

# Low-Income Rental Housing Concerns and Opportunities in Michigan

Presentation to Michigan House  
Housing Subcommittee

Jim Schaafsma, Housing Attorney  
Michigan Poverty Law Program  
February 8, 2024



# MISSION

The Michigan Poverty Law Program (MPLP) provides support services statewide for local legal aid programs and other poverty law advocates. MPLP engages in systemic advocacy to help alleviate barriers that low-income people face.



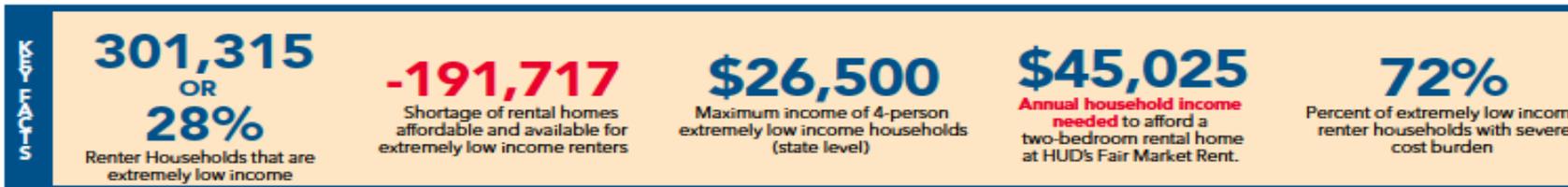
# Michigan's Rental Housing Profile

## 2023 MICHIGAN HOUSING PROFILE

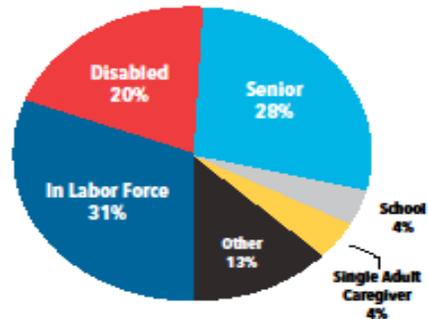


Across Michigan, there is a shortage of rental homes affordable and available to extremely low income households (ELI), whose incomes are at or below the poverty guideline or 30% of their area median income (AMI). Many of these households are severely cost burdened, spending more than half of their income on housing. Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations like evictions.

**SENATORS:** Debbie Stabenow and Gary Peters

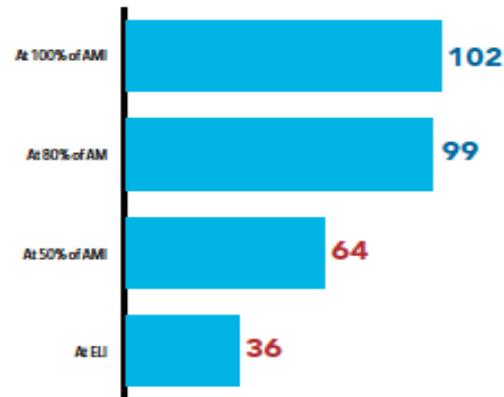


### EXTREMELY LOW INCOME RENTER HOUSEHOLDS



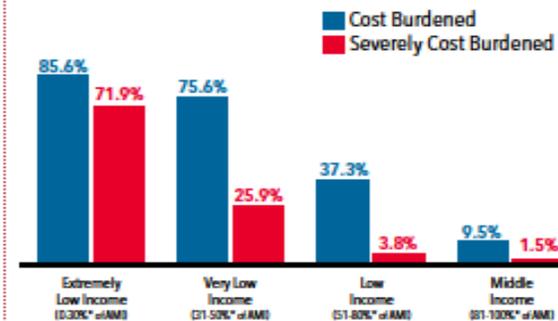
**Note:** Mutually exclusive categories applied in the following order: senior, disabled, in labor force, enrolled in school, single adult caregiver of a child under 7 or of a household member with a disability, and other. Nationally, 15% of extremely low-income renter households are single adult caregivers, 55% of whom usually work more than 20 hours per week. Source: 2021 ACS PUMS.

### AFFORDABLE AND AVAILABLE HOMES PER 100 RENTER HOUSEHOLDS



Source: 2021 ACS PUMS.

### HOUSING COST BURDEN BY INCOME GROUP



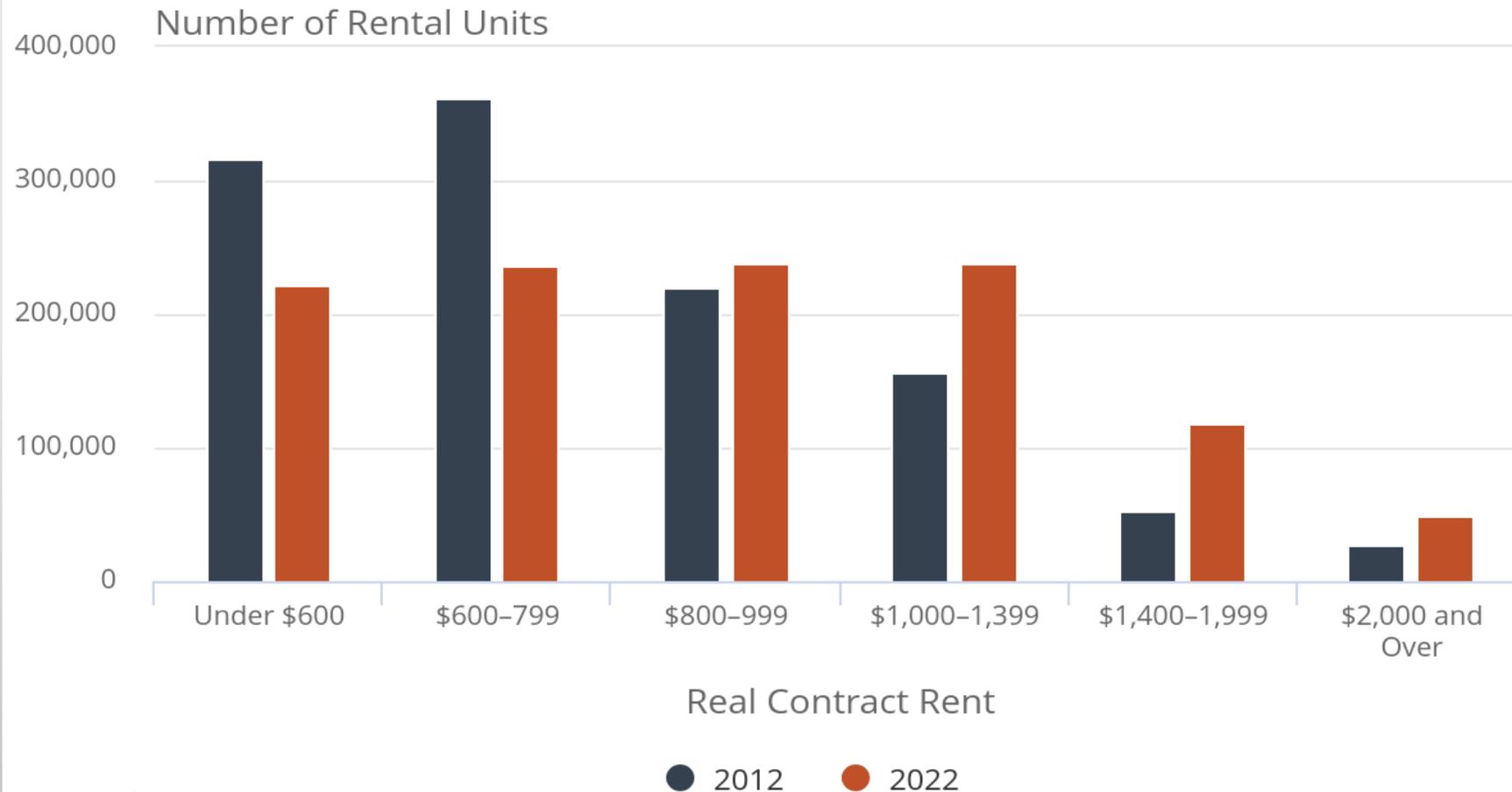
**Note:** Renter households spending more than 30% of their income on housing costs and utilities are cost burdened; those spending more than half of their income are severely cost burdened. Source: 2021 ACS PUMS.

Extremely Low Income = 0-30%\* of AMI  
 Low Income = 51-80% of AMI  
 Very Low Income = 31%-50% of AMI  
 Middle Income = 81%-100% of AMI  
**Note:** \*Or poverty guideline, if higher.



# Michigan's Rental Housing Profile

## Loss of Low-Cost Rentals: Michigan



# Michigan's Rental Housing Profile

## MICHIGAN

#28\*

In **Michigan**, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$1,126**. In order to afford this level of rent and utilities — without paying more than 30% of income on housing — a household must earn **\$3,752** monthly or **\$45,025** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly Housing Wage of:

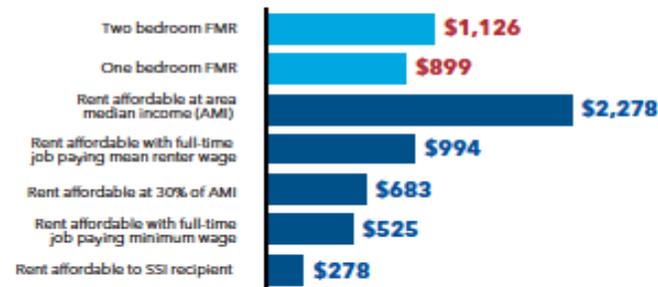
**\$21.65**  
PER HOUR  
STATE HOUSING  
WAGE

### FACTS ABOUT MICHIGAN:

STATE FACTS	
Minimum Wage	\$10.10
Average Renter Wage	\$19.11
2-Bedroom Housing Wage	\$21.65
Number of Renter Households	1,106,036
Percent Renters	28%



MOST EXPENSIVE AREAS	HOUSING WAGE
Ann Arbor MSA	\$26.62
Grand Rapids-Wyoming HMFA	\$25.50
Livingston County	\$24.25
Detroit-Warren-Livonia HMFA	\$23.33
Holland-Grand Haven HMFA	\$22.08



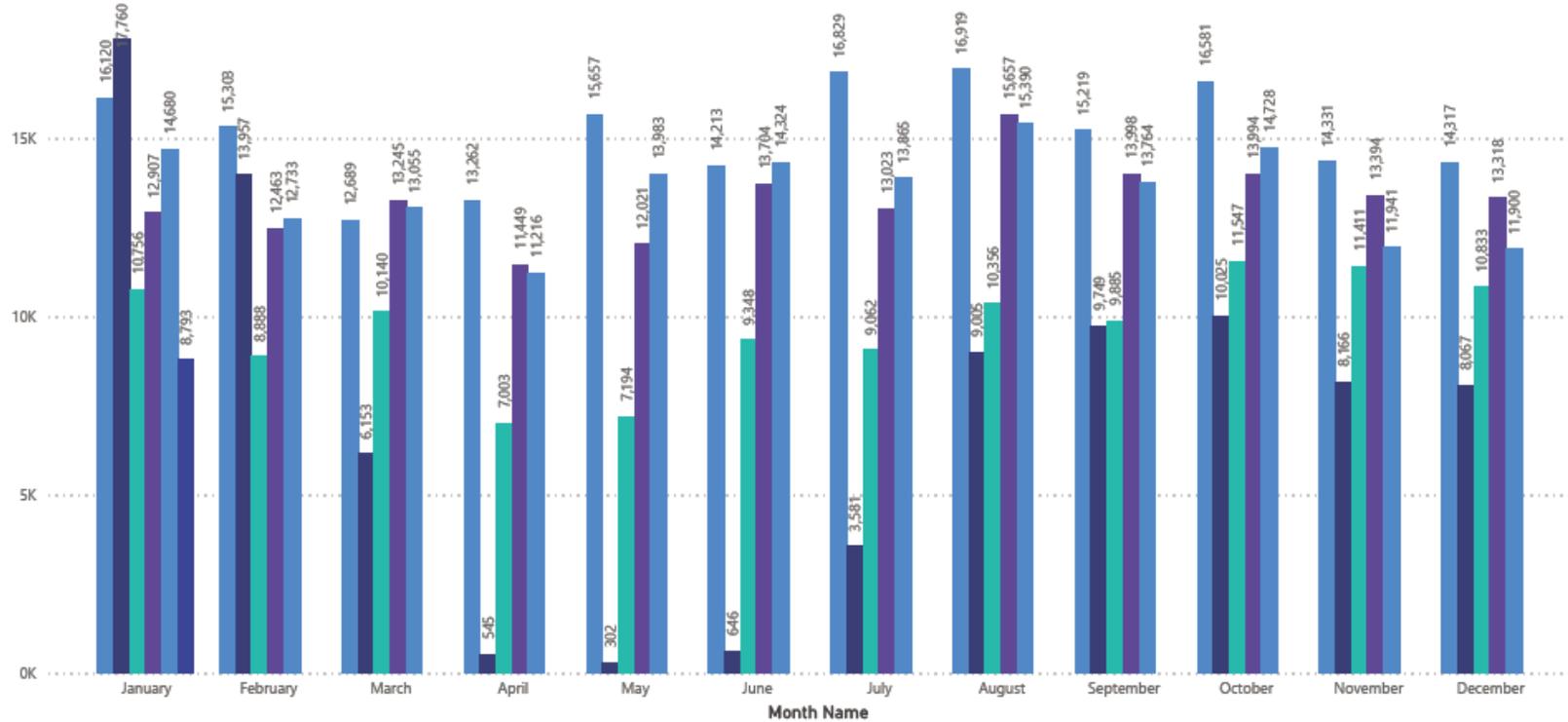
MSA = Metropolitan Statistical Area; HMFA = HUD Metro FMR Area.

\* Ranked from Highest to Lowest 2-Bedroom Housing Wage. Includes District of Columbia and Puerto Rico.

# The continuing eviction risk

Landlord/Tenant New Filings 2019 to 2024

Year ● 2019 ● 2020 ● 2021 ● 2022 ● 2023 ● 2024



Data Source: State Court Administrative Office (SCAO) Judicial Data Warehouse (JDW)  
 Data from the week of and week prior to the refresh date may not be complete for all courts.  
 Data is preliminary and has not been vetted by individual courts.  
 Exclusions: Berrien Co., Grand Rapids, Dearborn Hts, Center Line & Warren, Northern Macomb Co., Grandville & Walker.

Last Refresh Date  
 | 1/30/2024



# Possible rental housing policy responses (increasing supply)

- Increasing units/supply (and preserving existing low-income units)
  - Homelessness (and Eviction) are Housing Problems
  - Michigan [Housing Plan](#) goal – 75,000 new units by 2027
- Creatively rethinking traditional housing policy (e.g., zoning policy, permissible housing types)
- Permanent funding for ERA and Housing First programs

# Possible rental housing policy responses (increasing opportunities)

- Source of income protections (SB 205-207)
- Eviction record sealing-expungement (HB 5238)
- Fair chance (HB 4878)
- Management of rental application process

# Possible rental housing policy responses (tenant protections)

- Limiting gratuitous/junk fees and charges beyond rent (see SB 661)
- Limits on other practices such as force-placed renter's insurance and e-payment mandates and charges
- Eviction process related, incl Right to Counsel (HB 5237)
- Security deposits, incl alternatives
- For tenant organizing
- For mobile home park residents (see SBs 486-490/HB 5157-5161)
- For domestic violence survivors

THANK YOU

[mplp.org](http://mplp.org)

