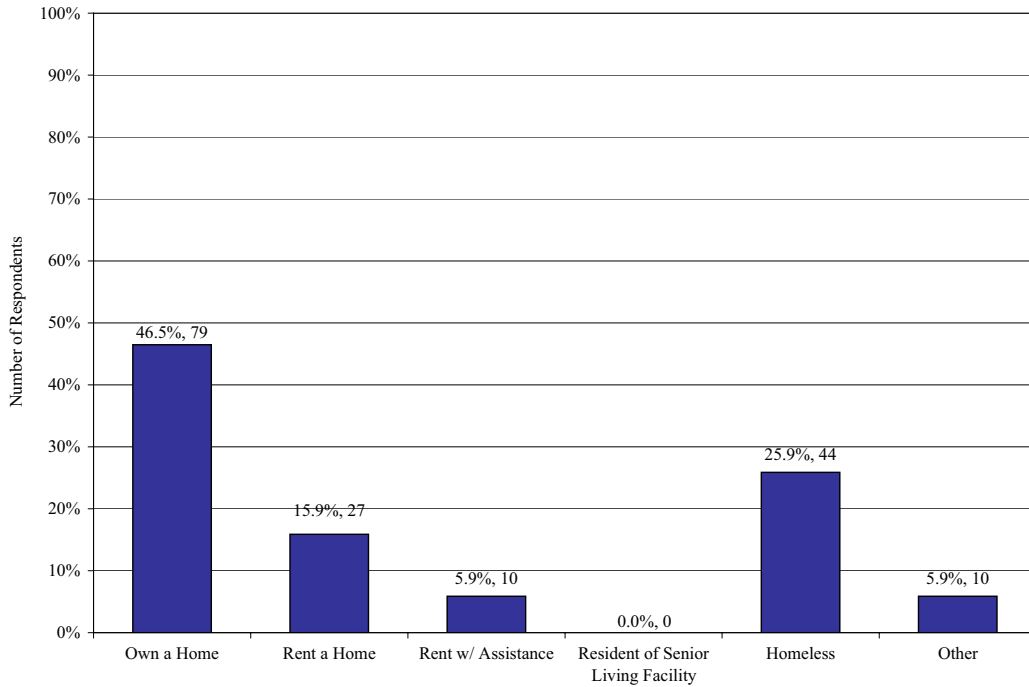
- The largest share of responses came from the Southwest Quadrant with 66% of the returned surveys, followed by the Northwest Quadrant (23%), and the Northeast Quadrant (5%), with the balance coming from the Southeast Quadrant and outside of Ottawa County.
- Approximately 47% of the respondents indicated they owned a home, while nearly 26% of the respondents indicated they were homeless.
- A majority of the respondents (83%) indicated that their housing was suitable.
- Nearly half of the respondents were affiliated with either a faith-based organization or a public office.
- 22% of those surveyed suggested they were unemployed due to the inability to work or due to transition.
- A large share (42%) of respondents indicated their monthly income was below \$500 a month.
- Nearly 27% of those polled paid more than \$1,000 a month in rent, and about 30% paid more than \$300 in utilities a month.
- 57 respondents had an individual with a disability in their household. Of those 57, 13 respondents suggested that sufficient care was not being provided in their home. The number one reason being a lack of transportation options available.
- In response to urgent needs for homeless in the next five years, the number one recommendation was homeless prevention services, followed by emergency shelter space.
- Training for independence, mortgage/rent assistance, and transportation assistance, marked the top recommendations for services that should be offered to low-income persons.
- The respondents indicated that 13% of their households were aged 0-9 years, and approximately 9% of the households were 65 years old or older.

12.3.2 Housing Needs Survey Charts

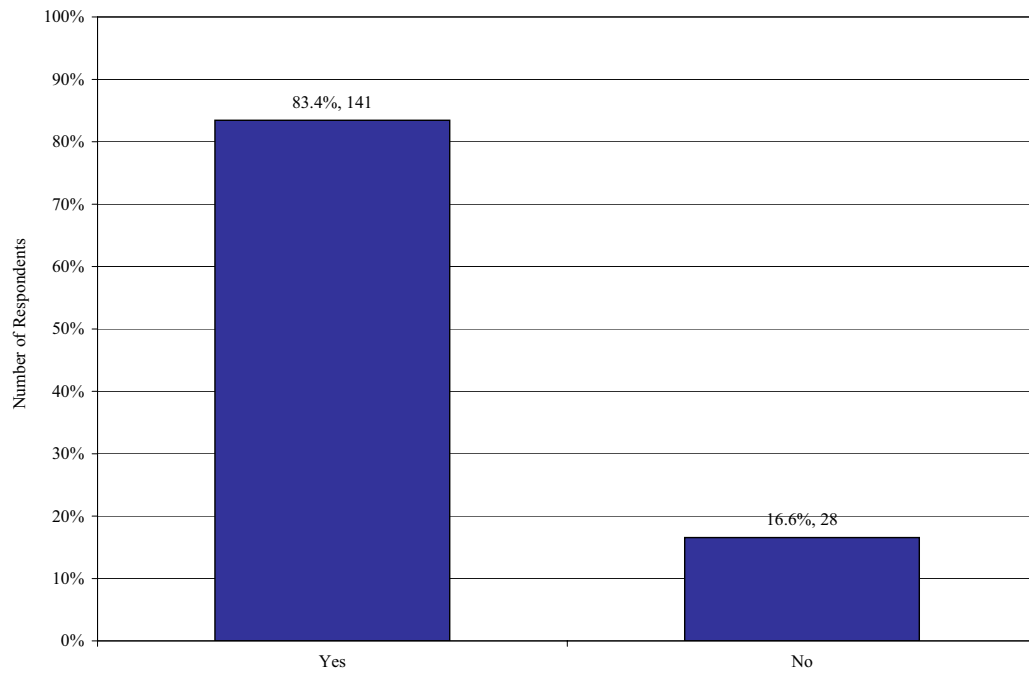
Question 1. What community are you currently living in? (results by quadrant)



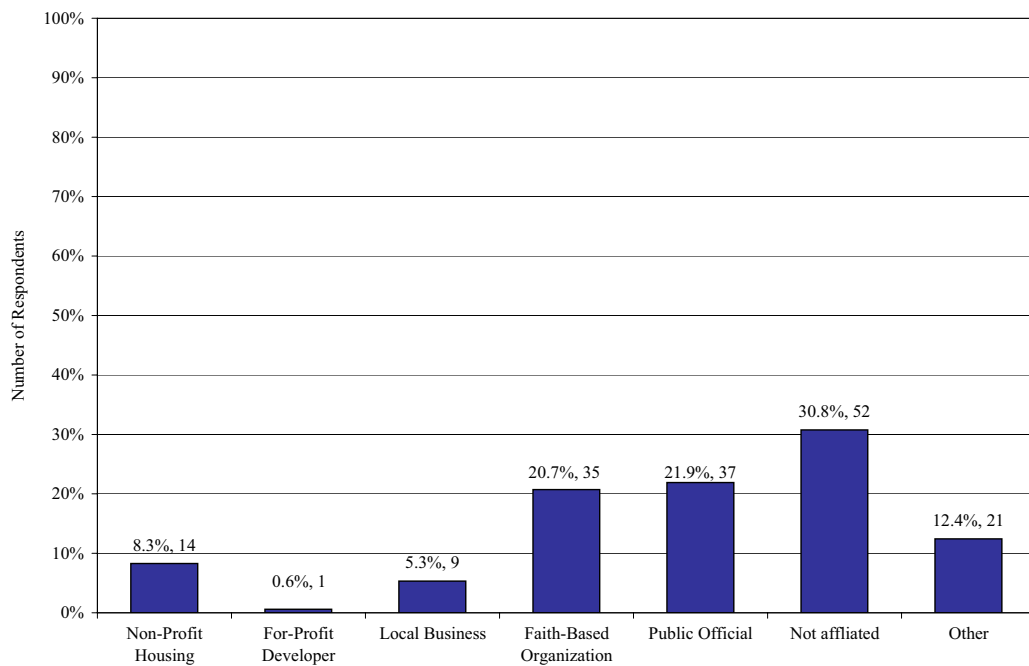
Question 2. What is your current living situation?



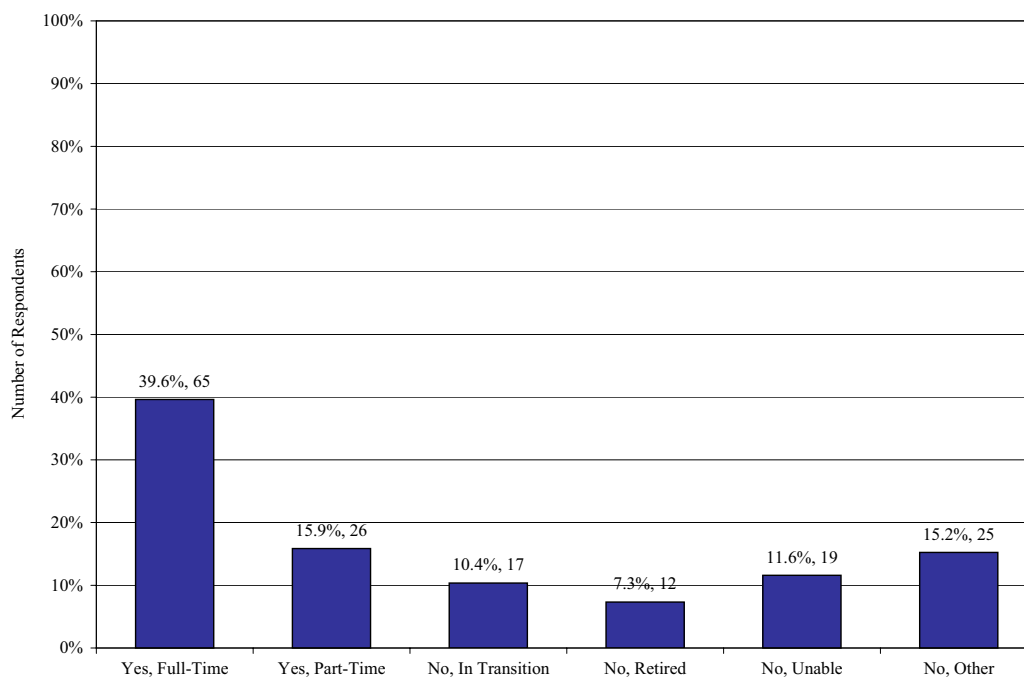
Question 3. Is your current housing suitable for you?



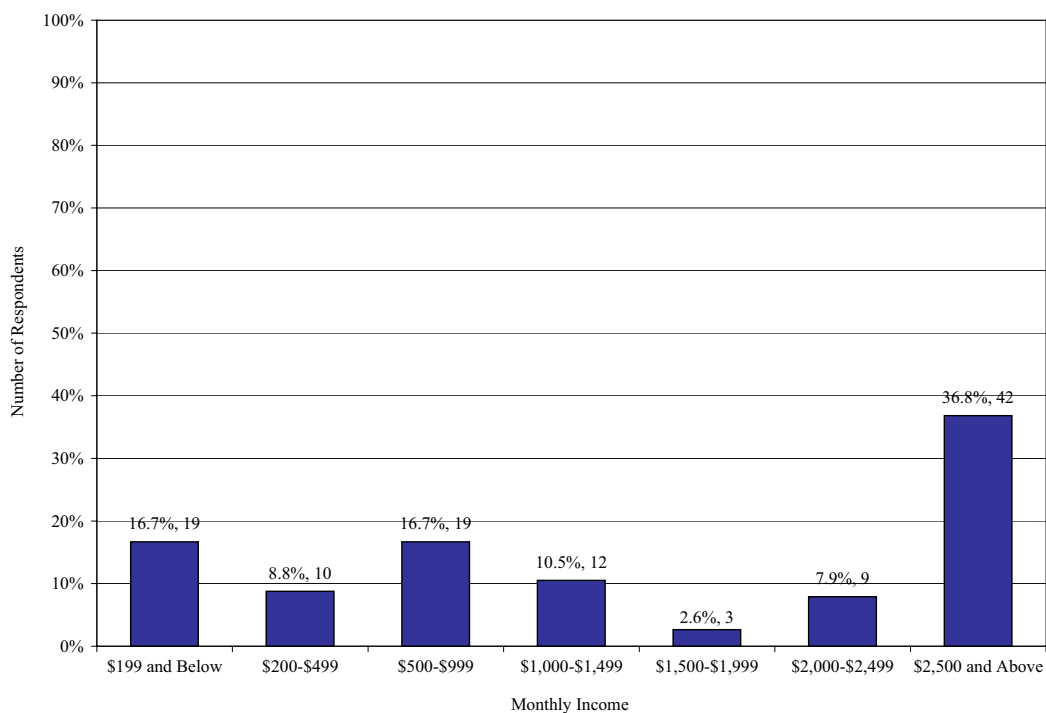
Question 4. What type of organization are you affiliated with?



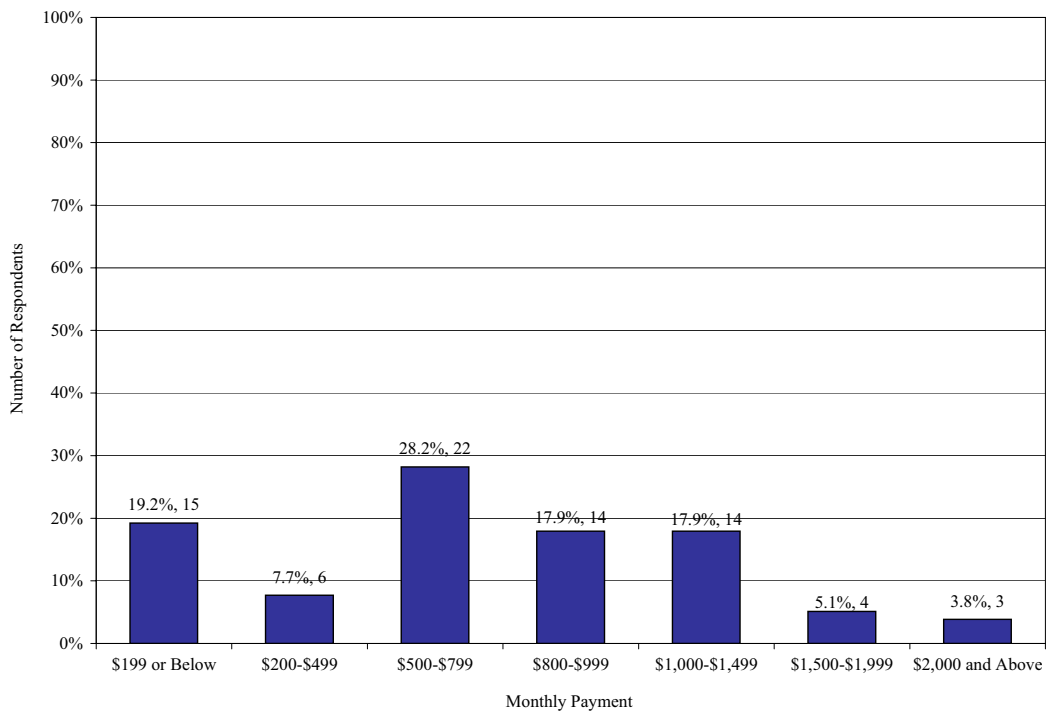
Question 5. Are you currently employed?



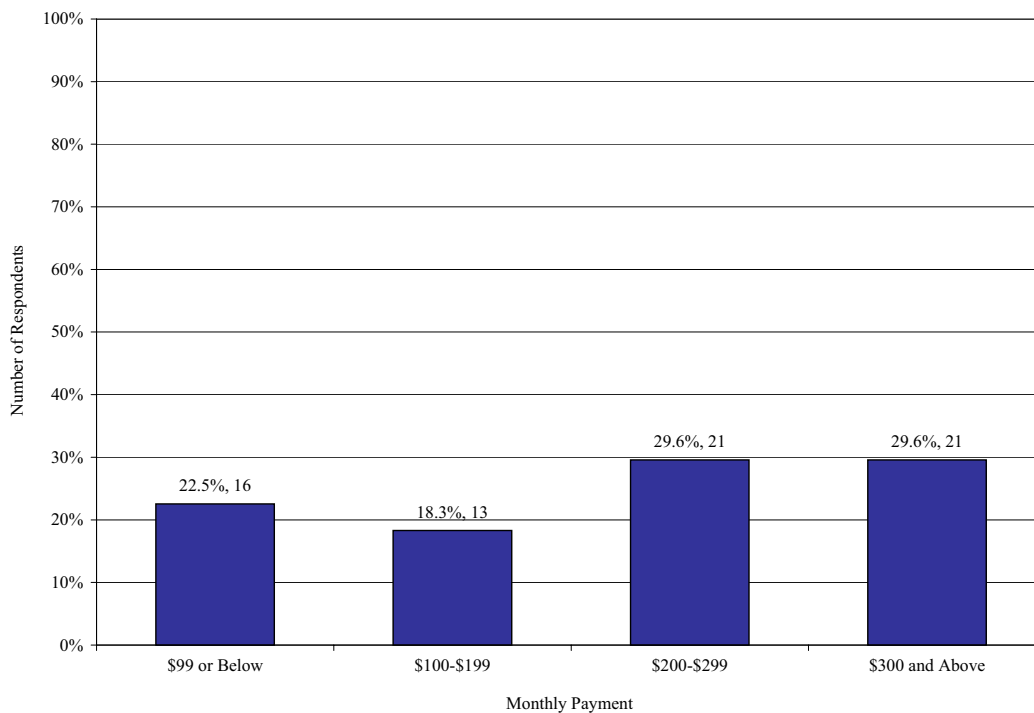
Question 6. What is your monthly income?



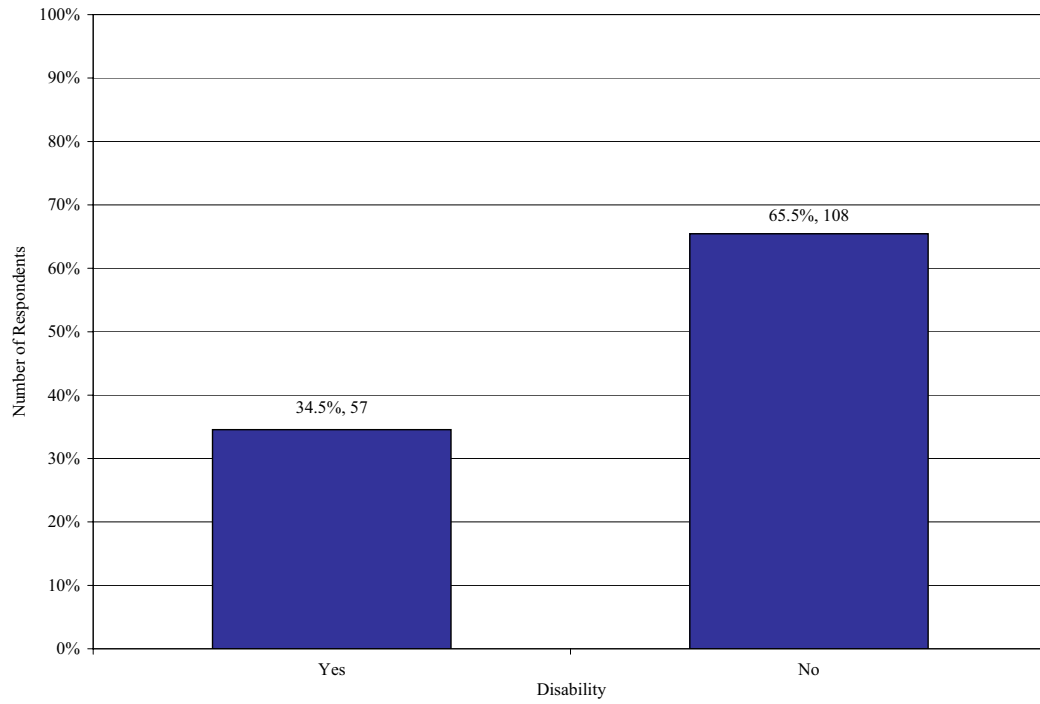
Question 6b. What is your monthly rent or house payment?



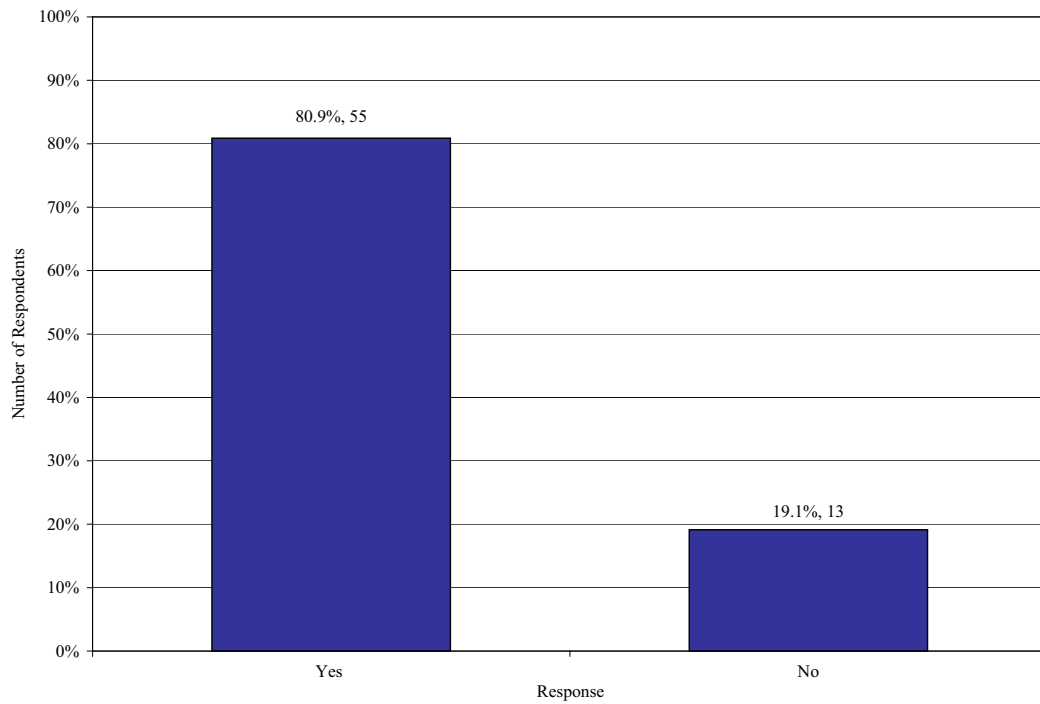
Question 6c. What are your monthly utilities?



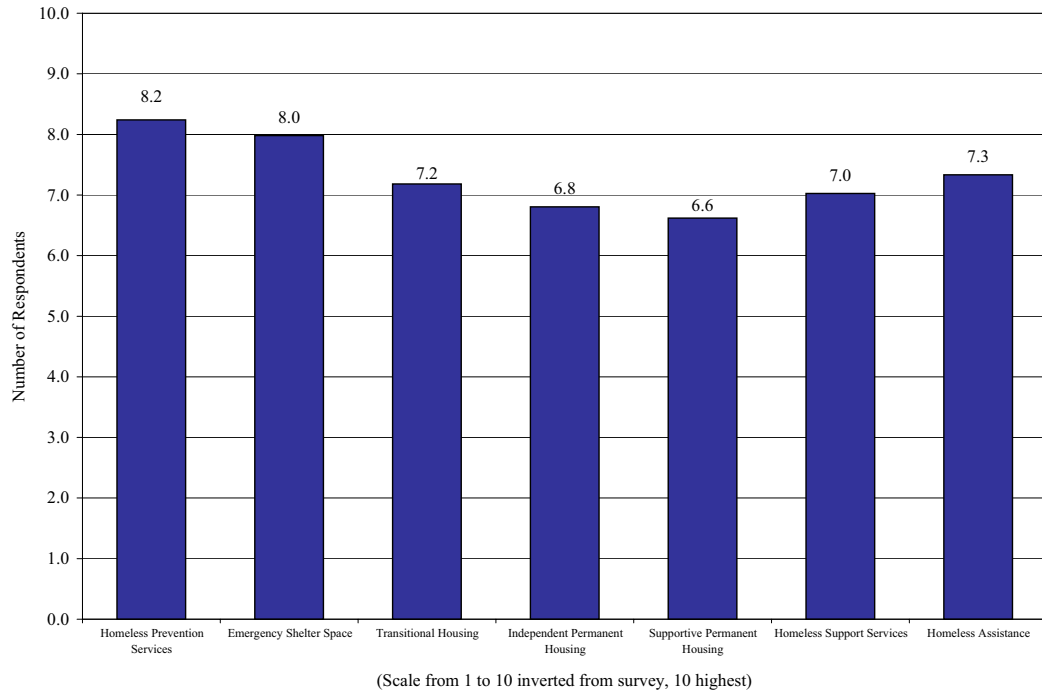
Question 7. Do you or any of your household have a disability?



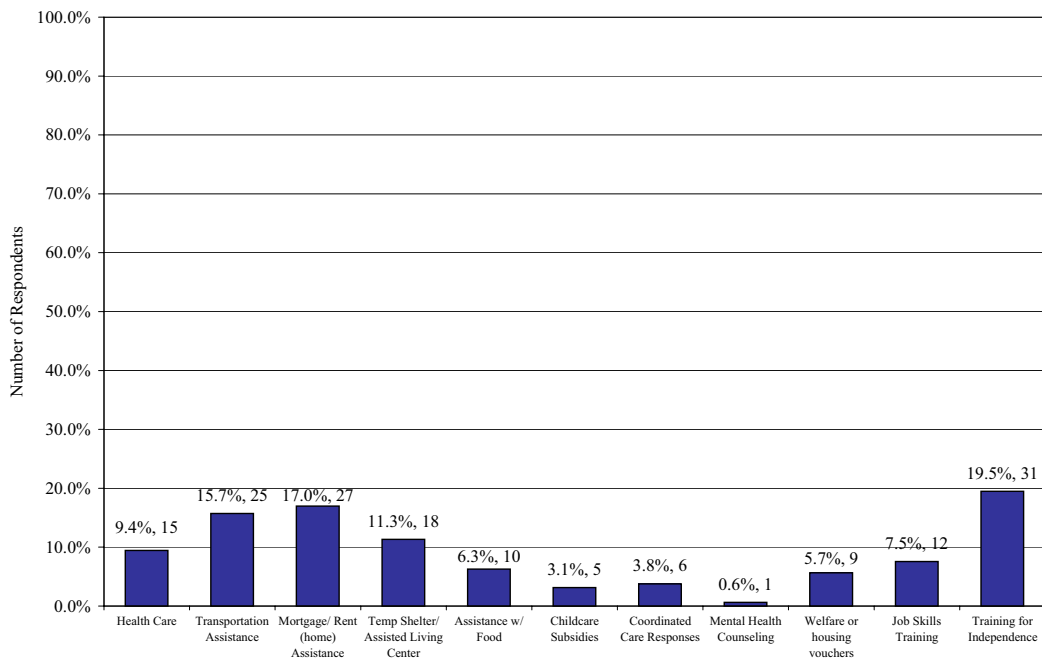
Question 7b. Is sufficient care being provided for disabilities?



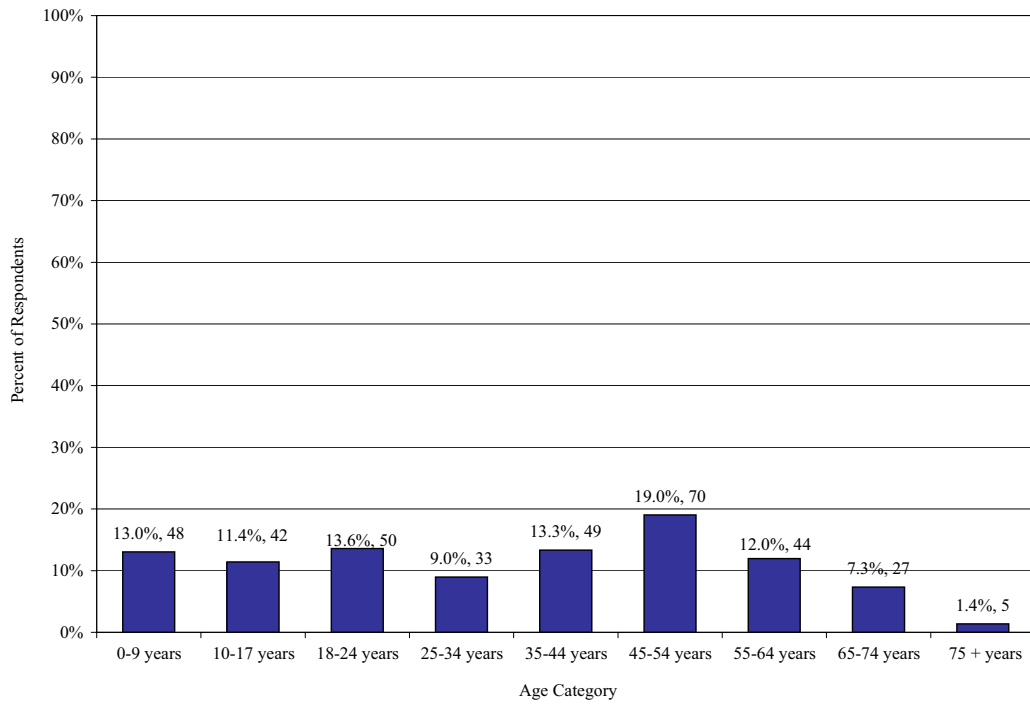
Question 8. What is the most urgent need for homeless persons over the next 5 years?



Question 9. What types of services should be offered for low-income persons?



Question 10. Including yourself, how many people in each age group live in your household?



13.0 Glossary of Terms

13.1 Introduction

This glossary is intended to provide standard definitions to some of the more technical vocabulary included in this report. Definitions were provided by several sources including the Department of Housing and Urban Development (HUD), State Housing Development Authorities, Community Economic Development Associations, National Local Initiatives Support Corporation (LISC), and the Great Lakes Capital Fund. Questions on any of these terms can be directed to Mr. Jeffrey J. Smith at Anderson Economic Group.

13.2 Terms Defined

#

203(b)

The 203(b) is an FHA program which provides mortgage insurance to protect lenders from defaulting. The program is used to finance the purchase of new or existing one- to four-family housing, and is characterized by low down payment, flexible qualifying guidelines, limited fees, and a limit on maximum loan amount.

203(k)

The 203(k) is an FHA mortgage insurance program that enables home buyers to finance both the purchase of a house and the cost of its rehabilitation through a single mortgage loan.

A

Absorption Rate

Absorption rate describes the number of housing units that will be sold or rented over a period of time, typically a month.

Adjustable Rate Mortgage (ARM)

Adjustable Rate Mortgage is a mortgage loan subject to changes in interest rates. With ARM, monthly payments increase or decrease at intervals determined by the lender and is usually subject to a cap.

Affordable Housing

Affordable Housing is a term that is loosely and often incorrectly used in the housing industry. The U.S. Department of Housing and Urban Development (HUD) defines affordability as a household that pays no more than 30% of its annual income on housing. Generally speaking, it measures a household's ability to obtain and keep a home, and can apply to households that are either renting or owning their home.

For owners with mortgages, affordability is based on multipliers of income, usually set by competing lenders. For renters, households spending 30% or more of their income on rent are probably not living in an affordable unit, regardless of their income and the quality of their rental unit.

Amortization

Amortization is a repayment of a mortgage loan through monthly installments of principal and interest. Typically the monthly payment amount is based on a schedule that will allow ownership of a home at the end of a specific time period (for example, 15 or 30 years.)

Annual Percentage Rate (APR)

Annual Percentage Rate is calculated by using a standard formula that calculates the cost of a loan. The APR is expressed as a yearly interest rate and includes the interest, points, mortgage insurance, and other fees.

Anomaly

Deviation from the norm, common order, form, or rule.

Area Median Family Income (AMFI)

HUD estimates the median family income (MFI) for metropolitan *areas* and non-metropolitan counties annually. New estimates are usually available around January or February. The American Community Survey (ACS) has officially replaced Decennial Census long form sample data, the basis for HUD estimates of MFI. The median income figure is the median for all family sizes.

HUD estimates income limits by family size at the 30% of median income, 50% of median income, and the 80% of median income levels with adjustments for family size and for areas that have unusually high or low income-to-housing-cost relationships.

Assumable Mortgage

Assumable Mortgage refers to a mortgage that can be transferred from a seller to a buyer. Once the loan is assumed by the buyer, the seller is no longer responsible for repaying it. However, there may be a fee and/or a credit package involved in the transfer.

B**Balloon Mortgage**

Balloon Mortgage is a mortgage that typically offers low rates for an initial period of time (usually 5, 7, or 10) years. After that time period elapses, the balance is due or refinanced by the borrower.

Bankruptcy

Bankruptcy is a federal law whereby a person's assets are turned over to a trustee and used to pay off outstanding debts. This usually occurs when someone owes more than they have the ability to repay.

C**Closing Costs**

Closing Costs are customary costs above and beyond the sale price of the property that must be paid to cover the transfer of ownership at closing. These costs generally vary by geographic location and are typically itemized for the borrower after submission of a loan application.

Community Development Block Grants (CDBG)

Community Development Block Grants are provided to communities from the U.S. Dept. of Housing and Urban Development (HUD) for a range of eligible activities, setting their own priorities as long as they meet basic program requirements. Larger cities and counties receive formula funding, whereas small communities compete for funding which is administered by states.

Community Land Trust

Community Land Trust is a means of restricting use of land and housing through not-for-profit ownership of land with leases to the land users. It is often used to protect low-income housing from speculation.

Community Reinvestment Act (CRA)

Passed in 1977 (federal legislation), the Community Reinvestment Act (CRA) states that commercial lending institutions (banks, credit unions, etc.) have a continuing and affirmative obligation to help meet the credit needs of the local communities which they serve. It requires regulatory agencies to evaluate these institutions' record of meeting the credit needs of their designated communities, consistent with the safe and sound operation of the institution.

Compound Annual Growth Rate (CAGR)

The year-over-year growth rate over a specified period of time.

D**Debt-to-Income Ratio**

The Debt-to-Income Ratio provides a comparison of gross income to housing and non-housing expenses. With the FHA, the monthly mortgage payment should be no more than 29% of monthly gross income (before taxes) and the mortgage payment combined with non-housing debts should not exceed 41% of income.

F**Fair Market Value**

The Fair Market Value describes the hypothetical price that a willing buyer and seller will agree upon when they are acting freely, carefully, and with complete knowledge of the situation.

Fannie Mae

The Federal National Mortgage Association (FNMA or Fannie Mae) is a federally-chartered enterprise owned by private stockholders that purchases residential mortgages and converts them into securities for sale to investors. By purchasing mortgages, Fannie Mae supplies funds to lenders who loan to potential home buyers.

Federal Housing Administration (FHA)

The Federal Housing Administration (FHA) provides mortgage insurance on loans made by approved lenders throughout the United States and its territories. The FHA insures mortgages on single family, multifamily, manufactured homes, and health care facilities. It is the largest government backed mortgage insurer.

Fixed-Rate Mortgage

A Fixed-Rate Mortgage is a mortgage with payments that remain the same throughout the life of the loan because the interest rate and other terms are fixed.

Foreclosure

Foreclosure is a legal process in which mortgaged property is sold to payoff the loan of a defaulting borrower.

Freddie Mac

The Federal Home Loan Mortgage Corporation (FHLM or Freddie Mac) is a federally-chartered corporation that purchases residential mortgages, securitizes them, and sells them to investors.

Functionally Obsolete

Functionally obsolete means that the property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or inadequacies in design, or similar factors that affect the property itself or relationship with other surrounding property.

G**Ginnie Mae**

The Government National Mortgage Association (GNMA or Ginnie Mae) is a government-owned corporation overseen by the U.S. Department of Housing and Urban Development. Ginnie Mae pools FHA-insured and VA-guaranteed loans to back securities for private investment. As With Fannie Mae and Freddie Mac, the investment income provides funding that may then be lent to eligible borrowers by lenders.

Gross Rent

The monthly rent on a housing unit that includes the total rent, utilities, and any other housing related payments.

H**Homeowner's Insurance**

Homeowner's Insurance is an insurance policy that combines protection against damage to a dwelling and its contents with protection against claims of negligence.

Household

Household refers to a person or family residing or intending to reside in a housing unit unit.

Housing Need

Housing Need refers to the situation in which households lack their own housing or are living in housing which is inadequate or unsuitable, and who are unlikely to be able to meet their needs in the housing market without some assistance.

Housing Commission

A Housing Commission is a Public Housing Authority created to build and manage public housing in a local community or region.

Housing Tenure

Housing Tenure refers to the arrangements under which the household occupies all or part of a housing unit. Types of tenure include ownership by a member of the household, rental of all or part of the housing unit by a member of the household, etc.

Housing Unit

Housing Unit refers to living accommodations that are intended for occupancy by a household. A housing unit may be site-constructed or may be a modular home or other form of manufactured housing. Unless otherwise specified, housing units include new housing units, existing housing units, vacant housing units, and substantially rehabilitated housing units.

Housing Choice Voucher (Program Formerly Known as Section 8)

The housing voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments.

Eligibility for a housing voucher is determined by the local housing authority based on the total annual gross income and family size and is limited to US citizens and specified categories of non-citizens who have eligible immigration status. In general, the family's income may not exceed 50% of the median family income for the county or metropolitan area in which the family chooses to live. By law, a PHA must provide 75% of its vouchers to applicants whose incomes do not exceed 30% of the area median income.

HUD

The U.S. Department of Housing and Urban Development (HUD), established in 1965, works to create a decent home and suitable living environment for all Americans. HUD administers housing and home finance programs, the Public Housing Administration and FHA.

I**Inflation**

Inflation occurs when the number of dollars in circulation exceeds the amount of goods and services available for purchase, resulting in a decrease in the dollar's value.

Interest Rate

Interest Rate is the amount of interest charged on a monthly loan payment and is usually expressed as a percentage.

L**Lien**

Lien is a legal claim against property that must be satisfied when the property is sold.

Loan-to-Value (LTV) Ratio

Loan-to-Value Ratio is a percentage calculated by dividing the amount borrowed by the price or appraised value of the home to be purchased. The higher the LTV, the less cash a borrower is required to pay as down payment.

Low-Income

A definition based on family income as a percentage of an area's median income. Different programs may set different percentages, but according to Section 8 of the U.S. Housing Act of 1937, low-income refers to a household whose annual income, adjusted for family size, is at or below 80% of the median income in a particular metropolitan area, as determined by HUD.

Low Income Housing Tax Credit (LIHTC)

The Low Income Housing Tax Credit (LIHTC) is a federal tax credit available to investors in low income housing designed to encourage investment that helps finance construction and rehabilitation of housing for low income renters.

M

Manufactured Housing

Manufactured housing is built in a controlled, factory environment on a permanent chassis that is designed to be used with or without a permanent foundation when connected to the required utilities. Manufactured homes are built to the federal Manufactured Home Construction Safety Standards enforced by the Department of Housing and Urban Development (HUD) in Washington, D.C. Manufactured homes are single story and are delivered to the home site in one, two, or occasionally, three sections; they may be placed on private property or in a manufactured home community.

Margin

Margin indicates an amount the lender adds to an index to determine the interest rate on an adjustable rate mortgage.

Market Rate Housing

Market Rate Housing is housing that is bought and sold at the fair market value. This type of housing can include low income housing and high income housing but is generally not subsidized by an agency or organization.

Moderate Income

Moderate Income refers to family income as a percentage of an area's median income. Different programs may set different percentages. According to HUD's Comprehensive Housing Affordability Strategy guidelines, moderate income refers to households whose incomes are between 81% and 95% of an area's median income, adjusted for family size.

Modular Housing

Factory-built homes that begin as components and are designed, engineered and assembled in a controlled factory environment. These homes are built to the State of Michigan Residential Building Code. This is the same code that is used to construct any conventional site-built home. Components come together at the building site and the home is completed by a licensed builder under standards enforced by state and local agencies. Modular homes may be one- or two-story dwellings and are placed primarily on private property; some may be placed in land-leased communities.

Mortgage Loan

A Mortgage Loan is a lien on property (personal property or real property) that secures the promise to repay a loan.

Mortgage Bank

A Mortgage Bank originates loans and resells them to secondary mortgage lenders like Fannie Mae or Freddie Mac.

Mortgage Index

The Mortgage Index is a measure used by lenders to determine changes to the interest rate charged on an adjustable rate mortgage.

Mortgage Insurance

Mortgage Insurance is a policy that protects lenders against some or most of the losses that can occur when a borrower defaults on a mortgage loan. Mortgage insurance is required primarily for borrowers with a down payment of less than 20% of the home's purchase price.

Movership Rate

A community's Movership Rate measures whether residents have moved into their current homes from across town, within the county, or state. Movership Rates are calculated based on the American Housing Survey, which is conducted by HUD.

MSHDA

The Michigan State Housing Development Authority (MSHDA), established in 1966, provides financial and technical assistance through public and private partnerships to create and preserve safe and decent affordable housing, engage in community economic development activities, develop vibrant cities, towns and villages, and address homeless issues.

MSHDA's loans and operating expenses are financed through the sale of tax-exempt and taxable bonds and notes to private investors, not from State tax revenues. Proceeds of the bonds and notes are loaned at below-market interest rates to developers of rental housing, and also fund home mortgages and home improvement loans. MSHDA also administers various federal housing programs.

O**Origination Fee**

Originating Fee refers to the charge for originating a loan, and is usually calculated in the form of points and paid at closing.

P

Private Mortgage Insurance (PMI)

Privately-owned companies offer Private Mortgage Insurance for qualified borrowers with down payments of less than 20% of a purchase price.

Public Housing Authority (PHA)

A public agency created by a state or local government to finance or operate low-income housing.

R

Rehabilitation Mortgage

Rehabilitation Mortgage is a mortgage that covers the costs of rehabilitating (repairing or improving) a property. Some rehabilitation mortgages, like the FHA's 203(k), allow a borrower to roll the costs of rehabilitation and home purchase into one mortgage loan.

Real Estate Settlement Procedures Act (RESPA)

The Real Estate Settlement Procedures Act is a law protecting consumers from abuses during the residential real estate purchase and loan process by requiring lenders to disclose all settlement costs, practices, and relationships (see also Truth-in-Lending).

Retail Trade

This sector is composed of establishments organized to sell merchandise in small quantities to the general public. The two main types of retailers are store and nonstore. Stores are located and designed to attract large volumes of customers through extensive merchandise displays and mass-media advertisement. Customers include businesses and institutional clients as well as the general public. Office supply stores, building materials dealers, plumbing and electrical supply stores, gasoline service stations, automotive dealers, and mobile home dealers are all classified as store retailers. Stores that provide after-sales services such as repair and installation are generally considered retail.

S

Seasonal Units (Seasonality)

Seasonal housing units are those intended for occupancy only during certain seasons of the year and are found primarily in resort areas. Housing units held for occupancy by migratory labor employed in farm work during the crop season are tabulated as seasonal. Vacant seasonal mobile homes are also counted as a part of the seasonal housing inventory.

Senior Housing

Senior Housing is generally age restricted and includes supportive services or staffing to address the needs of aging residents. Continuum of Care Retirement Communities (CCRC) cater to the various health care stages during the aging process.

Services Industries

For this report we have combined several NAICS service industry into one category to determine the number and share of employment by industry sector. These service industries include: Professional, Scientific, and Technical Services (54); Administrative, Support, Waste Management, and Remediation Services (56); Education Services (61); Health Care and Social Assistance (62); Arts, Entertainment, and Recreation (71); Accommodation and Food Services (72).

Shelter Overburden

Shelter Overburden refers to housing costs (payment and anticipated utility costs) exceeding 30% of a tenant's adjusted income, or the amount of payment designated by a third-party payor as shelter cost, whichever is greater. Families who are considered cost burdened may have difficulty affording necessities such as food, clothing, transportation and medical care.

Special Forbearance

Special Forbearance is a loss mitigation option where the lender arranges a revised repayment plan for the borrower that may include a temporary reduction or suspension of monthly loan payments.

Subsidy

Subsidy generally refers to any funds that are provided by a local, state, or federal agency that reduces the amount of financing a borrower needs to obtain from a conventional lender. Subsidies can come in the form of support payments, low-interest loans, or grants that allow low-income people to afford to live in housing that would otherwise be unaffordable or unavailable.

T

Tax Increment Financing (TIF)

Tax Increment Financing (TIF) is a financing method which uses the additional taxes generated by a completed development to pay for development costs such as land acquisition and site improvements. The difference between the taxes before the development occurs and after its completion is referred to as the “increment”. The City must create a Tax Increment Financing District according to State statute; it must meet criteria related to evidence of blight, extent of unemployment and other standards related to redevelopment districts.

Title Insurance

Title Insurance protects a lender against any claims that may arise from arguments about ownership of the property and is also available for home buyers.

Truth-in-Lending Act

The Truth-in-Lending Act is a federal law obligating a lender to give full written disclosure of all fees, terms, and conditions associated with the loan initial period, and then adjusts to another rate that lasts for the term of the loan.

V

Very-Low-Income

Very-Low-Income is based on family income as a percentage of an area’s median income. Different programs may set different percentages, however based on the HUD CDBG program definition, very-low-income is defined as a household that earns 50% or less of the median income adjusted for family size.

~ END OF REPORT ~