

In Michigan, a full-time job is no guarantee of good housing

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By Ted Roelofs/Bridge Magazine contributor

BETTER HAVE GOOD JOB: A 2013 report says that the fair market rent in Michigan would require a renter to have a full time job that pays at least \$14.77 per hour. (courtesy photo/used under Creative Commons license)

The line began growing overnight, hundreds of low-income suburban Detroit residents hoping to secure one of 1,000 available subsidized housing vouchers. It stretched to more than a mile long and an estimated 5,000 people when doors to the Taylor Community Services Center were opened the morning of Jan. 12.

A chaotic scramble ensued, as would-be applicants grabbed and pushed to get in the door and police struggled to gain control. Four were arrested. The event was canceled.

In August 2010 in Kentwood, more than 3,000 people queued up at a church to apply for 45 available vouchers. Some had camped out for days.

Though powerful scenes in and of themselves, the two incidents are just a facet of a greater issue in Michigan: Lack of affordable housing.

Michigan ranks **30th in affordable housing among U.S. states**, according to the National Low Income Housing Coalition. In **a 2013 report**, the group calculated it would take a full-time hourly wage of \$14.77 to afford the state's "fair market rent" of a two-bedroom apartment, pegged at \$768 per month. That translates into a monthly wage of \$2,559 or \$30,713 annually.

MORE COVERAGE: How high is rent in six Michigan cities?

Income in Michigan Three ways are used to track income in government statistics: household, family and personal. The figures below represent the **"median"** income in each category in the state. (All figures are from 2011, the most recent data available.)

Household income
US \$50,502
Michigan \$45,981

Family income
US \$61,455
Michigan \$58,068

Per capita income
US \$26,708
Michigan \$24,409

Source:

www.deptofnumbers.com

Many wage earners fall well short of that. With an estimated average hourly wage of \$11.62 for a renter in Michigan, a renter would have to work 51 hours a week, 52 weeks a year to afford fair market rent for a two-bedroom apartment. At Michigan's minimum wage of \$7.40 an hour, a renter would have to work 80 hours a week, 52 weeks a year.

"Is there a need? The answer is absolutely yes," said Dennis Sturtevant, CEO of Grand Rapids-based Dwelling Place, a nonprofit housing organization that manages more than 1,100 apartments and homes in 25 communities throughout West Michigan.

"We have waiting lists for subsidized units that are as much as 12 months. Some are as much as three years."

The result, said Sturtevant, is a hidden underclass forced to rent substandard housing it can barely afford, or, in other cases, crowd into apartments or rental homes to reduce the cost of rent. Some become homeless.

"I think it's a bigger problem than people want to believe it is."

And it is a problem building for at least a decade as Michigan's recession, coupled with stagnant wages, made it difficult for more households to afford housing.

Rent goes up, income goes down

According to data from the U.S. Census Bureau reported by the Michigan League for Public Policy, the cost of median gross rent in Michigan climbed from \$695 in 2001 to \$716 in 2009. But in that same period, median income adjusted for inflation fell 16 percent.

Standard guidelines for housing affordability say a household should not spend more than 30 percent of its income for housing. But renters in Michigan paying more than 30 percent for housing climbed from about 40 percent in 2001 to 56 percent in 2009.

Tax credits for housingBeyond the Section 8 program, the nation's affordable housing strategy has been largely driven the past 25 years by the Low Income Housing Tax Credit program. It trades tax credits offered to commercial or private developers in exchange for construction of affordable housing. It has produced approximately 2.4 million apartments for low-income families since its inception in 1987, including about 85,000 in Michigan. The official in charge of that program in Michigan calls it "extremely effective" and believes it has helped prevent a critical problem from getting worse. But he concedes it leaves out many individuals and families on the extreme low end of the income scale.

"We are seeing a lot of unmet need across the state. I don't think the program is able to produce enough units to fulfill demand," said Andrew Martin, who administers LIHTC for the Michigan State Housing Development Authority.

Demand for federally subsidized housing known as Section 8 – for which residents with very low income pay no more than 30 percent of their income for housing — far exceeds the estimated 24,000 vouchers allocated to Michigan. That helps explain the long lines in Kentwood and Taylor.

“They are very difficult to get your hands on,” Sturtevant said. “To get in there, you generally have to be homeless and disabled. That’s a pretty narrow part of the population. They weren’t standing there to buy a lottery ticket. It shows the need and how much people value those.”

For some low-income families, lack of other options leads to homelessness. According to analysis by the Corporation for Supportive Housing, a New York-based supportive housing advocacy organization, approximately 168,000 families with children experience homelessness in the course of a year. In Michigan, according to the Institute for Children, Poverty and Homelessness, a New York-based advocacy organization, there were more than 1,800 homeless families on a single night in Michigan in 2011 and nearly 38,000 persons in homeless families at some point that year.

In this day, “typical homeless” means young family

According to the Corporation for Supportive Housing, the typical homeless family is a mother under age 30 with two children under the age of 5 and an income less than half the federal poverty level. For a family of three in 2012, that represents a monthly income of less than \$800.

In June, Stephanie Fite, 32, and her two children, David, 12, and Amelia, 6, moved into Family Promise, a Grand Rapids shelter that helps families find permanent housing.

Before that, Fite said, she gone through a divorce, held and lost at least two jobs and found herself unable to afford rent. She and her family were homeless for a few months in 2011 and again in 2013. Before moving into Family Promise, they stayed for a month in an empty apartment with no furniture. The bonus: It was rent-free.

“It’s awful,” she said of being homeless.

“It’s really stressful and I think the hardest part is on the kids. They don’t know where we are going to be each night. They don’t know what is going on. There’s no stability.”

With the help of an organization that pays the first six months’ rent, Fite hoped in July to move into a place of her own.

“It’s going to mean everything to us. It’s going to mean stability,” she said.

Ted Roelofs worked for the Grand Rapids Press for 30 years, where he covered everything from politics to social services to military affairs. He has earned numerous awards, including for work in Albania during the 1999 Kosovo refugee crisis.