

# Housing Needs Assessment

THE CITY OF MUNISING

XXXX 2024



# Executive Summary

The City of Munising, located in Michigan's Upper Peninsula, commissioned this Housing Needs Assessment as part of its master planning process. As a community facing multiple housing challenges - including tourism market pressures, long-term population decline, and complex zoning barriers - Munising requires a comprehensive understanding of its current and future housing needs to ensure community vitality and economic stability.

This assessment utilizes a mixed-methods approach, combining quantitative data analysis from sources such as the U.S. Census and American Community Survey (ACS) 2022, with qualitative insights gathered through focus groups with diverse community stakeholders. The analysis includes housing sales data from 2019-2024, providing recent market insights during a period of significant change.

## KEY FINDINGS

### LIMITED HOUSING STOCK

54.1% of housing units were built before 1960, with only 4.4% built since 2000

No new construction recorded after 2019 due to several factors:

- Current zoning regulations, particularly setbacks and lot size requirements
- High construction costs and limited labor availability

### AFFORDABILITY & ECONOMIC CHALLENGES

24% of households are cost-burdened, spending 30% or more of their income on housing

When adjusted for inflation, household purchasing power has decreased by 16% since 2000

Average home sales prices have increased by 32.3% from 2020 to 2024

### DEMOGRAPHIC SHIFTS

Aging population (24% aged 65+) and high proportion of single-person households (44%)

Homeownership rates have declined from 65% in 2000 to 60% in 2022

Young residents (under 35) are predominantly renters (86.6%)

### MARKET PRESSURES & SEASONAL IMPACTS

22.7% of housing units are vacant or seasonal, impacting year-round housing availability.

Average home sales prices have increased by 32.3% from 2020 to 2024

Significant seasonal variations in sales volume, with peak activity in August

# KEY RECOMMENDATIONS

Based on the assessment findings, eight strategic opportunities have been identified to address Munising's housing challenges:

1. Encourage Diverse Housing Development	<ul style="list-style-type: none"><li>• Revise zoning ordinances to allow for "missing middle" housing types</li><li>• Implement form-based code to maintain community character while allowing greater density</li><li>• Reform setbacks and lot coverage requirements to better accommodate development on existing lots</li></ul>
2. Promote Affordable Housing Initiatives	<ul style="list-style-type: none"><li>• Establish an Affordable Housing Trust Fund</li><li>• Implement inclusionary zoning policies</li></ul>
3. Address Aging Housing Stock	<ul style="list-style-type: none"><li>• Create a housing rehabilitation program offering grants or low-interest loans</li></ul>
4. Facilitate Aging in Place	<ul style="list-style-type: none"><li>• Encourage development of senior-friendly housing options</li></ul>
5. Support Workforce Housing	<ul style="list-style-type: none"><li>• Collaborate with major employers to develop employer-assisted housing programs</li><li>• Explore dedicated seasonal workforce housing projects</li></ul>
6. Leverage Existing Assets	<ul style="list-style-type: none"><li>• Conduct inventory of city-owned properties</li><li>• Explore adaptive reuse of non-residential buildings</li></ul>
7. Balance Seasonal Housing Pressures	<ul style="list-style-type: none"><li>• Create incentives for converting short-term rentals to long-term rentals</li><li>• Implement a vacancy tax on seasonal, second homes to fund housing initiatives</li></ul>
8. Explore Innovative Funding Mechanisms	<ul style="list-style-type: none"><li>• Investigate housing bond feasibility</li><li>• Pursue state and federal grants</li></ul>

This assessment will provide the relevant data to inform, as well as recommendations for policies and strategies designed to address Munising's housing challenges, balancing the needs of year-round residents with the realities of a tourism-driven economy.

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# Section 1

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## INTRODUCTION

The City of Munising, nestled along the shores of Lake Superior in Michigan's Upper Peninsula, is a community at a crossroads. Known for its stunning natural beauty and as the gateway to Pictured Rocks National Lakeshore, Munising has long been a draw for tourists and outdoor enthusiasts. However, like many small towns with tourism-based economies, Munising faces significant challenges in providing adequate, affordable housing for its year-round residents and workforce.

This Housing Needs Assessment, commissioned as part of Munising's master planning process, aims to provide a comprehensive analysis of the city's current housing landscape and future needs. The assessment comes at a critical time, as Munising grapples with the effects of long-term population decline, an aging population, and the pressures of a seasonal economy on its housing market.

**The purpose of this study is to:**

- 1. Analyze current demographic and housing trends in Munising**
- 2. Identify key housing challenges and opportunities**
- 3. Provide recommendations for addressing housing issues and supporting community vitality**

## METHODOLOGY

This assessment utilizes a mixed-methods approach, combining quantitative data analysis with qualitative insights from a diverse group of community stakeholders. Data sources include the U.S. Census, American Community Survey (ACS), and housing sales and rental data.

To capture the lived experiences and perspectives of Munising residents and key stakeholders, CUPPAD conducted four focus groups and several individual interviews. Participants represented a broad cross-section of the community, ranging from local government officials and business owners to social service providers and community advocates.

In total, CUPPAD engaged with 17 individuals representing various sectors critical to Munising's housing landscape. This diverse group ensured that insights were gathered from multiple perspectives. A full list of participants is provided in Appendix B.

The focus groups were designed to explore the following topics:

- Current housing challenges and needs
- Impact of housing issues on different segments of the population
- Economic and workforce implications of the housing situation
- Potential solutions and barriers to implementation
- Community priorities and concerns regarding housing development

The synthesis of quantitative data and qualitative insights provides a nuanced understanding of Munising's housing landscape, going beyond raw numbers to illuminate the real-world impacts of housing challenges on the community. This approach ensures that our analysis and recommendations are grounded in both empirical data and the experiences of those who live and work in Munising.

By combining statistical analysis with on-the-ground perspectives, this assessment aims to provide a comprehensive and actionable understanding of Munising's housing needs, setting the stage for informed decision-making and strategic planning.

# Section 2

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## COMMUNITY PROFILE: MUNISING & ALGER COUNTY

The City of Munising, the county seat of Alger County, is nestled along the southern shore of Lake Superior in Michigan's Upper Peninsula. Known for its stunning natural beauty and as the gateway to Pictured Rocks National Lakeshore, Munising serves as a hub for outdoor recreation and tourism in the region.

This section provides an overview of Munising and Alger County, offering context for the housing challenges and opportunities discussed in this assessment. By examining both city and county data, we can better understand the local dynamics and regional factors influencing Munising's housing landscape.

Munising, with a population of 1,986 as of the 2020 Census<sup>1</sup>, is the largest city in Alger County, which, in the same year, had a total population of 8,842<sup>2</sup>. The city represents about 22.5% of the county's population, highlighting its significance as an economic and social center for the area.<sup>3</sup>

Alger County spans 915 square miles of land, and another 4,133 square miles of water. This geography underscores the region's close relationship with Lake Superior and its abundant natural resources, which play a crucial role in shaping the local economy and lifestyle.<sup>4</sup>

Both Munising and Alger County have experienced population decline over recent decades, a trend common in many rural areas of the Upper Peninsula. This demographic shift has significant implications for housing needs, economic development, and community planning.

In the following subsections, we will delve deeper into the demographic, economic, and household characteristics of Munising and Alger County. This analysis will provide the foundation for understanding the unique challenges and opportunities facing Munising's housing market within the broader context of Alger County and the Upper Peninsula region.

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<sup>1</sup> U.S. Census Bureau, Decennial Census 2020, City of Munising

<sup>2</sup> U.S. Census Bureau, Decennial Census 2020, Alger County

<sup>3</sup> [About - City of Munising](#)

<sup>4</sup> [Welcome to Alger County Courthouse, MI](#)

# POPULATION TRENDS

Understanding the demographic trends and population dynamics within Munising and the broader Alger County region is foundational to assessing the community's current and future housing needs. Changes in the size, composition, and distribution of the local population have direct implications for the type, amount, and affordability of housing required to serve residents. By examining population growth or decline, shifts in age distribution, and other key demographic indicators, the city can better anticipate the evolving housing preferences and constraints of its constituents.

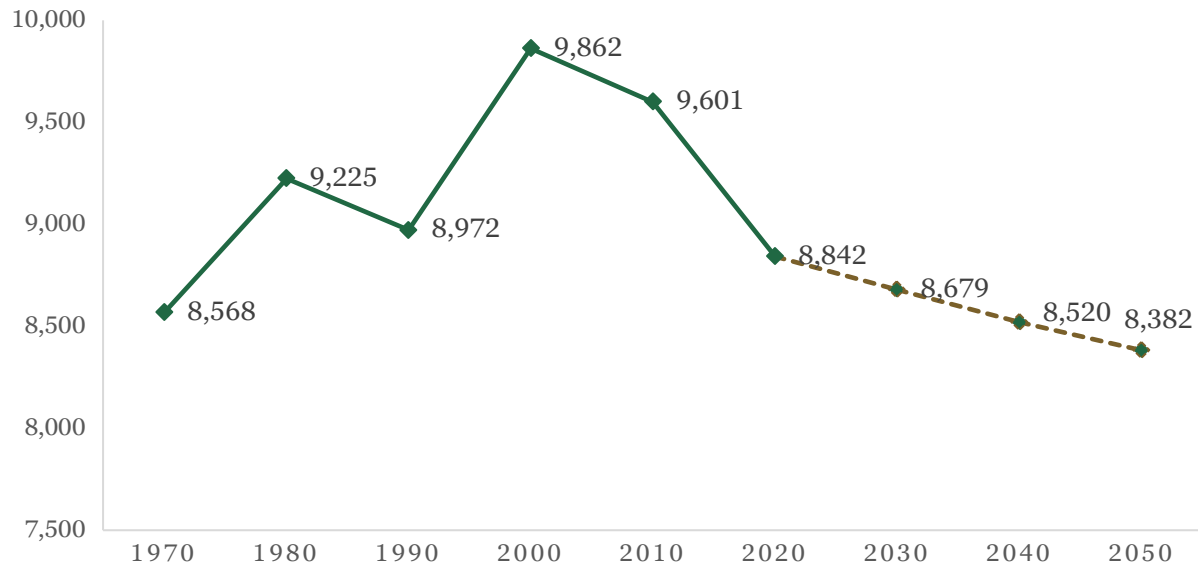
This population analysis provides crucial context for developing housing strategies that align with the community's changing dynamics, ensuring that Munising's residential options can accommodate the needs of both current and future residents. The following subsections delve into the population trends observed in Alger County and the City of Munising, setting the stage for a deeper exploration of how these demographic shifts are shaping the local housing landscape.

## ALGER COUNTY

Over the past twenty years, Alger County has been experiencing a population decline. As can be seen in the Figure 1 below, this decline is expected to continue over the next 30 years, albeit at a reduced rate.



Figure 1. Alger County Population: 1970-2020<sup>5</sup> and Projections: 2020-2050<sup>6</sup>



Alger County Population Change,  
2000-2020:

**-10.34%**

Alger County Projected  
Population Change, 2020-2050:

**-5.20%**

Population projections for Alger County were obtained from the University of Michigan's Department of Economics 2022 forecasts. The forecasts take into account historic rates of death, birth, immigration and out migration.

Alger County's population trends both historically and projected, can be compared with those of the other counties in the Upper Peninsula in Figure 2 and

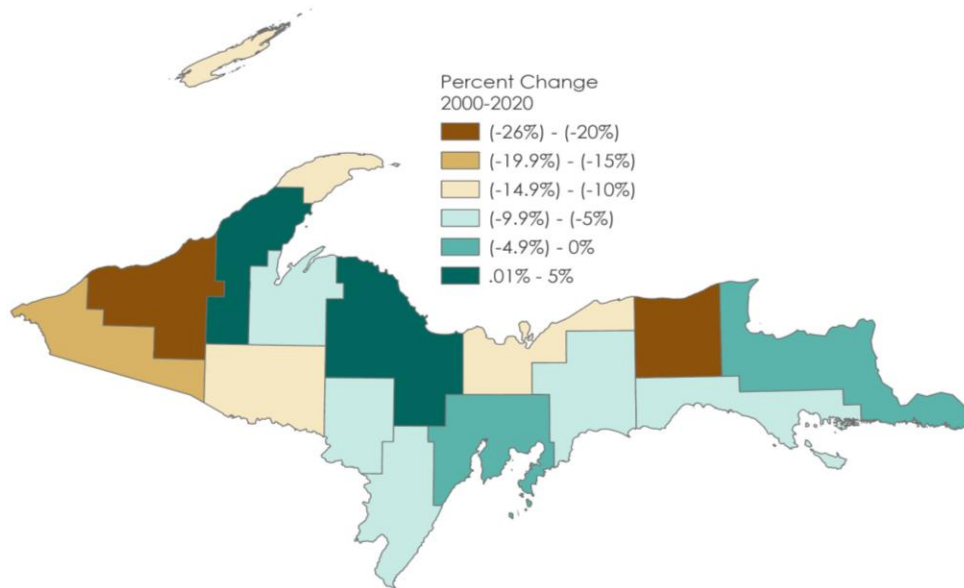
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<sup>5</sup> U.S. Census Bureau, Alger County

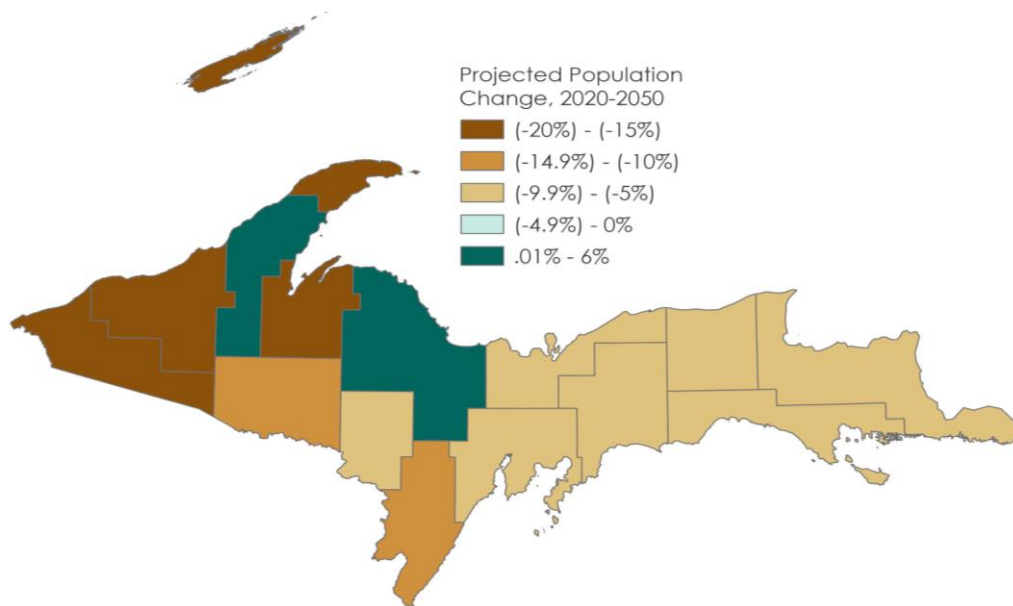
<sup>6</sup> The Economic and Demographic Outlook for Michigan Through 2050, University of Michigan, Department of Economics, 2022 ([https://lsa.umich.edu/content/dam/econ-assets/Econdocs/RSQE%20PDFs/UM\\_RSQE\\_Economic\\_Demographic\\_Outlook\\_for\\_Michigan\\_through\\_2050.pdf](https://lsa.umich.edu/content/dam/econ-assets/Econdocs/RSQE%20PDFs/UM_RSQE_Economic_Demographic_Outlook_for_Michigan_through_2050.pdf))

Figure 3 below.

*Figure 2. Percent Population Change from 2000-2020, All UP Counties*



*Figure 3. Projected Population Change from 2020-2050, All UP Counties*

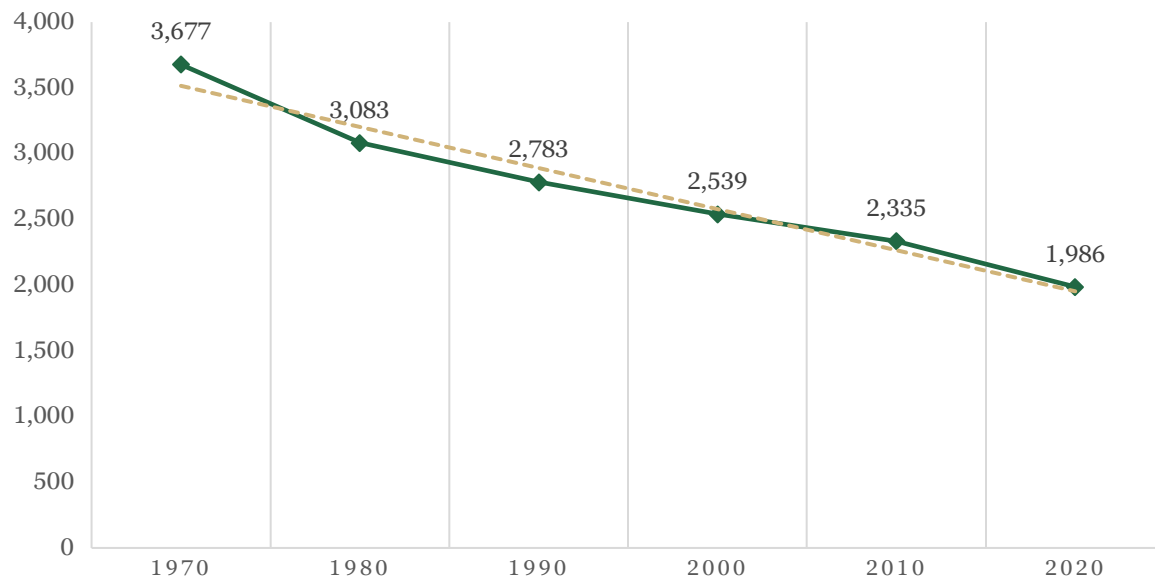


In both of these maps, Alger County's population decrease is less severe than what is being seen in other counties, falling in the middle of the pack compared to other nearby counties.

## THE CITY OF MUNISING

Understanding these regional trends helps to give context to what is happening in the City of Munising. As you can see in Figure 4 below, and not unlike much of the Upper Peninsula, Munising has been experiencing a steady decrease in population since 1970 and has lost approximately 553 residents since 2000.<sup>7</sup>

*Figure 4. City of Munising Population: 1970-2020*



Since 1970, Munising has experienced a percent change of almost 46% of their total population, and an almost 22% (21.78%) decrease in the past two decades, almost doubling the rate of population change seen in Alger County. Using this information, we have calculated a population projection for the City of Munising for the year 2045 using a simple *linear projection*.

This approach involves analyzing historical demographic trends, specifically the recent annual decline of approximately 1.09%, derived from the 21.78% decrease over the last 20 years. By applying this annual decrease over the next 25 years, **we estimate the population of Munising in 2045 to be approximately 1,540.**

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<sup>7</sup> U.S. Census Bureau Data, City of Munising

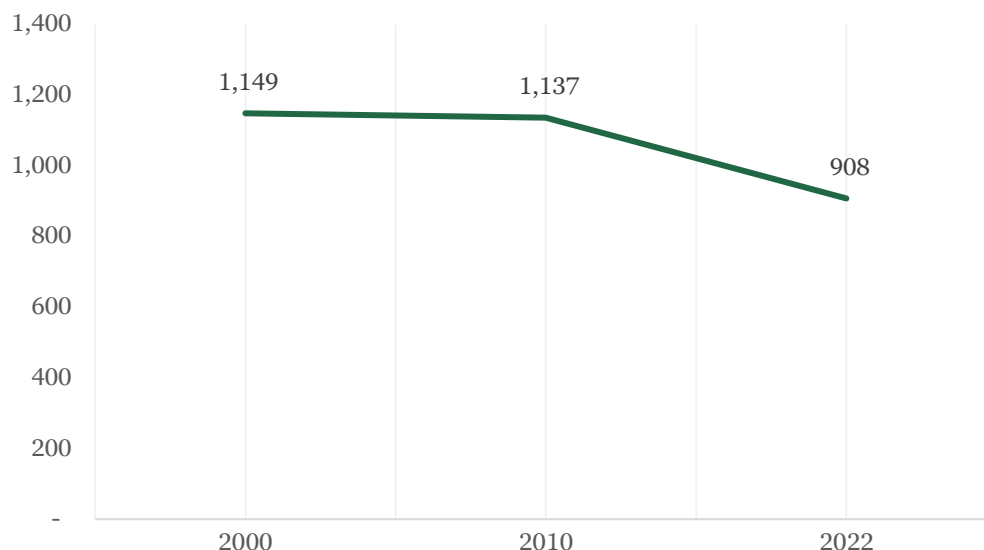
# HOUSEHOLDS AND HOUSEHOLD CHARACTERISTICS

While understanding population trends is crucial for assessing housing needs, it is equally important to examine these population trends through the number of households and their unique characteristics. Households are the fundamental units of housing demand, and their composition can significantly influence the type and quantity of housing required in the community. Factors such as household size, income levels, age distribution, and housing tenure (ownership versus rental) play a vital role in shaping housing demand. By analyzing these characteristics alongside population projections, we can gain deeper insights into the specific housing needs of Munising's residents and develop targeted strategies to address them effectively.

## CURRENT NUMBER OF HOUSEHOLDS

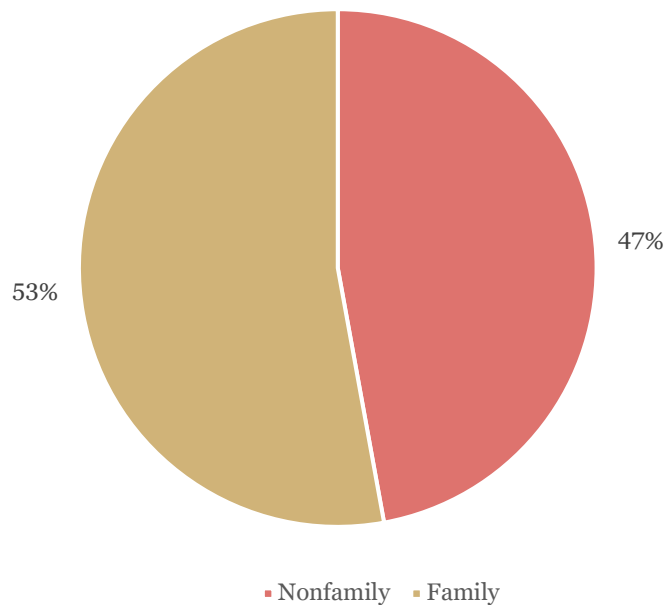
In 2022, the ACS estimated that Munising had approximately 908 households, depicting a pattern of decline from 1,149 households in 2000 and 1,137 households in 2010.

*Figure 5. Households in the City of Munising, 2000-2022*



The City of Munising's 908 households represent a diverse mix of family and non-family living arrangements, reflecting the community's demographic composition and social dynamics. Figures below show the number of family vs. non family households (Figure 6) and then the different household types that make up those categories respectively in Figure 7.

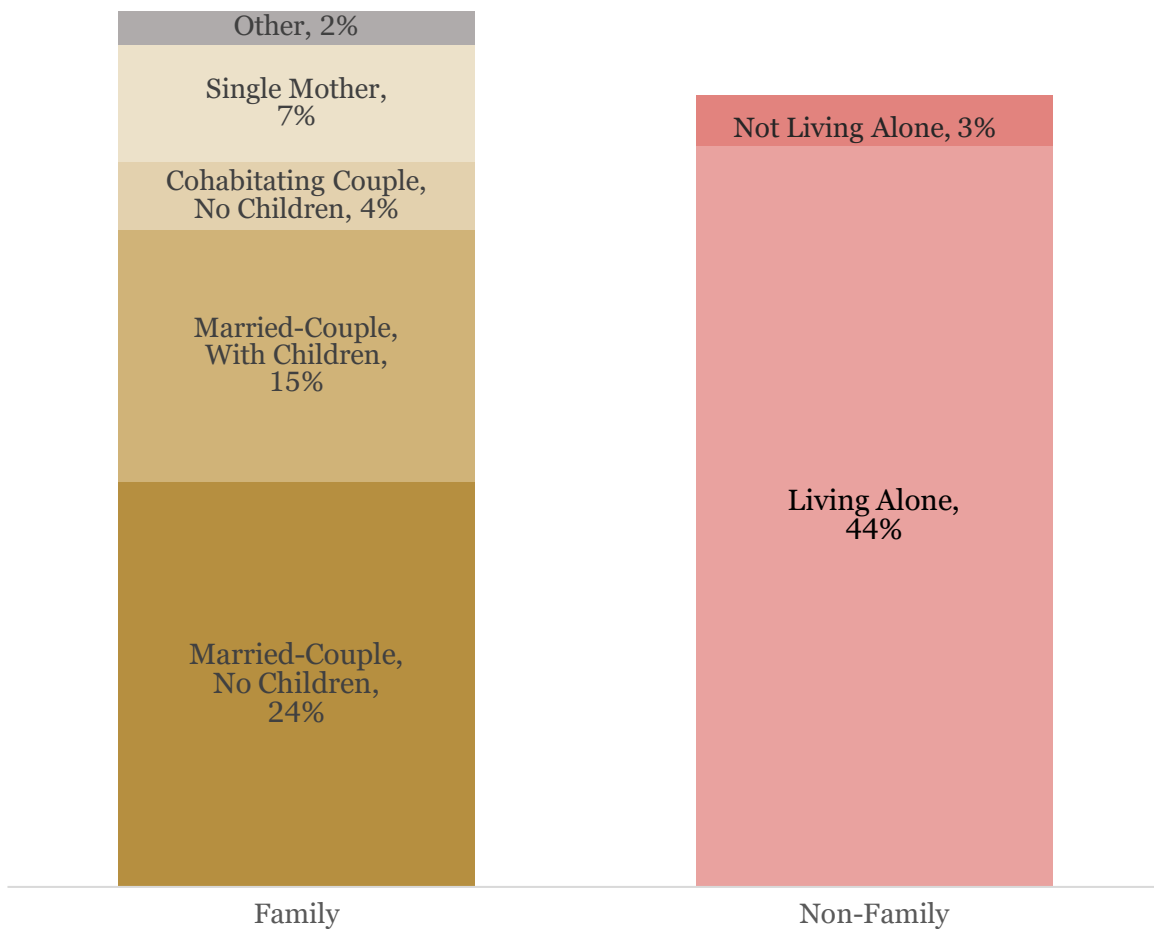
*Figure 6. City of Munising Household Types, Family vs. Non-Family, 2022 ACS Estimates*



**Munising's households are nearly evenly split between family and non-family households.** Family households account for 53% (480) of all households, while non-family households make up 47% (428). A non-family household may consist of a person living alone or multiple unrelated individuals living together. This balance suggests a community with a mix of traditional family structures and individuals living alone or with non-relatives.

Family and non-family numbers contain the universe of family and non-family types in their counts. By looking further into the types of families reported in the census data, as well as the household composition of non-family households, we can learn more about the housing needs of Munising households. In Figure 7 below, the different family and non-family types are shown.

Figure 7. City of Munising Household Types Detailed, 2022 ACS Estimates



Among family households, married couples without children represent the largest group, accounting for 24% (221) of all households, family or non-family. Married couples with children make up 15% (140) of households, while single mothers head 7% (66) of households. Cohabiting couples without children account for 4% (33) of households.

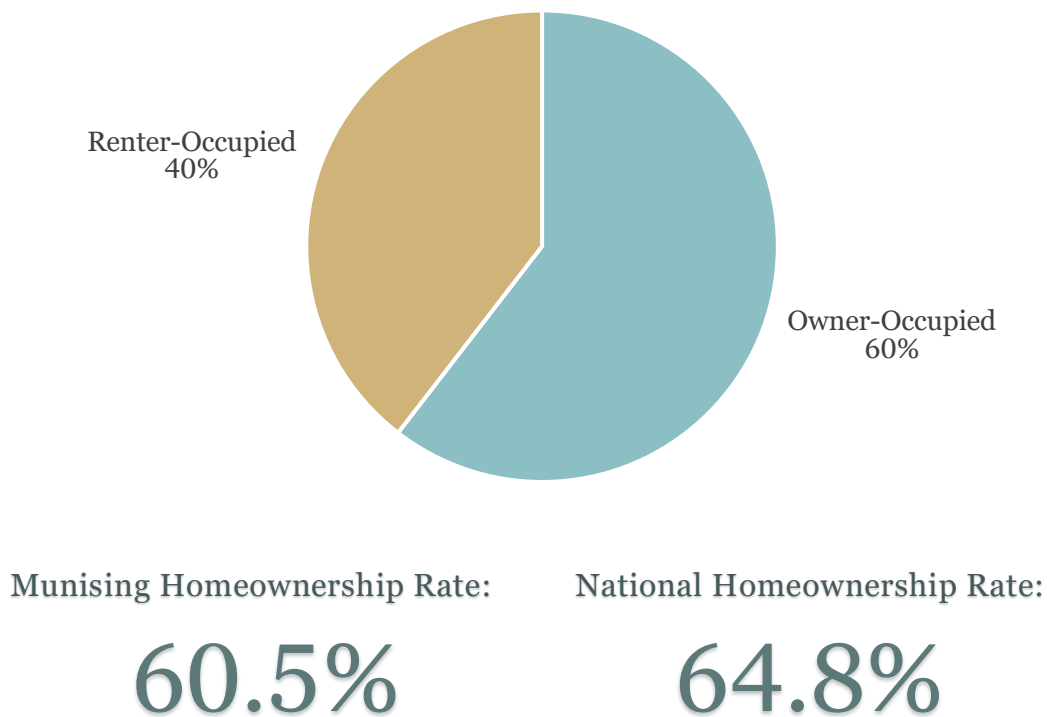
Non-family households in Munising are predominantly composed of individuals living alone. Of the 428 non-family households 398 (44% of all households) are individuals living alone. Only 30 (3% of all households) are non-family households with more than one person.

**Out of the total 908 households, only 217 (24%) have children under 18,** while 691 (76%) do not. This relatively low proportion of households with children aligns with the aging population trend observed in many rural communities. And while this is so, the average household size in Munising is 2.98 people, which is very close to the Michigan state average of 3.01. This suggests that despite the high proportion of individuals living alone, households with families tend to be larger, balancing out the average.

# HOUSING TENURE

Housing tenure patterns provide insight into the stability and economic conditions of households. In the Figure below (Figure 8), the breakdown of housing tenure (renter-occupied vs. owner-occupied) is illustrated.

*Figure 8. City of Munising Housing Tenure Type, 2022 ACS Estimates*



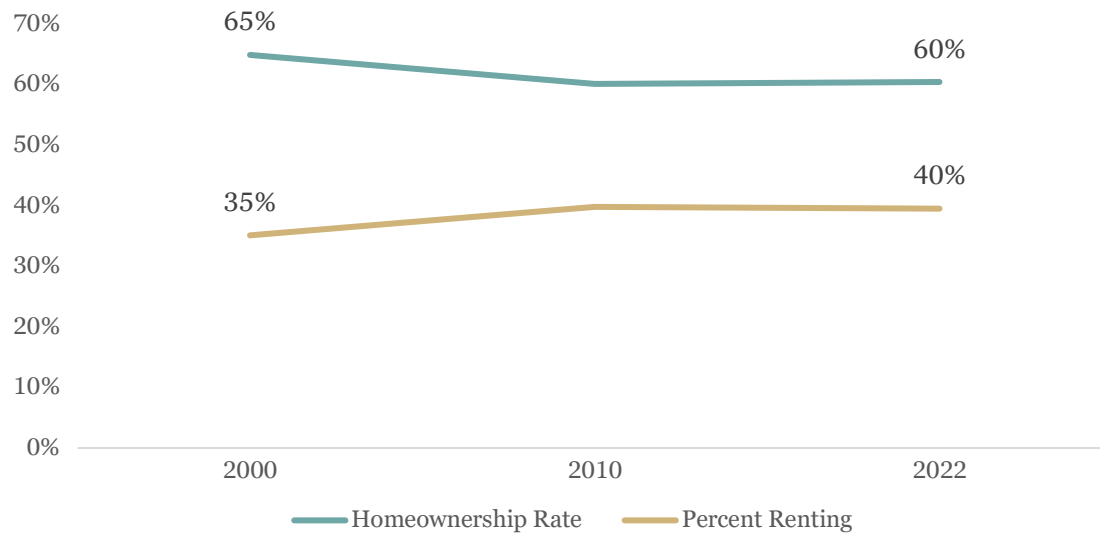
The homeownership rate in Munising is slightly below that of the national average and has decreased slightly since 2000. The shifting trends in housing tenure type are illustrated in Figure 9 below.<sup>8</sup>

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<sup>8</sup> U.S. Census Bureau Data, City of Munising



Figure 9. Change in City of Munising Housing Tenure Over Time



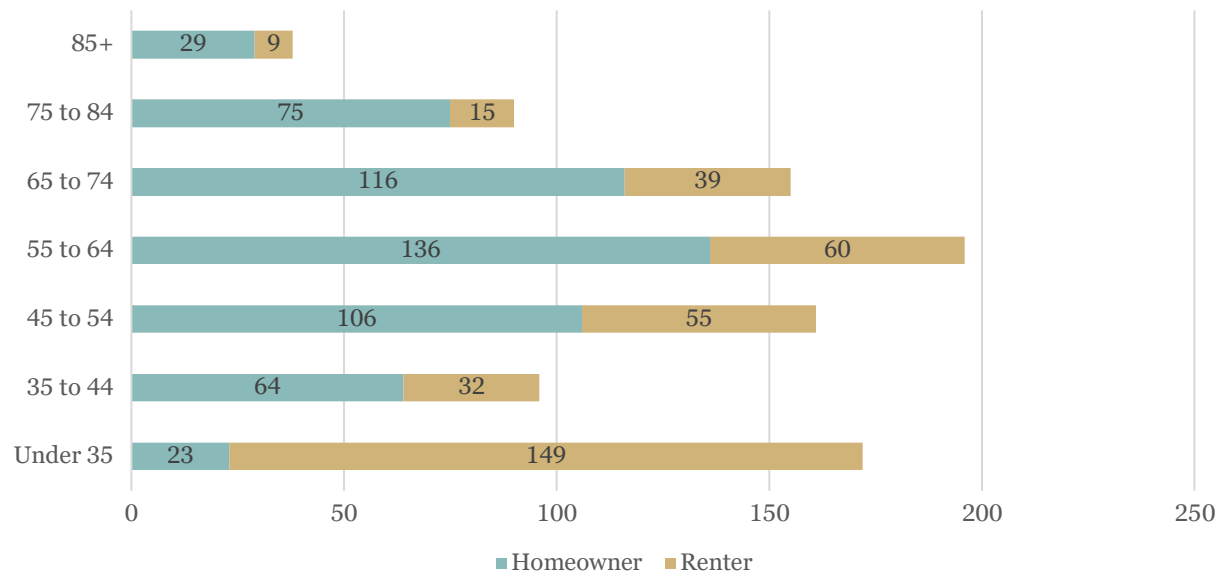
This shift in housing tenure from 2000 to 2022, with homeownership rates declining from 65% to 60% and renter-occupied housing increasing from 35% to 40%, has significant implications for Munising. **This trend suggests growing demand for rental properties, which could indicate affordability challenges in the homeownership market, particularly for younger adults and lower-income households.** It may also reflect changing demographics, such as an influx of younger residents or temporary workers who typically rent.

## TENURE BY AGE

Examining the housing tenure patterns across different age groups provides valuable insights into the stability and economic conditions of various household types in Munising. This analysis can help identify potential barriers to homeownership, particularly for younger residents, as well as the housing preferences and needs of the city's aging population. Understanding the nuances of how housing tenure varies by age is crucial for developing targeted strategies to ensure housing options meet the diverse needs of residents at different life stages.

Figure 10 below shows the breakdown of housing tenure (owner-occupied vs. renter-occupied) by the age of the householder in Munising. This data offers important context for assessing the community's current and future housing requirements.

Figure 10. Munising Housing Tenure Type by Age, 2022 ACS Estimates



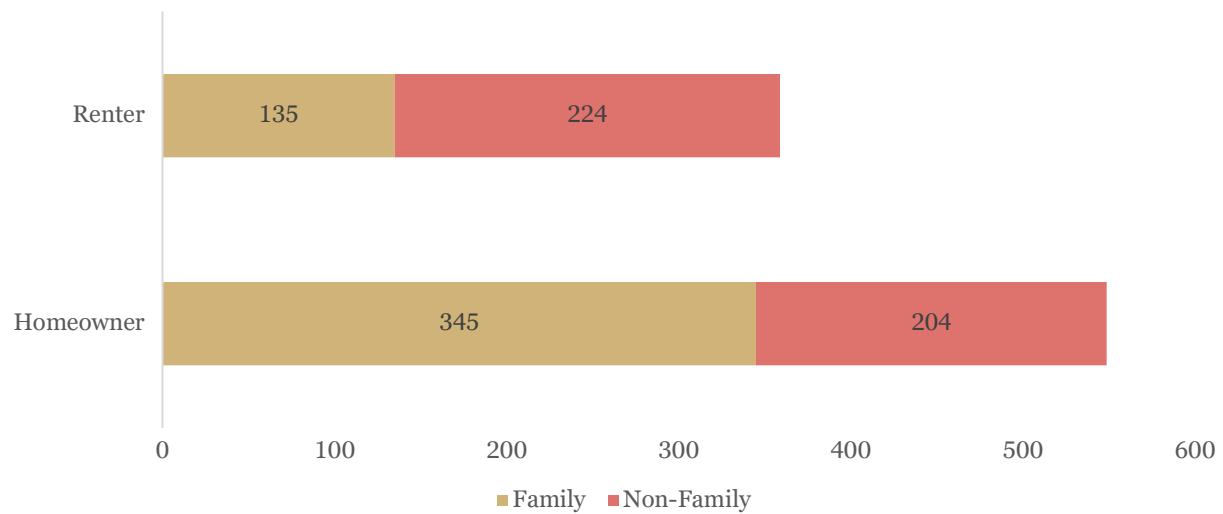
Younger residents (under 35) are predominantly renters (86.6% of this age group rent). Middle-aged and older residents are more likely to own their own homes, with the highest rates of homeownership among those aged 55-64 (69.4%) and 65-74 (74.8%).

## TENURE BY HOUSEHOLD TYPE

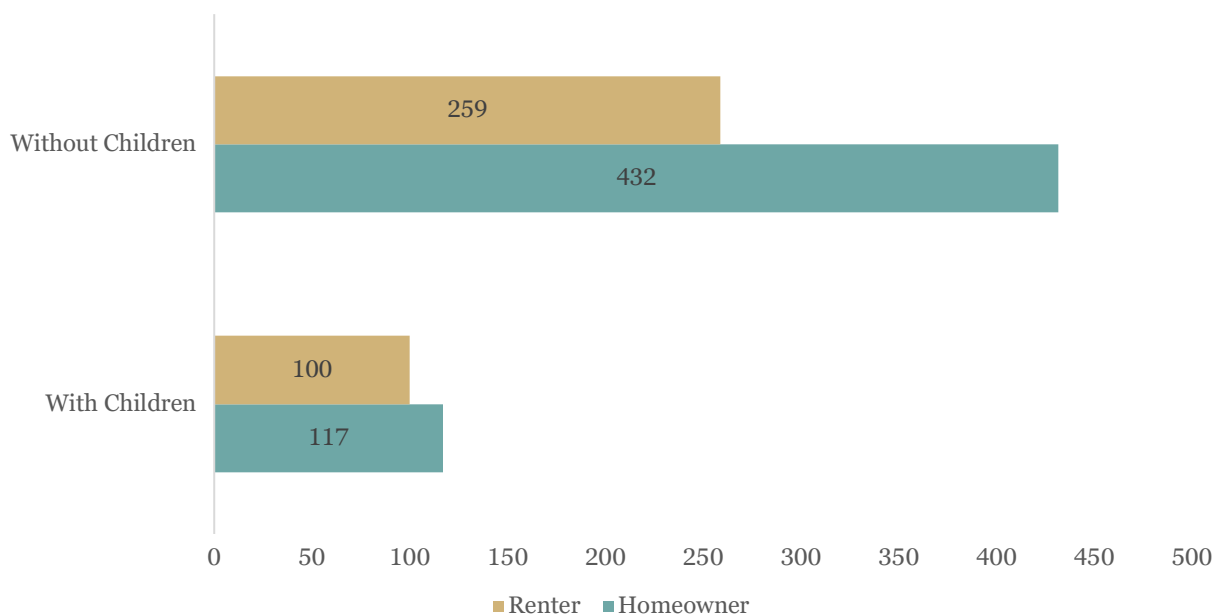
Understanding the relationship between household composition and housing tenure is crucial for ensuring that Munising's housing stock matches the needs of its diverse resident base. Analyzing homeownership and rental rates across different household types, such as families, non-family households, and households with children, can reveal important insights. These insights can inform the development of housing policies, programs, and initiatives that cater to the varying preferences and requirements of the community's residents. By examining tenure patterns through the lens of household characteristics, the city can work to remove barriers to housing access and provide suitable options for all members of the Munising community.

The two figures below (Figure 11 and Figure 12) outline the housing tenure breakdown by household type and by presence of children in Munising, offering further context for assessing the community's current and future housing needs.

*Figure 11. Munising Housing Tenure by Household Type (Family vs. Non-Family), 2022 ACS Estimates*



*Figure 12. Presence of Children (Under 18) in Munising Households by Tenure Type, 2022 ACS Estimates*



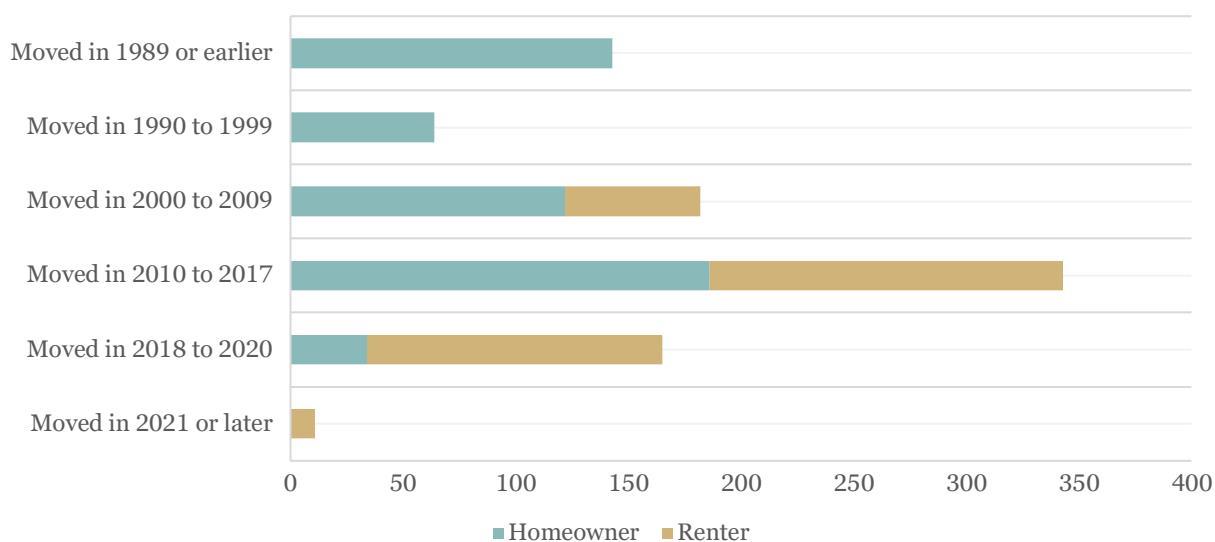
Family households are more likely to own homes (71.9% of family households are homeowners), while non-family households are more likely to rent (52.3% of non-family households are renters). However, 21% of homeowner households have children while 28% of renter households have children.

## LENGTH OF RESIDENCY

The duration of residents' tenure in their homes can provide valuable insights into the stability and turnover of Munising's housing market. Analyzing the lengths of occupancy, from long-term residents who have lived in their homes for decades to more recent arrivals, offers context around community attachment, housing affordability, and potential barriers to accessing homeownership. This data can help distinguish between housing units that serve as long-term, generational homes versus those that experience more frequent resident turnover, often associated with rental properties or seasonal/vacation homes. Understanding the nuances of how long households have occupied their current residences is crucial for developing housing strategies that foster a sense of community, maintain affordability, and ensure equitable access to different tenure options.

Figure 13 below outlines the breakdown of housing tenure in Munising based on the length of time residents have lived in their current homes.

*Figure 13. Length of Occupancy of Housing Units in Munising by Housing Tenure, 2022 ACS Estimates*



Long-term residency (defined in this case as having moved in before 2000) is exclusively among homeowners, while recent moves (since 2018) are predominantly by renters.

## Implications for Housing

1. The high proportion of individuals living alone (44% of households) suggests a need for smaller housing units.
2. The significant number of married couples without children (24% of households) may indicate a demand for housing suitable for empty nesters or retirees.
3. The relatively low number of households with children (24%) could impact future planning for family-oriented housing and services.
4. The shift towards more rental occupancy over time indicates a growing need for quality, affordable rental options.
5. The low homeownership rates among younger residents highlight potential barriers to entry for first-time homebuyers.
6. The diverse household sizes across tenure types underscore the importance of providing a mix of housing options in both rental and ownership markets.

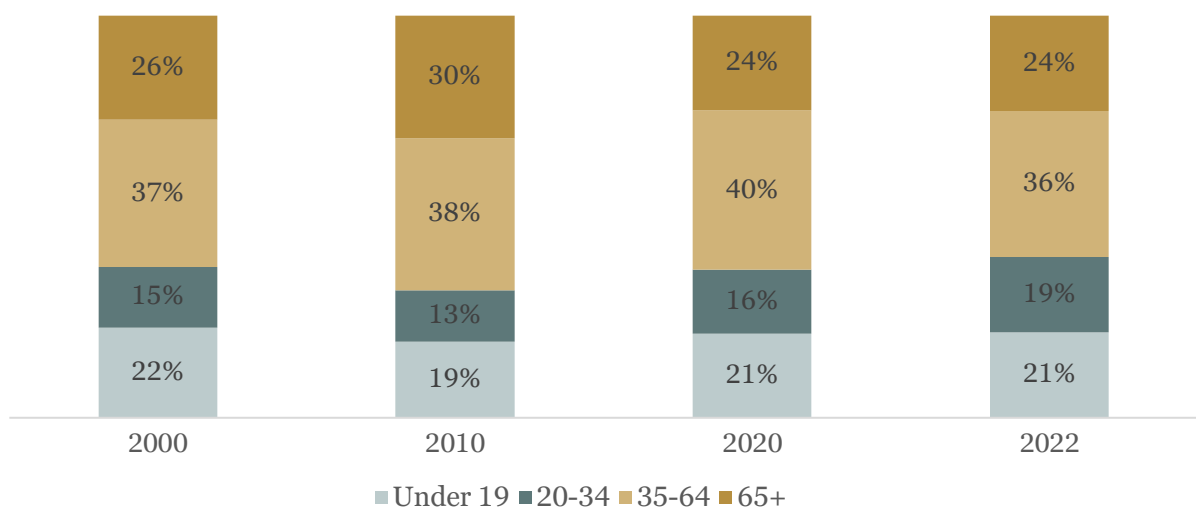
# AGE DISTRIBUTION TRENDS

Munising and Alger County have experienced significant shifts in their age demographics over the past two decades, reflecting broader trends of an aging population in rural areas.

## MUNISING AGE DISTRIBUTION

The median age in Munising has fluctuated, rising from 45 in 2000 to 52 in 2010, then decreasing to 48 in 2022. However, in the past two decades, the age distribution by age categories has remained relatively stable.<sup>9</sup>

Figure 14. Age Distribution of Munising Residents, 2000-2022



As can be seen in Figure 14 above, the proportion of residents under 19 has remained relatively stable, decreasing slightly from 22% in 2000 to 21% in 2022. The 20-34 age group has seen growth, increasing from 15% in 2000 to 19% in 2022. The 35-64 age group remained the largest, though decreasing from 37% in 2000 to 36% in 2022. The 65+ population has fluctuated, peaking at 30% in 2010 and settling at 24% in 2022. This is slightly higher than what is seen at the state-level.

Percent of State Population 65+

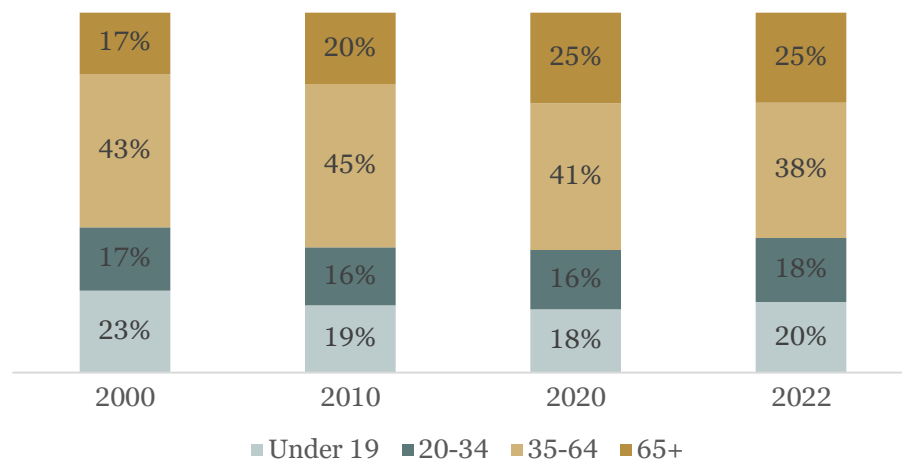
19.3%

<sup>9</sup> U.S. Census Bureau Data, City of Munising

## ALGER COUNTY AGE DISTRIBUTION

Munising's aging population, compared to state and national levels, is in line with what we see in the rest of the county. Alger County has seen a steady increase in median age, from 41 in 2000 to 47 in 2022.<sup>10</sup> Below, Figure 15 depicts how age distribution has changed in the County over the past two decades.

*Figure 15. Age Distribution of Alger County Residents, 2000-2022*

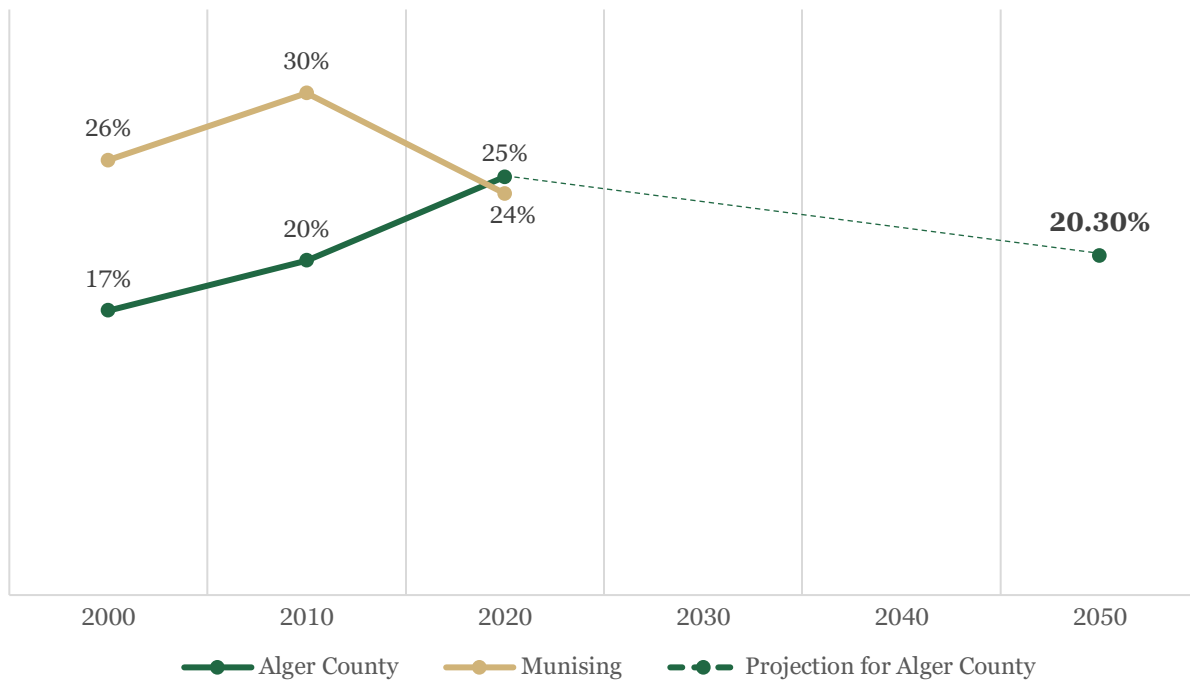


The under-19 population has decreased from 23% in 2000 to 20% in 2022. The 20-34 age group has remained relatively stable, increasing slightly from 17% to 18%. The 35-64 age group has decreased from 43% to 38%. The 65+ population has seen significant growth, from 17% in 2000 to 25% in 2022. Understanding the implications of this trend for future demographic shifts, and therefore on housing stock demand is crucial. Below, the trend of the 65+ population in both Alger County and Munising, as well as future projections for the 65+ population across the county is shown (Figure 16).

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<sup>10</sup> U.S. Census Bureau Data, Alger County

Figure 16. Percent of the Population in Munising and Alger County 65+ from 2000-2020 & Projections for 65+ Population in Alger County in 2050



The county is projected to maintain a high proportion of seniors, with 20.30% of the population expected to be 65+ by 2050.<sup>11</sup>

## HOUSEHOLD TYPES BY AGE

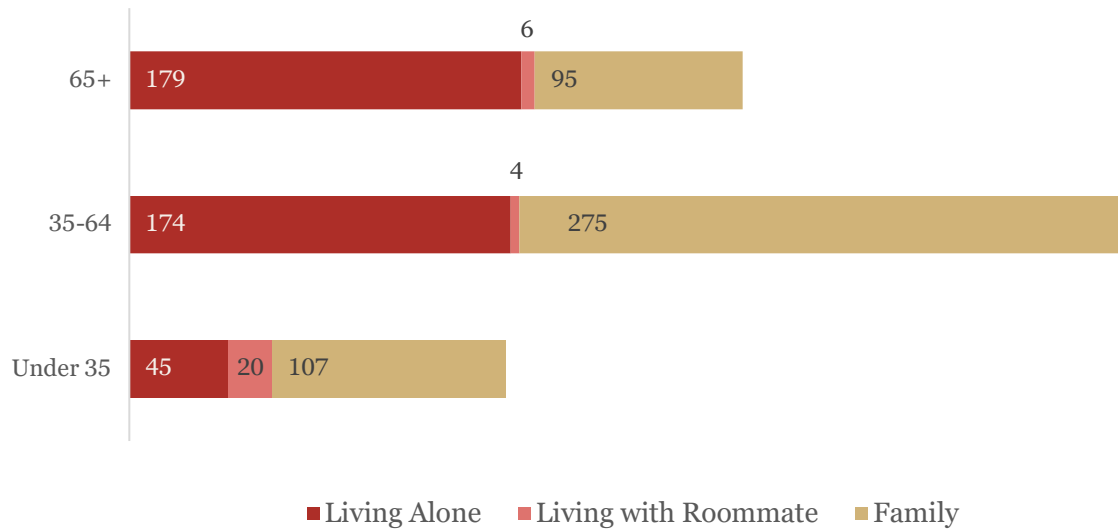
The composition of households in Munising, particularly the distribution across different age groups, provides critical insight into the diverse housing needs and preferences of the community. Understanding how household types, such as family households and non-family households, vary by the age of the householder can inform the development of appropriately tailored housing options. By examining the intersection of household characteristics and the age of occupants, the city can make more informed decisions about the types, sizes, and amenities of homes required to meet the evolving needs of Munising's population.

The figure below (Figure 17) illustrates the breakdown of household types by the age of the householder in Munising.

<sup>11</sup> The Economic and Demographic Outlook for Michigan Through 2050, University of Michigan, Department of Economics, 2022 ([https://lsa.umich.edu/content/dam/econ-assets/Econdocs/RSQE%20PDFs/UM\\_RSQE\\_Economic\\_Demographic\\_Outlook\\_for\\_Michigan\\_through\\_2050.pdf](https://lsa.umich.edu/content/dam/econ-assets/Econdocs/RSQE%20PDFs/UM_RSQE_Economic_Demographic_Outlook_for_Michigan_through_2050.pdf))



Figure 17. Munising Household Types by Age of Householder, 2022 ACS Estimates



Looking at household type by age distribution, there are several key takeaways. **Of the 44% of households where individuals live alone, the highest proportion is 65+.** Perhaps more significantly, those aged 65+ are far more likely to be living alone than in a family household, or with a roommate. Of the 30 households where the householder is not living with a family member, but not living alone (i.e. with a roommate) it is far more likely that they would fall under the age of 35, indicating that **young adults may need to live with other people to share housing costs more often than other demographics.** This data highlights the significant proportion of older adults living alone and the predominance of middle-aged and older married couples in family households.

## Implications for Housing:

1. The high proportion of residents 65+ (24% in Munising, 25% in Alger County) suggests a growing need for senior-friendly housing options, including accessible units and potentially assisted living facilities.
2. The increase in the 20-34 age group in Munising (from 15% to 19%) indicates a potential demand for starter homes and affordable rentals suitable for young professionals and young families.
3. The significant number of individuals living alone, particularly those 65+ (20% of households), points to a need for smaller, manageable housing units with good access to services.
4. The predominance of married households aged 35-64 (24% of households) suggests a continued need for family-sized homes.
5. The projected maintenance of a high senior population in Alger County through 2050 emphasizes the long-term need for age-friendly housing and community planning.

# ECONOMIC CONTEXT

Understanding the economic landscape of Munising is crucial for assessing the community's current and future housing needs. Factors such as median household income, income distribution, and disparities in earnings across different demographic groups can have a significant impact on housing affordability, access, and demand. By analyzing these economic indicators, we can gain valuable insights into the resources and constraints that shape the local housing market. This economic context provides an important foundation for developing housing strategies that address the diverse financial circumstances of Munising's residents, ensuring that the community's housing stock remains attainable and aligned with the economic realities of the population.

The following subsections delve into the key economic trends and characteristics that influence Munising's housing landscape, including median household income, income distribution, and income-based differences in housing tenure and cost burden.

## MEDIAN HOUSEHOLD INCOME TRENDS

Munising's median household income has shown nominal growth over the past two decades. However, to understand the true economic impact on residents, it's crucial to examine these figures in the context of inflation and cost of living changes. Table 1 presents both the unadjusted median income<sup>12</sup>, and the figures adjusted to 2022 dollars<sup>13</sup>, providing a more accurate picture of households' purchasing power over time:

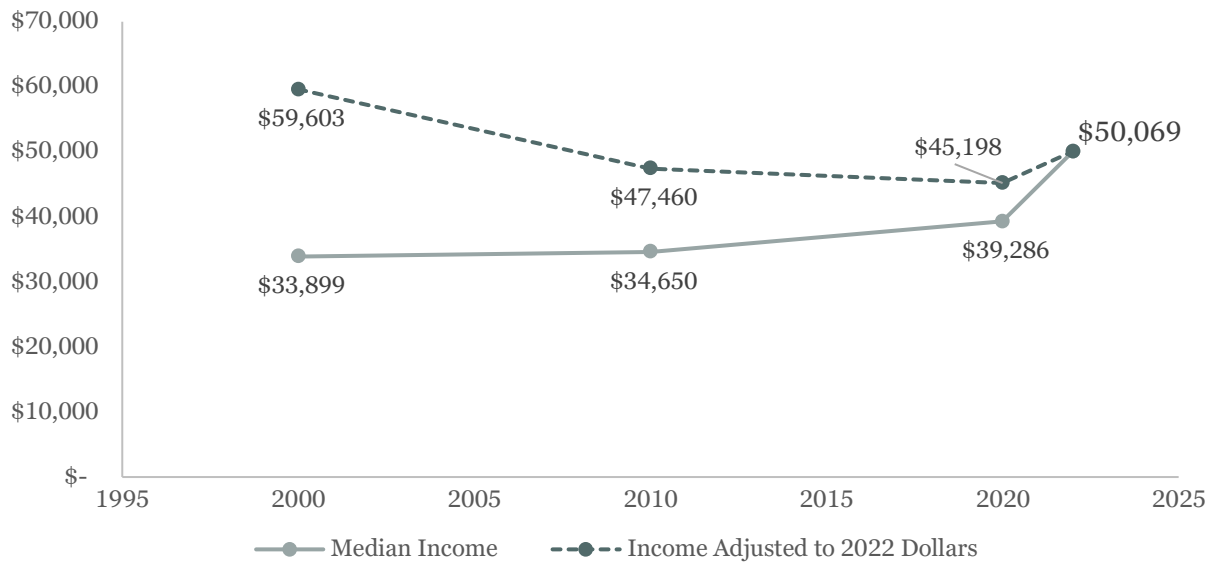
*Table 1. Median Household Income of Munising Residents, Actual & Adjusted, 2000-2022*

YEAR	MEDIAN INCOME, UNADJUSTED	MEDIAN INCOME, ADJUSTED TO 2022
2000	\$33,899	\$59,603
2010	\$34,650	\$47,460
2020	\$39,286	\$45,198
2022	\$50,069	\$50,069

<sup>12</sup> U.S. Census Bureau Data, City of Munising

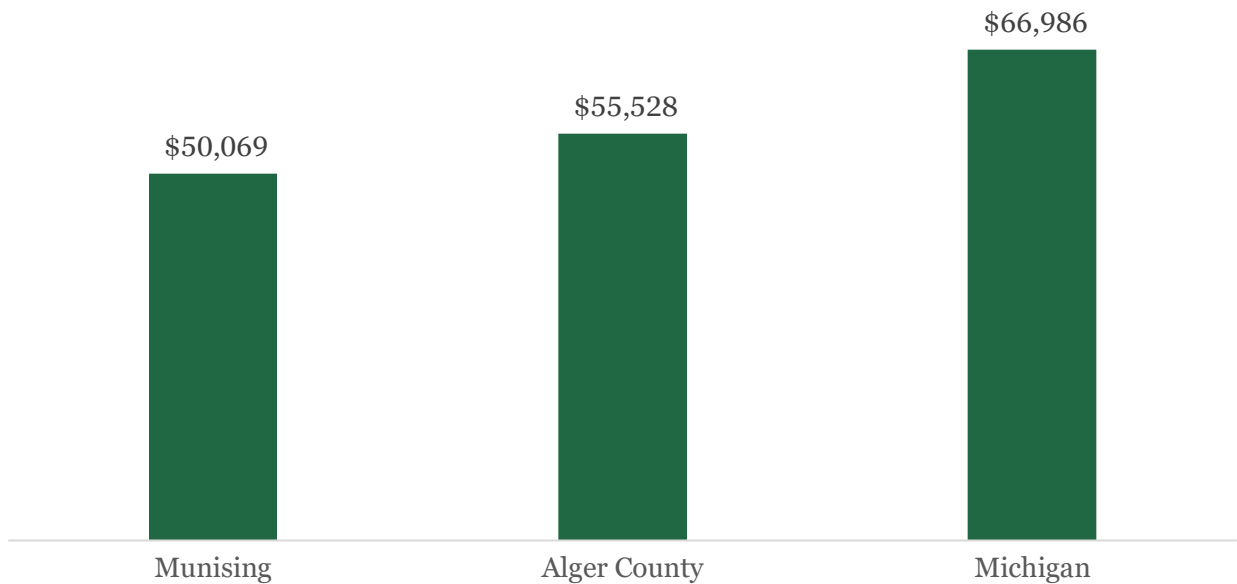
<sup>13</sup> Calculated with the Bureau of Labor Statistics Inflation Calculator, <https://data.bls.gov/cgi-bin/cpicalc.pl>

*Figure 18. Median Household Income of Munising Residents, Actual & Adjusted, 2000-2022*



While nominal income has increased, **when adjusted for inflation, households in Munising have experienced a decrease in purchasing power since 2000.** This trend has implications for housing affordability, particularly as housing costs have drastically increased over the same period.

*Figure 19. Median Household Income in Munising, Alger County, and Michigan, 2022 ACS Estimates*



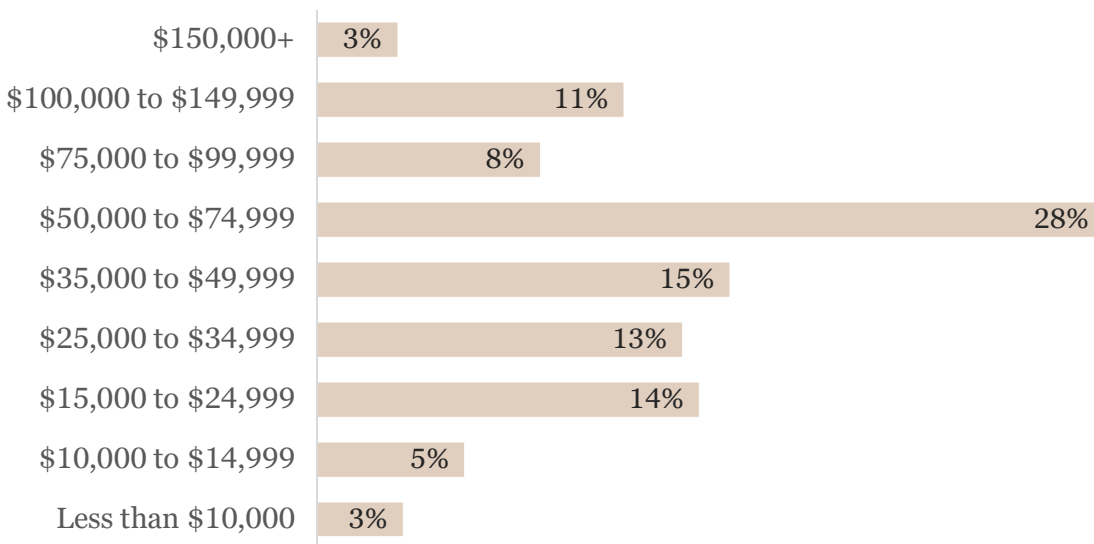
Munising's median household income is lower than both the county and state averages, which may indicate challenges in affordability for some households.

## INCOME DISTRIBUTION

Examining the overall distribution of household incomes within Munising provides critical context for assessing housing affordability and unmet needs across the community. Tracking the shifts in the proportion of households earning at different income levels - from lower-income brackets to higher-earning groups - can reveal important trends about the economic resources available to residents seeking housing. This data can highlight whether the city is experiencing a widening gap between higher and lower-income households, which may exacerbate affordability challenges and lead to the displacement of certain demographic groups.

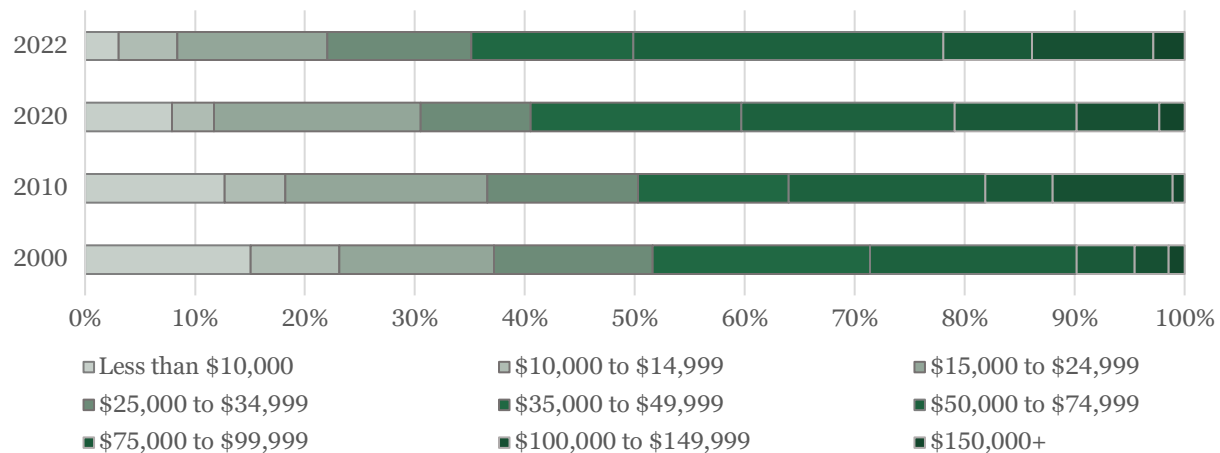
Furthermore, understanding the income distribution can inform the development of housing policies, programs, and initiatives that cater to the diverse financial circumstances of Munising's population, ensuring that a range of affordable options are available to meet the needs of residents at all income levels. By analyzing the big picture of how household incomes are distributed in the community, the city can make more informed decisions about targeting housing solutions to the areas of greatest need.

*Figure 20. Household Income Distribution of Munising Residents, 2022 ACS Estimates*



The distribution of household incomes in Munising has shifted significantly since 2000, as illustrated below in Figure 21.

Figure 21. Household Income Distribution of Munising Residents, 2000-2022



- Lower income brackets (under \$25,000) decreased from 37% in 2000 to 22% in 2022.
- Middle income brackets (\$25,000 to \$74,999) remained relatively stable, from 53% in 2000 to 56% in 2022.
- Higher income brackets (\$75,000 and above) increased from 9% in 2000 to 22% in 2022.

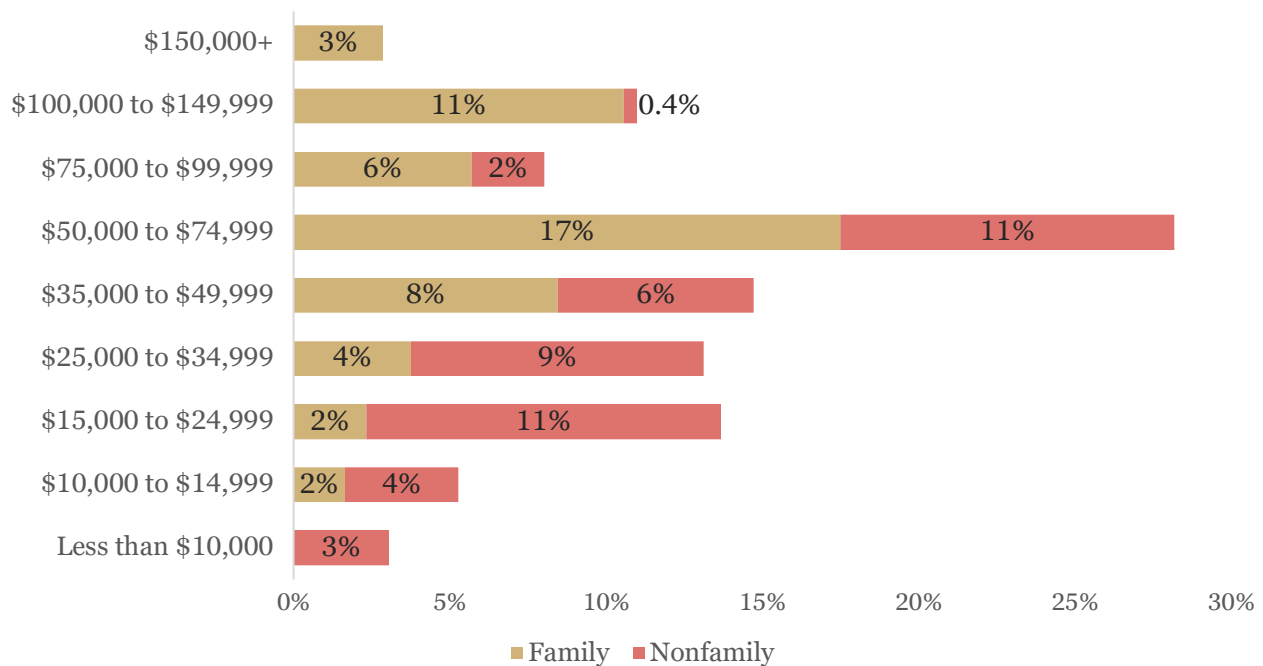
This shift suggests a growing middle and upper-middle class. However, **the significant decrease in lower-income households likely indicates that these residents are being priced out of the community**, possibly due to rising housing costs and limited affordable options.

## INCOME BY HOUSEHOLD TYPE

Analyzing the median incomes of different household types in Munising provides valuable insights into the varying financial resources and constraints that shape housing needs and preferences across the community. Disparities in earnings between family households, non-family households, and households with children, for example, can illuminate potential barriers to accessing affordable homeownership or rentals for certain demographic groups. This data can help identify segments of the population that may require specialized housing assistance or financing programs to overcome economic hurdles.

Furthermore, understanding income differences by household composition can inform the development of a diverse housing stock, ensuring that Munising's residential options align with the earning capacities of its diverse resident base. By examining median incomes through the lens of household types, the city can make more informed decisions about prioritizing housing affordability for the various family structures and living arrangements present in the community.

*Figure 22. Munising Household Income Distribution by Household Type, 2022 ACS Estimates*



U.S. ACS data depicted in Figure 22 above shows that median incomes vary depending on the type of household described. So, while the household income overall for the City of Munising is \$50,069, the median family income is \$59,352, the median married-couple family income is \$61,555, and the median nonfamily household income was \$29,808.

**The significant disparity between family and nonfamily household incomes highlights potential affordability challenges for single individuals and non-traditional households.**

## INCOME BY HOUSING TENURE

Understanding the relationship between household incomes and housing tenure, whether owning or renting, is essential for addressing Munising's affordability challenges. Analyzing the median incomes of homeowners versus renters can shed light on the economic barriers that may be preventing lower-income residents from transitioning into homeownership. This data can reveal disparities in purchasing power and access to mortgage financing, which often leave renter households with fewer resources to devote to housing costs. Furthermore, income-based differences in tenure patterns can inform the development of targeted programs, such as down payment assistance or affordable rental initiatives, to help bridge the gap between owning and renting for households of varying economic means.

By disaggregating income data according to housing tenure, the city can gain a more nuanced understanding of the complex interplay between household finances and access to different residential options within Munising's housing market.

*Figure 23. Munising Household Income Distribution by Housing Tenure, 2022 ACS Estimates*

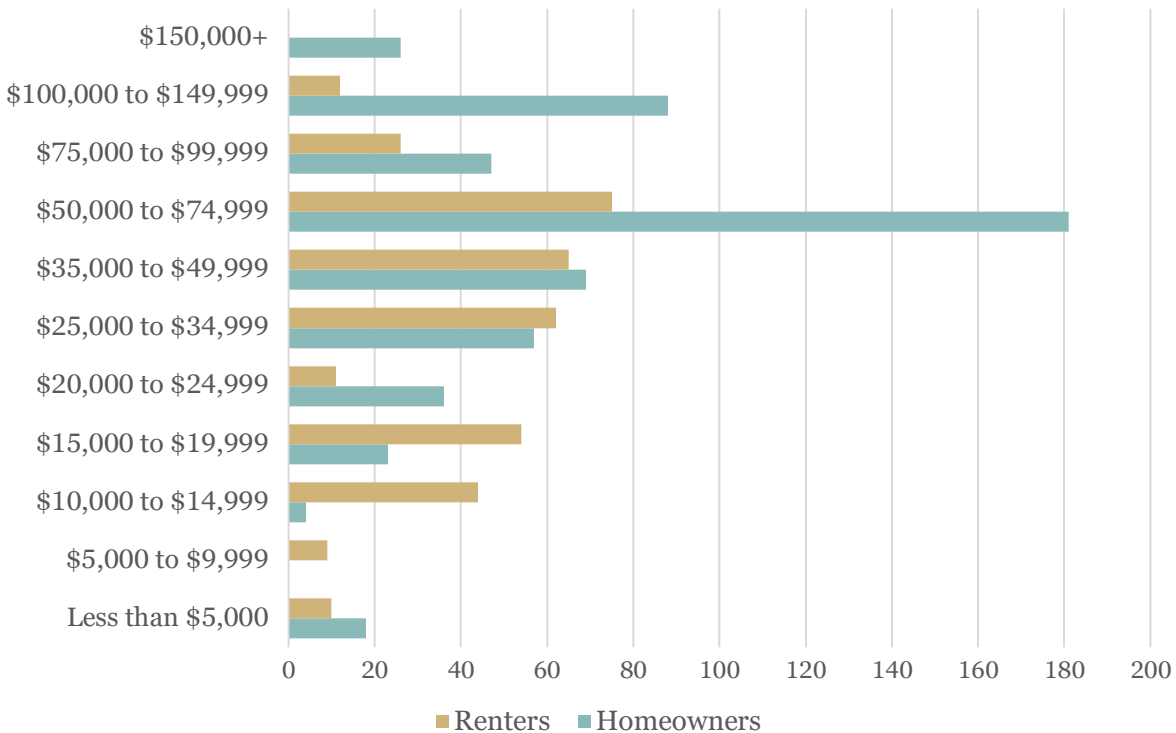


Figure 23 above reveals several key takeaways about how income patterns with housing tenure:

- Homeowners generally have higher incomes than renters.
- 62% of households earning \$50,000 or more are homeowners.
- 71% of households earning less than \$25,000 are renters.

This disparity suggests potential barriers to homeownership for lower-income households and underscores the need for affordable rental options.



## Implications for Housing:

1. The decrease in lower-income households suggests a critical shortage of affordable housing options, potentially leading to the displacement of long-time residents and essential workers.
2. The overall increase in median household income, particularly in higher brackets, may drive demand for higher-end housing options, potentially further reducing affordable housing stock.
3. The persistent lower incomes for nonfamily households highlight the need for affordable smaller units, particularly rentals.
4. The income disparity between homeowners and renters suggests a need for programs to assist lower-income households in transitioning to homeownership, if desired.
5. The decrease in inflation-adjusted median household income since 2000, combined with the loss of lower-income households, underscores the critical importance of maintaining and expanding affordable housing options to match the community's economic realities and preserve its socioeconomic diversity.

## MONTHLY HOUSING COSTS

The distribution of monthly housing costs in Munising provides valuable insights into the affordability of the local housing market and the financial burdens borne by residents. Analyzing the range of housing expenditures, from the proportion of households paying very low monthly costs to those with high-end rents or mortgage payments, can reveal critical gaps in the availability of units that fit within different household budgets. This data can highlight the disparities in monthly costs between homeowners and renters, which may indicate barriers to transitioning from renting to owning.

Furthermore, understanding the overall cost distribution can inform the development of housing strategies and programs targeted at expanding the supply of units at price points that align with the earning capacities of Munising's diverse population. By examining the nuances of monthly housing expenditures, the city can work to ensure that residents at all income levels have access to living accommodations that are affordable and sustainable within their financial means.

While **the median monthly housing cost for all residents is \$672<sup>14</sup>**, when we look at the median cost for homeowners vs. renters, we can see that, for many in Munising, renters are paying more for their monthly housing than homeowners.

Median Monthly Housing Cost  
for Homeowners:

**\$636**

Median Monthly Housing Cost  
for Renters:

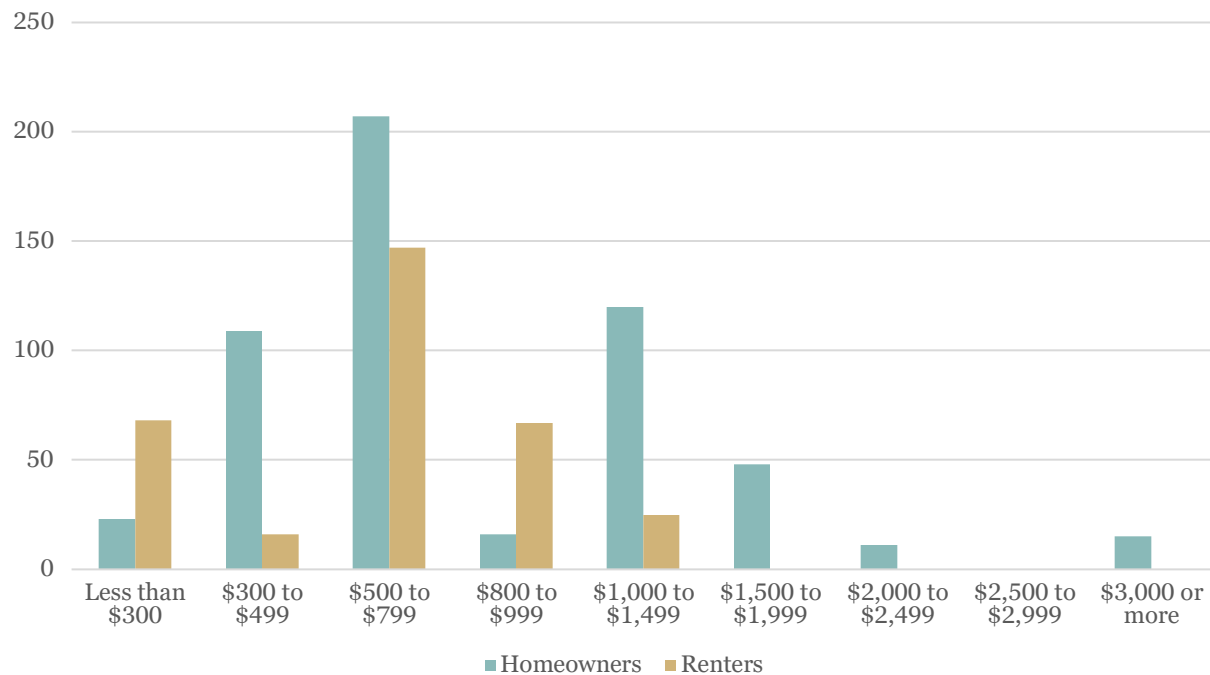
**\$699**

To better appreciate the relationship between monthly rental vs. mortgage costs, Figure 24 below outlines the distribution of monthly housing costs in Munising.

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<sup>14</sup> U.S. Census Bureau, American Community Survey, ACS 5-Year Estimates, 2022

*Figure 24. Munising Monthly Housing Cost Distribution by Tenure Type, 2022 ACS Estimates*



The distribution of monthly housing costs in Munising reveals important patterns:

- The largest proportion of households (39%) pay between \$500 and \$799 per month
- Only 8% of households pay \$1,500 or more per month
- A higher proportion of homeowners have very low housing costs (less than \$500) compared to renters
- Renters are more concentrated in the \$500 to \$999 range
- No renters pay \$1,500 or more, while some homeowners do, though evidence from the focus groups suggests that in the years since 2022, this may have changed.

## HOUSING AFFORDABILITY & COST BURDEN

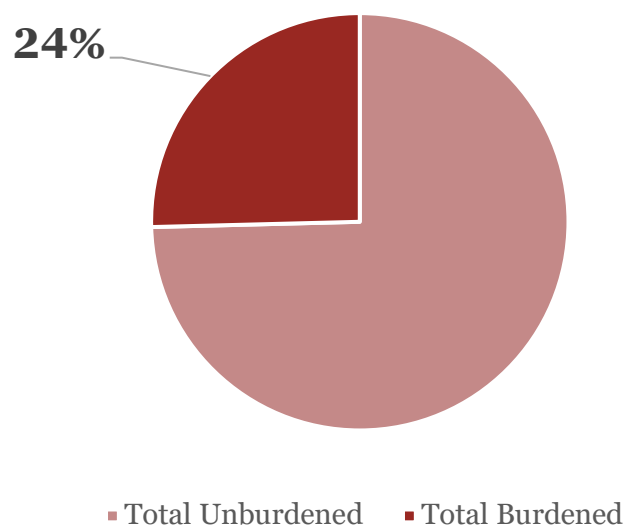
The term “affordable” may often be associated with low-income housing. In high-tourism communities, however, affordability is a problem for households across a broad range of incomes, not just low income.

Housing is affordable when the monthly payment (rent or mortgage) is no more than 30% of a household’s gross income (i.e., income before taxes). Although there is some variation, this standard is commonly applied by federal and state housing programs, local housing initiatives, mortgage lenders and leasing agents.

Housing affordability is a critical factor in determining the ability of Munising's residents to access suitable and stable living accommodations. By analyzing data on housing cost burdens, we can identify the segments of the population that are struggling to afford their monthly housing expenses, which is a key indicator of unmet housing needs in the community. Examining the disparities in cost burden rates between homeowners and renters, as well as across different income brackets, provides valuable insights into the unique affordability challenges faced by various household types.

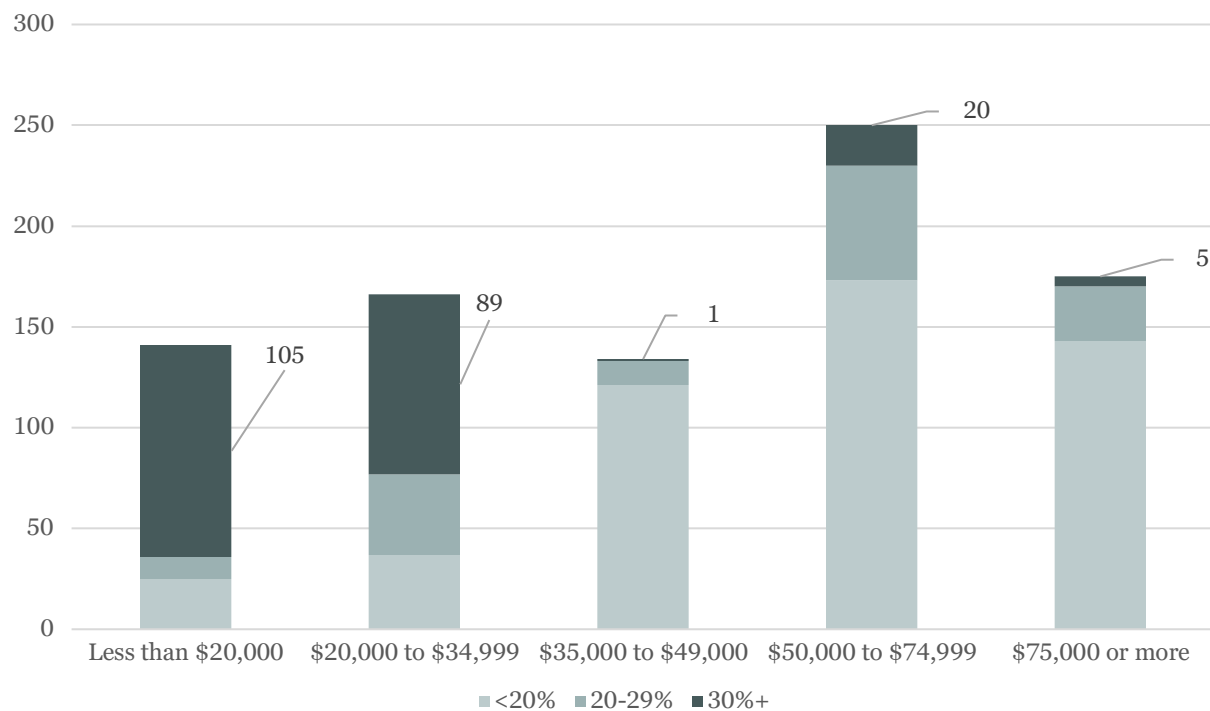
Understanding the prevalence and distribution of housing cost burdens is essential for developing targeted policies and programs to improve affordability and ensure that all of Munising's residents have access to housing options that fit within their financial means. The following data outlines the overall cost burden trends in Munising, as well as the income-based differences in the proportion of households spending 30% or more of their income on housing costs.

*Figure 25. Percent of the Munising Population that is Housing Cost Burdened, 2022 ACS Estimates*



24% of households are cost-burdened (spending 30% or more of their income on housing). The data below (Figure 26) reveals significant disparities in housing affordability across different income levels in Munising.

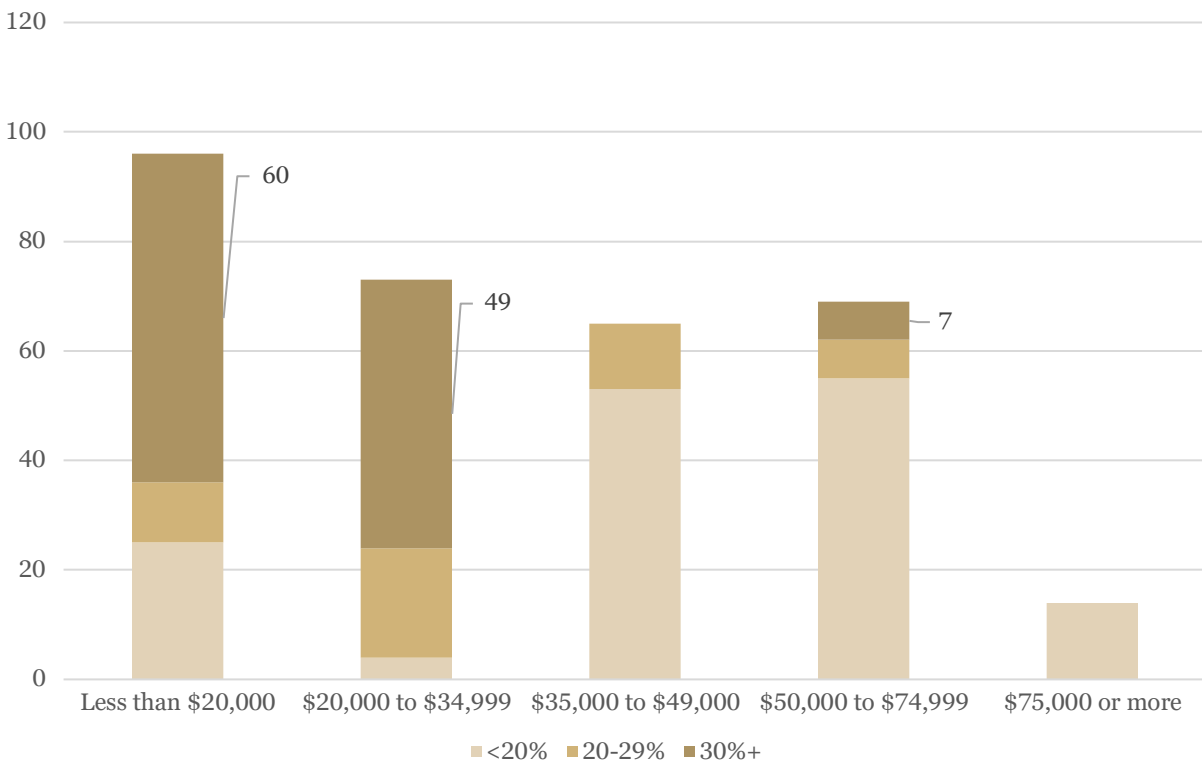
*Figure 26. Housing Costs as a Percentage of Household Income in the Past 12 Months for Munising Residents, 2022 ACS Estimates*



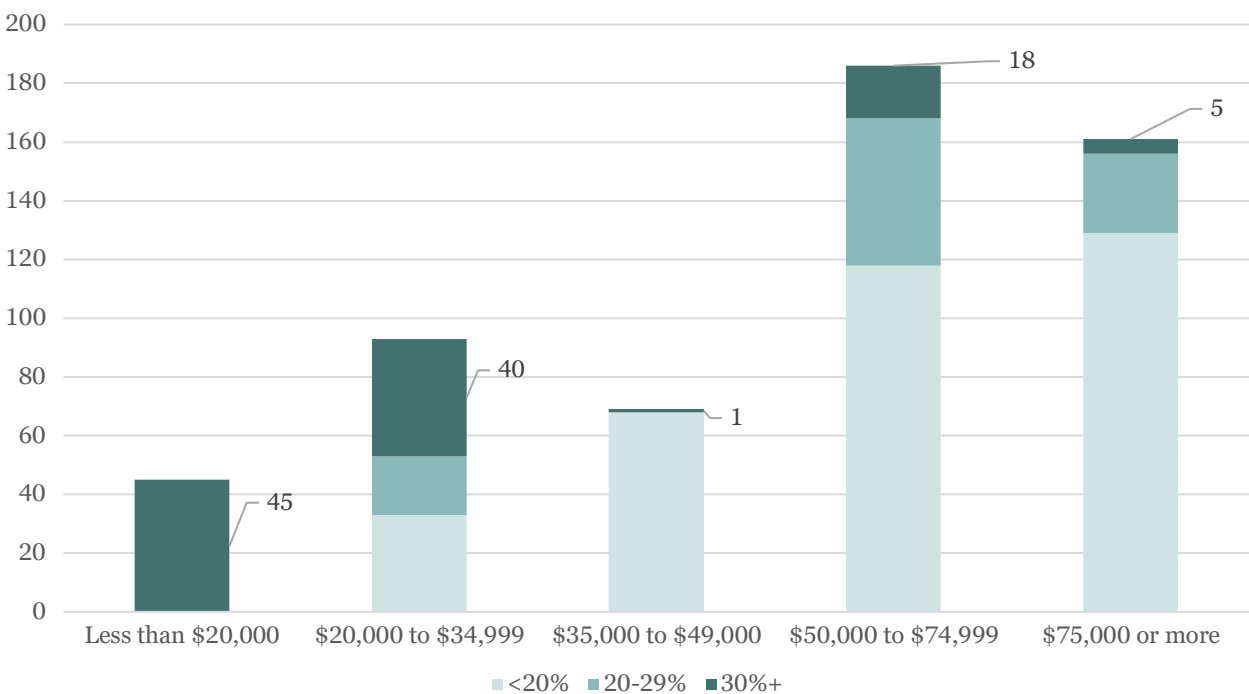
Unsurprisingly, **lower-income households face the highest rates of cost burden**. 74% of households earning less than \$20,000 are cost burdened. 54% of households earning \$20,000 to \$34,999 are cost burdened. Higher-income households experience much lower rates of cost burden. Only 8% of households earning \$50,000 to \$74,999 are cost burdened. Just 3% of households earning \$75,000 or more are cost burdened.

While the overall distribution of housing costs relative to income provides a broad picture of affordability in Munising, it's important to examine how these patterns differ between homeowners and renters. The following two charts (Figure 27 & Figure 28) break down the income and housing cost relationship for each of these groups separately, revealing distinct challenges and trends within each housing tenure category.

*Figure 27. Housing Costs as a Percentage of Household Income in the Past 12 Months, for Renters, 2022*

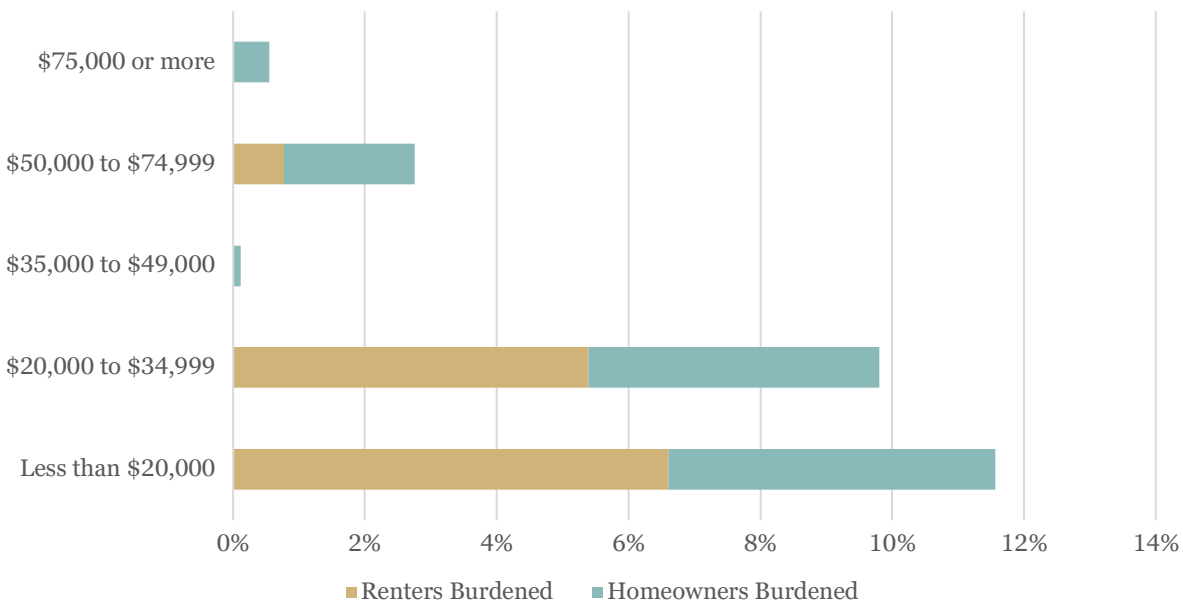


*Figure 28. Housing Costs as a Percentage of Household Income in the Past 12 Months, for Homeowners, 2022*



As we can see from these two graphs, **there are notable differences in how housing costs impact homeowners versus renters across various income levels.** To further understand the prevalence and distribution of housing cost burdens in Munising, Figure 29 explicitly illustrates the proportion of households in each tenure category that are spending more than 30% of their income on housing.

*Figure 29. Percentage of Munising Households that are Housing Cost Burdened by Household Income, 2022 ACS Estimates*



When looking at housing costs as a percentage of household income by income and by housing tenure, there are several key takeaways.

- *Among households earning less than \$20,000:*
  - 100% of homeowners are cost-burdened
  - 63% of renters are cost-burdened
- *For households earning \$20,000 to \$34,999:*
  - 43% of homeowners are cost-burdened
  - 67% of renters are cost-burdened
- Higher-income renters (above \$35,000) experience lower rates of cost-burden compared to homeowners in the same income brackets.

## Implications for Housing Policy and Development:

1. **Affordable Housing Need:** There is a critical need for affordable housing, particularly for households earning less than \$35,000 annually. This group experiences the highest rates of cost burden.
2. **Rental Market Focus:** While both renters and homeowners face affordability challenges, the rental market appears to have fewer options at the lowest and highest price points. Expanding the range of rental options could help address affordability issues.
3. **Homeownership Support:** Despite lower median costs, low-income homeowners face high rates of cost burden. Programs to assist with home maintenance, property taxes, or utilities could help these households.
4. **Development Priorities:** New housing development should prioritize units in the \$500-\$999 range, where demand seems highest across both renters and owners.
5. **Preservation of Affordable Stock:** The existing affordable housing stock (units under \$500/month) should be preserved and expanded, especially for renters.
6. **Middle-Income Housing:** While the focus is often on low-income housing, the data suggests a need for "missing middle" housing that is affordable to households in the \$35,000-\$74,999 income range.



# Section 2

## CURRENT HOUSING LANDSCAPE

Understanding the current housing landscape is crucial for developing effective strategies to address Munising's housing needs. This section provides a comprehensive overview of the existing housing stock, recent market trends, and the mix of available housing units. By examining these factors, we can identify gaps in the housing market, assess affordability issues, and determine areas for potential development or improvement.

To paint a detailed picture of Munising's housing landscape, we have combined data from multiple sources:

1. U.S. Census Bureau and American Community Survey data, which provide information on housing units and characteristics of the overall housing stock.
2. Recent housing sales data (2019-2024), offering insights into market trends, pricing, and the characteristics of homes currently changing hands.
3. Qualitative information from focus group discussions, providing on-the-ground perspectives from residents, real estate professionals, and community leaders.

By integrating these diverse data sources, we can better understand the nuances of Munising's housing market, including how the existing housing stock aligns with current demographic trends and economic realities. This comprehensive approach allows us to identify not just the quantitative aspects of housing supply and demand, but also the qualitative factors that influence housing choices and challenges in the community.

The following analysis will examine the age and condition of Munising's housing stock, the mix of housing types available, tenure patterns, recent market trends, and the characteristics of homes currently on the market. This information will serve as a foundation for identifying key housing challenges and opportunities in subsequent sections of this report.

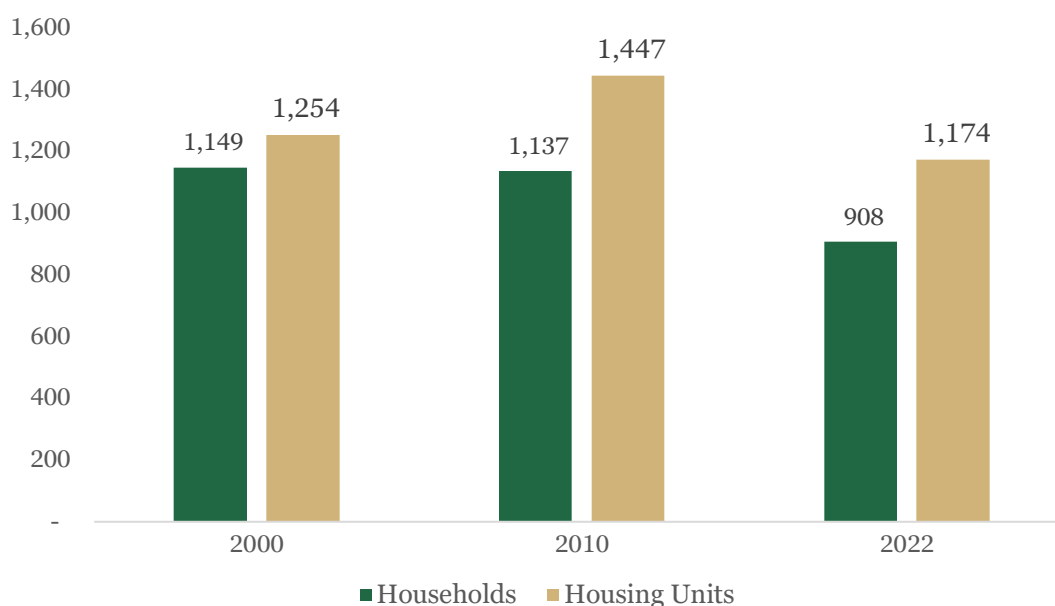
## HOUSING STOCK OVERVIEW

Developing a comprehensive understanding of Munising's existing housing stock is a critical first step in assessing the community's current and future housing needs. This section provides a detailed examination of the age, condition, and composition of the city's residential units. Analyzing factors such as the prevalence of older homes, the mix of housing types, and the proportion of vacant or seasonal properties offers valuable insights into the strengths and limitations of the current housing landscape. This baseline information is essential for identifying both the challenges and opportunities that will shape Munising's housing strategies moving forward.

As of 2022, Munising had a total of 1,174 housing units, with 908 occupied year-round, and 266 vacant or seasonal.<sup>15</sup> This high proportion of vacant/seasonal units (22.7%) underscores the city's role as a tourist destination and suggests potential pressure on year-round housing availability.

Looking back over the past two decades, Munising's total housing stock has fluctuated, as shown Figure 30 below:

*Figure 30. Munising Housing Units vs. Households, 2000-2022*



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<sup>15</sup> U.S. Census Bureau Data, City of Munising

This decrease in the overall housing inventory, from a peak of 1,447 units in 2010 to the current 1,174 units, provides important context for understanding the community's evolving housing landscape.

Looking at the relationship between total housing units and occupied households reveals a concerning trend in Munising's housing market. In 2000, there was a relatively small gap between total housing units (1,254) and occupied households (1,149), with just 105 vacant or seasonal units. This gap widened significantly by 2010, when the 1,447 total housing units included 310 vacant or seasonal units (with 1,137 occupied households). The trend became even more pronounced by 2020, with 417 vacant or seasonal units (1,285 total units minus 868 occupied households). While the overall number of housing units has decreased to 1,174 by 2022, the gap remains substantial with 266 vacant or seasonal units.

**This growing divergence between total housing units and occupied households suggests an increasing shift toward seasonal or vacation properties, potentially limiting housing availability for year-round residents.** The trend is particularly noteworthy as it coincides with Munising's emergence as a popular tourist destination, indicating that some of the city's housing stock may be transitioning from serving permanent residents to accommodating seasonal visitors.

The composition of Munising's current housing inventory, as well as recent market activity and pricing trends, will be explored in greater detail throughout the following subsections. This historical data on the overall number of housing units serves as a critical foundation for analyzing the community's existing assets, challenges, and projected housing needs.

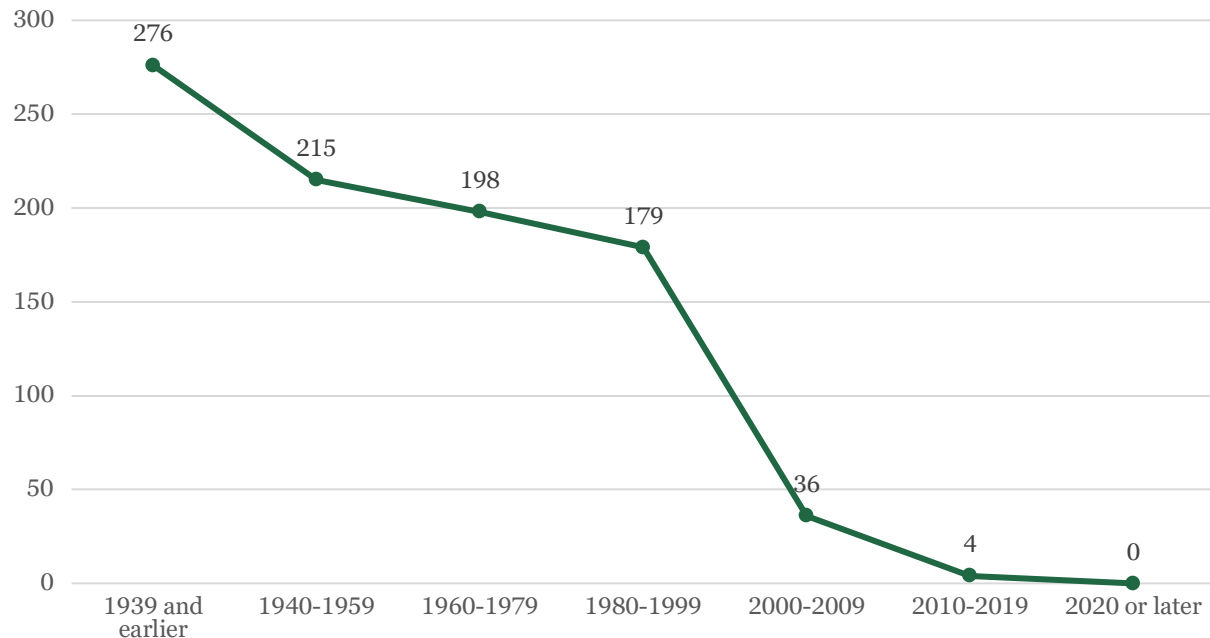
## AGE AND CONDITION OF HOUSING

The age and physical condition of Munising's housing inventory are critical factors in determining the community's current and future housing needs. An aging housing stock can indicate a higher prevalence of homes requiring rehabilitation, modernization, or potential replacement, which has implications for housing affordability, energy efficiency, and accessibility. Analyzing the distribution of housing units by the decade of construction provides valuable insights into the predominant eras of development and the potential challenges associated with older properties. Additionally, qualitative assessments of the overall condition of Munising's homes, gathered through community engagement, can further illuminate the need for targeted reinvestment and preservation efforts.

Understanding the age and state of repair of the existing housing supply is essential for crafting strategies to promote housing quality and ensure the long-term sustainability of the city's residential options.

Below, Figure 31 illustrates the age distribution of housing stock today.

*Figure 31. Number of Housing Units Built in Munising, Over Time*



**Over half (54.1%) of Munising's housing stock was built before 1960**, indicating an aging housing inventory. Only 4.4% of the housing stock has been built since 2000, with no new construction recorded after 2019.

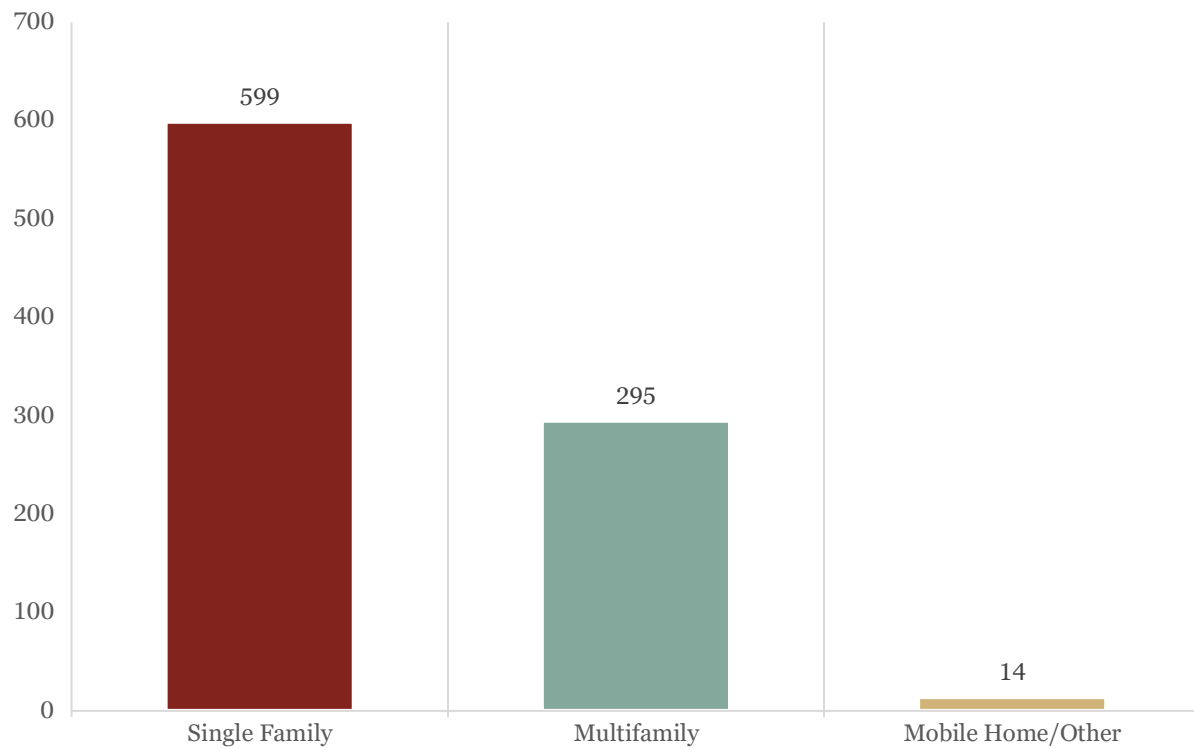
## HOUSING UNIT MIX

The composition of Munising's existing housing stock, in terms of the diversity of unit types, is a key factor in determining whether the community's residential options adequately meet the needs of its diverse population. An understanding of the prevalence of single-family homes, multi-family buildings, and other housing formats provides critical insights into the range of choices available to residents. This data can reveal potential misalignments between the current housing inventory and the preferences or requirements of certain demographic groups, such as growing families, seniors, or single-person households.

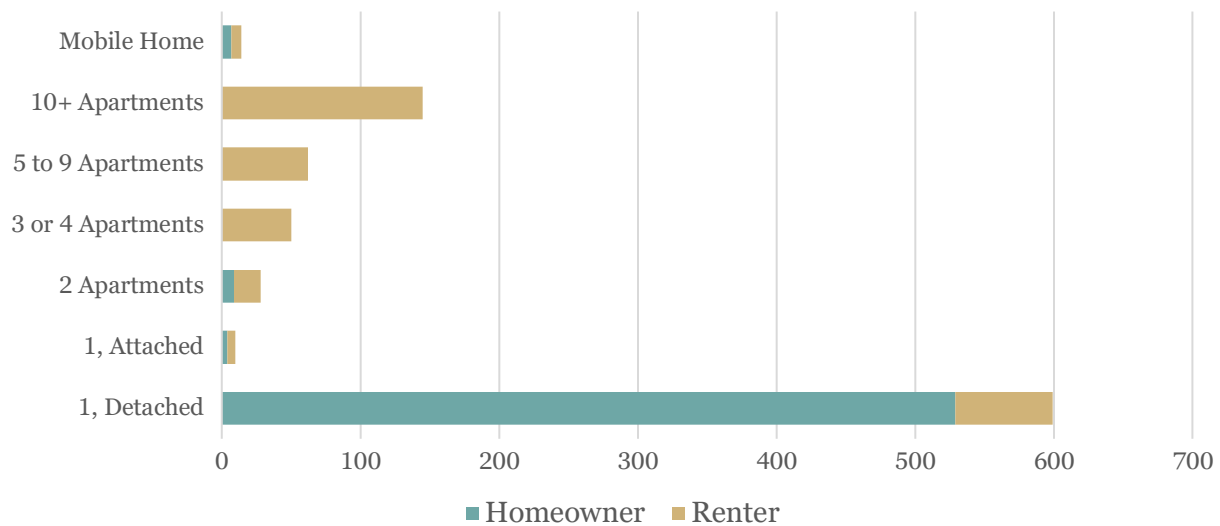
Analyzing the housing type mix also sheds light on the balance between owner-occupied and renter-occupied units, which can inform strategies to foster housing tenure diversity and provide pathways to homeownership.

The composition of Munising's housing stock is illustrated in the following graphs (Figure 32 & Figure 33) below:

*Figure 32. Munising Housing Units by Type of Residential Building, 2022 ACS Estimates*



*Figure 33. Munising Housing Units by Occupant Tenure Type, 2022 ACS Estimates*



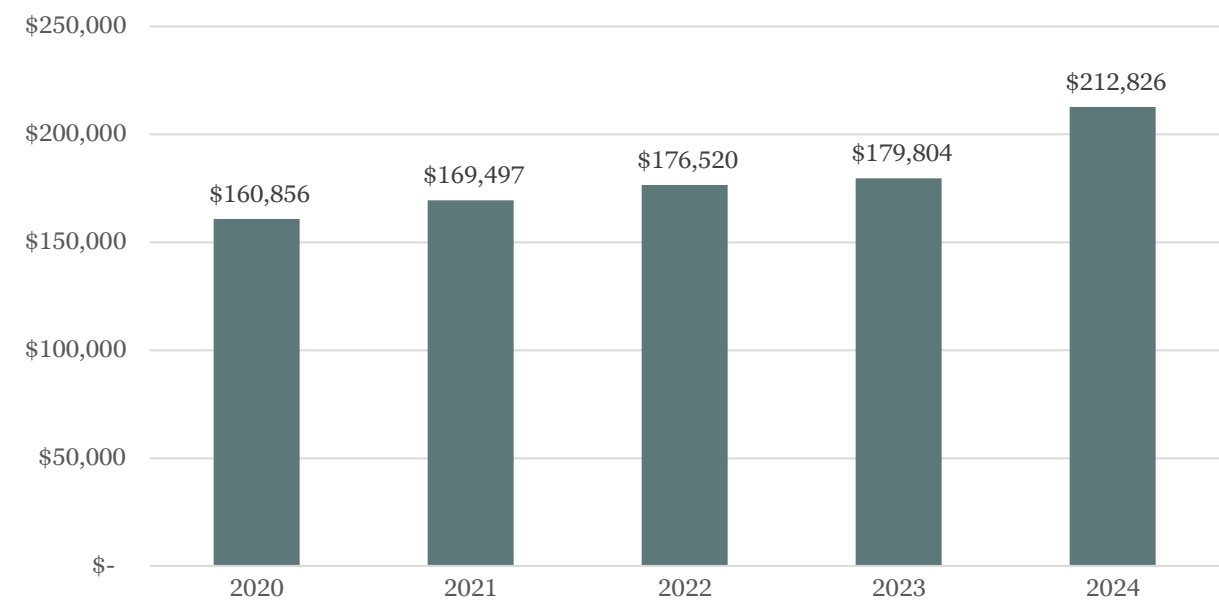
Single-family homes dominate the housing stock, particularly among owner-occupied units. Multi-family units make up a significant portion of the rental market, with no owner-occupied units in buildings with 5 or more apartments.

# RECENT MARKET TRENDS

An examination of Munising's recent housing market trends provides valuable insights into the current dynamics shaping the local real estate landscape. Analyzing factors such as sales volume, average prices, and seasonal fluctuations can reveal important information about the balance between housing supply and demand in the community. This data can illuminate the degree of competition and affordability challenges faced by prospective homebuyers, as well as provide context around the pressures exerted by Munising's tourism-driven economy on the residential market.

Understanding the prevailing market conditions, including how they may have shifted over time, is essential for crafting housing policies and programs that effectively address the community's needs. By documenting these recent trends, the city can make more informed decisions about the types of housing development, preservation, and assistance initiatives required to meet the evolving preferences and constraints of both current and future residents.

Figure 34. Average Sales Price of Homes in Munising, 2020-2024



The graph below shows the average cost of a home in the City of Munising over the past 5 years. **Since 2020, the average sales price of a house in Munising has risen by over \$50,000.**

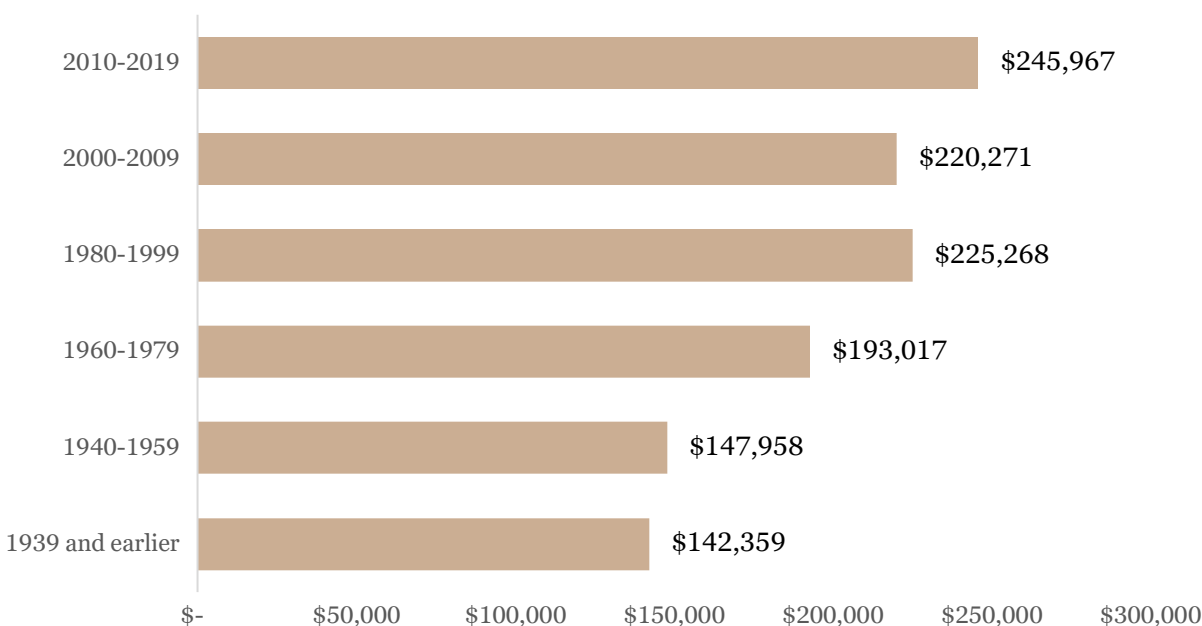
An analysis of recent housing sales data (2019-2024) reveals:

- Total sales: 246
- Peak sales year: 2021 (66 sales)
- Average sale price (2020-2024): \$175,695
- Price growth: **32.3% increase from 2020 to 2024**
- Average price per square foot: \$125.07

The steady increase in average prices from \$160,856 in 2020 to \$212,826 in 2024 indicates strong demand and potentially limited supply in the Munising housing market.

Another trend that can be seen in the recent sales data is that the average costs of older homes are significantly less than those of newer homes, as can be seen in Figure 35 below.

*Figure 35. Average Sales Prices of Munising Homes Sold Between 2020 & 2024, by Year Built*



Some takeaways of note from this data are that homes built after 2010 are selling for nearly 70% more than pre-1940 homes on average. The most significant price jump occurs between pre-1960 and post-1960 homes, suggesting this may be a crucial threshold for housing conditions and modern amenities. The lower prices for older homes align with focus group feedback about rehabilitation needs:

*"I feel like there's two extremes... [the housing cost is] either super low, but it's very in need of repair, or it's very high because it's like someone just flipped it. But there's no in-between, where it's livable and affordable. In my experience."*

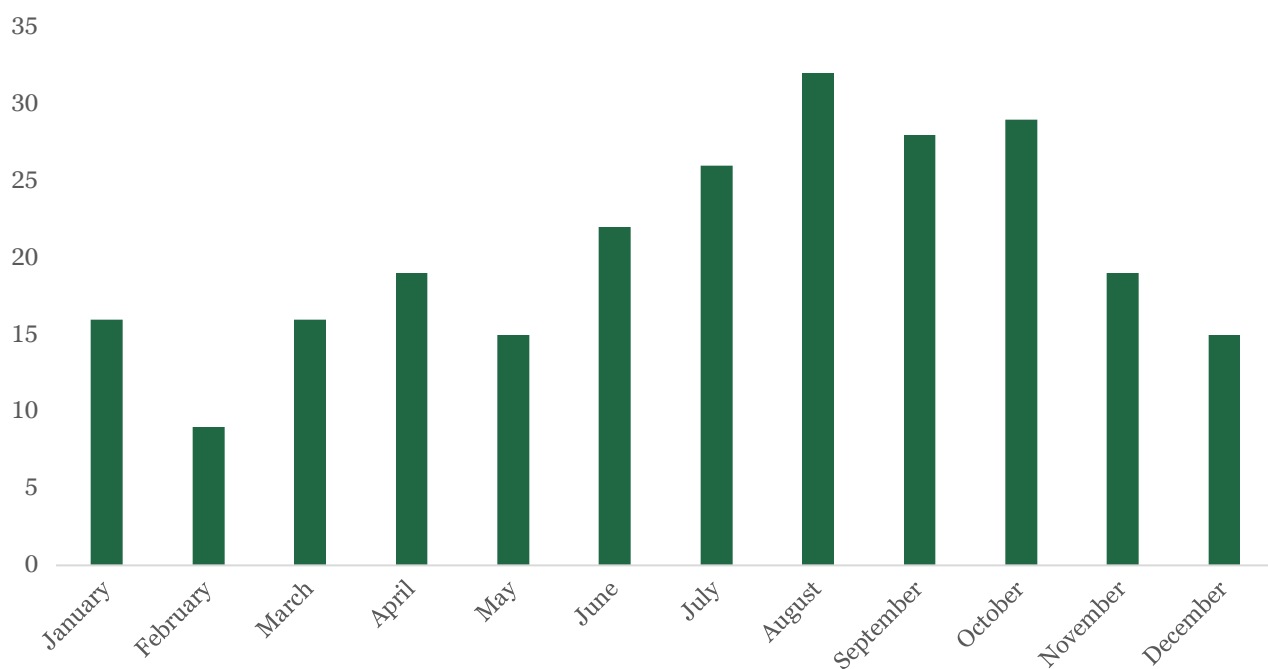
The significant price differential between older and newer homes, paired with the impediments to new development suggests potential opportunity for rehabilitation and value-add investments, particularly in pre-1960 properties that make up the majority of Munising's housing stock.

## SEASONAL MARKET DYNAMICS

Understanding seasonal patterns in Munising's housing market is particularly relevant given the city's role as a tourist destination. These patterns can reveal important insights about both market accessibility for year-round residents and the influence of tourism on local housing dynamics.

Seasonal variations in sales volume and pricing can affect when local residents might find the best opportunities to purchase homes, while also highlighting periods when competition from seasonal buyers might be highest. For communities like Munising that experience significant tourist traffic, these patterns often reflect broader economic cycles that impact housing availability and affordability for permanent residents.

*Figure 36. Number of Housing Sales in Munising Each Month Between 2020 & 2024*



The 2019-2024 sales data reveals pronounced seasonal trends:

- Highest number of sales: August (32 sales)
- Lowest number of sales: February (9 sales)



## Implications for Housing Needs:

1. The aging housing stock suggests a need for rehabilitation and modernization programs, as well as policies to encourage new construction.
2. The high proportion of single-family homes indicates a potential lack of diverse housing options, particularly for smaller households or those seeking more affordable options.
3. The strong price growth in recent years, coupled with the seasonal nature of the market, may be exacerbating affordability issues for year-round residents.
4. The lack of new construction since 2019 suggests potential barriers to development that need to be addressed to meet future housing needs.

# Section 3

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## KEY HOUSING CHALLENGES

Understanding the critical housing challenges facing Munising is essential for developing targeted and effective solutions. This section synthesizes the quantitative data analysis with qualitative insights from community stakeholders to identify the most pressing housing issues in the city, giving us a more comprehensive understanding of the housing landscape and its impact on residents.

The following key challenges have emerged from both our data analysis and community engagement:

### **1. Limited Housing-Stock and Lack of Diverse Options**

Munising's housing stock is predominantly older, single-family homes, with limited options for diverse household types. This lack of variety poses challenges for different demographics, from young professionals to seniors looking to downsize.

*"Households can't even afford to stay here- they're moving to Christmas. You know, they're moving to more rural areas like Au Train and Trenary- they're just being displaced from this area... **What's here is just not sufficient to meet the needs of existing residents, let alone people that want to move here with their families.**"*

### **2. Affordability Concerns**

Rising housing costs, coupled with stagnant or declining inflation-adjusted incomes, have created affordability challenges for many residents, particularly lower-income households and renters.

*"Back in 2015, [if you] wanted to rent a three-bedroom house, you would have three or four to pick from at \$400- \$500 a month. **And now, if you can find one, it's \$1500 to \$2200 a month.**"*

### **3. Aging Housing Stock**

With over half of Munising's housing built before 1960, there is a significant need for rehabilitation and modernization of existing homes.

*"**A lot of what is out there needs work.** And you can't finance some of these houses that need a ton done. And most people don't have extra money sitting around, or the larger down payment to get one of those homes that have been rehabbed already. So, for a lot of folks here, homeownership isn't very realistic."*

### **4. Seasonal Housing Pressures**

Munising's tourism-based economy creates unique challenges, with seasonal demand fluctuations and a high proportion of vacant/seasonal units potentially limiting year-round housing availability.

*"**The tourism economy has led to a focus on short-term rentals over long-term housing.**"*

### **5. Barriers to New Development**

The lack of recent new construction points to potential barriers in developing new, diverse housing, which is crucial for addressing the city's evolving housing needs.

*"Nobody's gonna come in and build an apartment building with their own money or with commercial loans. **Because in order to make it pay, they would have to charge \$2500 a month rent, and nobody around here could afford them.**"*

## 6. Zoning Barriers

Current zoning regulations, particularly those related to setbacks and lot sizes, have created unintended obstacles to development. Many existing lots in Munising are now considered "non-conforming" under current standards, meaning they're too small to accommodate new construction under present regulations. This creates several challenges:

- The need to combine lots to meet min. size requirements for new construction
- Inability to replace older, blighted homes on existing lots due to setback requirements
- Restrictions on ADU development due to lot coverage and setback standards
- Limited options for redevelopment of existing properties

**"And you can tear the house down, but you can't rebuild..."** Because they're too small lots, they're like 30 foot long. And so that's where the current ordinance is coming into play."

**"Most of the lots in Munising are 33 feet wide and there's a 50-foot-wide lot requirement,** so you have to have own two adjacent lots where you can build a really skinny house- and we won't give you the setback variance from the six feet..."

## 7. Workforce Housing Shortage

The lack of affordable housing options is affecting local businesses' ability to attract and retain employees, impacting on essential services and economic growth.

"We have such a crisis in available housing that it's impacting places like the Parks Service, or the mill. Here's an example- **the prison is full but can't get staff because there's no place for them to live.** They have a shortage of 64 guards."

## 8. Changing Household Dynamics

The high proportion of single-person households and the aging population create a mismatch between the existing housing stock and current demographic needs.

"I've talked to a lot of people in town and older people that are like I have this big house. My kids moved out. **I don't want to leave town. I have no options to stay in town.**"

## 9. Balancing Growth with Community Character

There is a need to address housing challenges while preserving the unique character and natural beauty that makes Munising attractive to both residents and visitors.

"I think places are the way they are for a reason and maintaining character is essential to making sure that the place is the same that people wanna come to for 50 years... **maintaining the character is important while still meeting the needs of the current residents and the up-and-coming people.**"

# Section 4

## HOUSING NEEDS ANALYSIS

### CURRENT TRAJECTORY & FUTURE NEEDS

As discussed earlier, Munising's total housing stock has fluctuated over the past two decades, peaking at 1,447 units in 2010 before declining to the current 1,174 units in 2022. **Between 2010 and 2022, Munising experienced an 18.8% decrease in its total housing stock.**

Applying this historical rate of change to the current 2022 figure of 1,174 units, we can estimate that by the year 2040, Munising's housing stock is likely to decrease to approximately 954 units.

This projection suggests that without intervention to spur new housing development and preservation of the existing inventory, Munising can expect a continued gradual decline in its total number of residential properties over the next two decades. Such a trend would exacerbate the community's existing challenges related to housing availability, affordability, and alignment with evolving resident needs.

# UNDERSTANDING AREA MEDIAN INCOME

Before examining specific housing needs projections, it's important to understand how housing affordability is measured in federal and state housing programs.

*Area Median Income* (AMI) is a metric used by the Michigan State Housing Development Authority (MSHDA) and the U.S. Department of Housing and Urban Development (HUD) to establish eligibility for housing programs and assess housing affordability. AMI is calculated annually at the county level based on median family income - **for Alger County, the 2023 AMI was \$72,100.**

While AMI provides a standardized framework for housing programs, it's important to understand how it relates to actual local incomes. The table below compares MSHDA's AMI-based income categories for Alger County with current household income distribution in Munising:

*Table 2. Alger County AMI Compared to Munising Median Household Income*

Income Category	AMI Range (Alger County)	% of Munising Households
Low Income (<60% AMI)	Below \$43,260	42%
Middle Income (60-120% AMI)	\$43,260-\$86,520	42%
High Income (>120% AMI)	Above \$86,520	16%

Munising's median household income (\$50,069) falls within the "low-middle income" range by AMI standards, despite being the median for the city.

## PROJECTED HOUSING NEEDS

Using these AMI-based income categories as a framework, an analysis considering immediate workforce demands, replacement needs for aging housing stock, and modest growth projections was conducted. This analysis suggests a need for approximately 250 additional housing units over the next 20 years (~13-14 units per year), distributed across different income levels and housing types.

This projection is based on three key factors:

### 1. Immediate Documented Need (90 units):

- Current unfilled positions around the city (including the prison, park service, and school system) that require housing
- Known employer workforce needs

### 2. Replacement Need (50 units):

- Aging housing stock requiring replacement
- Focus on older housing in need of significant work

### 3. Modest Growth Allowance (110 units):

- Sustainable growth of 5-6 units per year
- Aligned with community capacity and resources

## DISTRIBUTION BY INCOME LEVEL

The projected need for 250 units should be distributed across income levels based on Area Median Income (AMI). Using MSHDA's standard income brackets, the 250 units should be distributed as follows:

<b>Low Income Units</b> (<60% AMI) Below \$43,260 <b>100 units</b>	<b>Middle Income Units</b> (60-120% AMI) \$43,260-\$86,520 <b>100 units</b>	<b>High Income Units</b> (>120% AMI) Above \$86,520 <b>50 units</b>
<ul style="list-style-type: none"><li>- Addresses needs of cost-burdened households</li><li>- Provides options for service industry workers</li><li>- Supports aging residents on fixed incomes</li></ul>	<ul style="list-style-type: none"><li>- Meets critical workforce housing demands</li><li>- Provides options for young professionals</li><li>- Supports middle-income families</li></ul>	<ul style="list-style-type: none"><li>- Accommodates professional workforce needs</li><li>- Provides move-up options</li><li>- Supports community leadership retention</li></ul>

This allocation for middle and higher-income units (60% combined) ensures workforce housing needs are met while supporting community economic stability. The emphasis on low-income housing is particularly critical given several displacement risk indicators already present in the community:

- Decrease in lower-income households (15% decline since 2000)
- Rising housing costs (32.3% increase in average sales prices 2020-2024)
- Limited affordable rental options (median rental cost of \$699 in 2022)

The proposed distribution aims to address these documented needs while maintaining sufficient market-rate units to support economic development and community sustainability. Additionally, focus group participants repeatedly emphasized affordable housing as a top priority. In the next section, other community priorities discussed in the focus groups are highlighted.



# COMMUNITY HOUSING PRIORITIES

Through our focus groups, several critical housing needs emerged:

## SMALLER, ACCESSIBLE UNITS FOR SENIORS

*"I think they still want some independence. They want to live on their own, but somebody comes and they mow the grass and they plow and they shovel the walkways or that type of thing."*

## WORKFORCE HOUSING

*"One of the barriers for us in terms of attracting and retaining teaching talent in the district is affordable housing."*

## AFFORDABLE FAMILY HOUSING

*"There's been a lot of discussion, you know, around town with my daughter's, you know, friend's parents and things like that. Just about how certain you know households like can't even afford to stay here."*

## FLEXIBLE HOUSING FOR A RANGE OF HOUSEHOLD TYPES

*"I think that [ADUs] would be a really unique solution here just because people that love their community, they want to stay here. They're in the area for a reason, but they're getting older [and they want to downsize]."*

However, significant development barriers currently hinder addressing these needs. As one local developer and business owner explained:

*"Building costs are, at a minimum, \$250 a square foot... So let's just do the quick math. 1000 square foot rental, that \$250,000 plus utilities... A lot and everything... So you got another \$100,000 at least. But let's be generous. \$50,000- So we'll say \$300,000 dollars. And if you can rent it for \$1500 a month, which is already steep around here, that's \$18,000 a year. \$18,000 on \$300,000 is a 6% return. And all of a sudden you get a tax bill for \$7,000 or so. Plus, then you've got insurance... **there's no way you can make it work. It's impossible.**"*

# STRATEGIC DEVELOPMENT PRIORITIES

Given these development barriers - high construction costs, limited available land, and a constrained labor pool - Munising must focus on strategic housing solutions that maximize impact while remaining feasible within these constraints. For many similar communities, focusing on what is termed “missing middle” housing opportunities has helped them overcome some of those issues.

The term "missing middle" refers to housing types that fall between single-family homes and larger multi-family developments. In Munising, this could include duplexes, triplexes, fourplexes, and small courtyard apartments. In the image below, these different housing types are illustrated.



Image sourced from: <https://slowstreets.wordpress.com/2018/08/15/how-planning-departments-are-biased-against-missing-middle-housing-part-1/>

Missing-Middle Housing refers to low to medium density and offers a variety in housing types rather than just single-family or condo towers. This variety is important for city growth because it can be constructed faster and often cheaper than apartments, can suit irregular lot patterns, and encourage a variety of builders with different backgrounds to build.<sup>16</sup> These "missing middle" housing options can help address several key challenges in Munising:

- Provide more affordable options than single-family homes
- Offer a stepping stone between renting and homeownership
- Allow for multigenerational living and aging in place
- Increase density without dramatically changing neighborhood character

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<sup>16</sup> <https://slowstreets.wordpress.com/2018/08/15/how-planning-departments-are-biased-against-missing-middle-housing-part-1/>

## PRIORITY HOUSING TYPES

Based on our analysis of demographic trends, economic conditions, and community input, the following housing types should be prioritized:

- 1. Rehabilitation and Modernization of Aging Homes:** With over 54% of the housing stock built before 1960, there is a pressing need to invest in the rehabilitation and modernization of Munising's older homes. Strategies to upgrade these aging properties can not only improve their livability and energy efficiency (and utility costs along with it), but also help preserve critical affordable housing units within the community.
- 2. Diverse and Affordable Rental Options:** The focus group discussions highlighted a shortage of quality, affordable rental units in Munising, particularly for lower-income households and young professionals. New development should prioritize the creation of multi-family rental properties, including apartments and townhomes/condos, to expand access to attainable housing options.
- 3. "Missing Middle" Housing:** The community expressed a desire for more "missing middle" housing types, such as duplexes, triplexes, and small apartment buildings. These moderate-density options can help bridge the gap between single-family homes and larger multi-family developments, providing more affordable homeownership and rental opportunities.
- 4. Accessible and Age-Friendly Units:** Given Munising's aging population, there is a need to develop housing that supports residents' ability to age in place. This includes single-level homes, as well as multi-family units with universal design features and amenities catered to seniors.
- 5. Workforce Housing:** Addressing the shortage of affordable housing options for the local workforce emerged as a key priority during the stakeholder engagement process. Targeted strategies to create workforce housing, potentially through partnerships with major employers, can help attract and retain essential community members.

These priorities provide a framework for the specific strategies and recommendations detailed in the following section. By focusing on these housing types and leveraging innovative development approaches, Munising can work to create a more diverse, affordable, and sustainable housing landscape that meets the needs of current and future residents.

# Section 5

## OPPORTUNITIES AND SUGGESTIONS

As Munising looks to address its housing challenges and prepare for future needs, there are numerous opportunities to enhance the city's housing landscape. This section outlines strategic recommendations based on our comprehensive analysis of demographic trends, housing market data, and community input. These suggestions are designed to be actionable steps that city officials can incorporate into the master plan to create a more diverse, affordable, and sustainable housing environment.

## 1. Encourage Diverse Housing Development

### Opportunity:

***Address the lack of housing options by promoting a mix of housing types.***

### Suggestions:

- a) Revise zoning ordinances to allow for "missing middle" housing types such as duplexes, triplexes, and small apartment buildings in traditionally single-family zones.
- b) Implement a form-based code in certain areas to ensure new development maintains community character while allowing for greater density.
- c) Offer density bonuses or other incentives for developers who include a mix of unit types and sizes in their projects.
- d) Reform setbacks and lot coverage requirements to better accommodate development on existing lots

## 3. Address Aging Housing Stock

### Opportunity:

***Improve the quality of existing homes.***

### Suggestions:

- a) Create a housing rehabilitation program offering grants or low-interest loans for home improvements, particularly for low-income homeowners.
- b) Partner with local utilities to offer energy efficiency upgrades and weatherization assistance.

## 2. Promote Affordable Housing Initiatives

### Opportunity:

***Increase the availability of affordable housing for low and moderate-income residents.***

### Suggestions:

- a) Establish an Affordable Housing Trust Fund to support the development and preservation of affordable units.
- b) Implement inclusionary zoning policies requiring a percentage of affordable units in new developments.
- c) Partner with non-profit housing organizations to develop and manage affordable housing projects.

## 4. Facilitate Aging in Place

### Opportunity:

***Support seniors who wish to remain in the community as they age.***

### Suggestions:

- a) Encourage the development of senior-friendly housing options, such as one-level homes, tiny homes (potentially in the form of ADUs) or apartments with universal design features.
- b) Partner with local service providers to offer home modification assistance for seniors and people with disabilities.

## 5. Support Workforce Housing

### Opportunity:

***Ensure essential workers can afford to live in the community they serve.***

### Suggestions:

- a) Collaborate with major employers (e.g., the prison, hospital, school district) to develop employer-assisted housing programs.
- b) Create a down payment assistance program for first-time homebuyers who work in the city.
- c) Explore the feasibility of developing dedicated seasonal workforce housing projects.

## 7. Balance Seasonal Housing Pressures

### Opportunity:

***Balance the needs of year-round residents with the demands of the tourism economy.***

### Suggestions:

- a) Create incentives for property owners to convert short-term rentals to long-term rentals, and provide additional landlord supports.
- b) Implement a vacancy tax on seasonal, second homes that can be used to fund other programs and initiatives related to housing.

## 6. Leverage Existing Assets

### Opportunity:

***Make use of vacant or underutilized properties to address housing needs.***

### Suggestions:

- a) Conduct an inventory of city-owned properties and identify parcels suitable for housing development.
- b) Implement a vacant property registration program to encourage property owners to return vacant buildings to productive use.
- c) Explore the adaptive reuse of non-residential buildings (e.g., old schools, commercial buildings) for housing purposes.

## 8. Explore Innovative Funding Mechanisms

### Opportunity:

***Increase resources available for housing initiatives.***

### Suggestions:

- a) Investigate the feasibility of a housing bond to fund affordable housing development and preservation.
- b) Pursue state and federal grants for housing and community development projects.

# Section 6

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## CASE STUDIES

To provide further context and potential strategies for Munising to consider, this section examines how three communities facing similar housing challenges have approached the issue. The case studies highlight diverse approaches, from public-private partnerships to zoning reforms and economic diversification, that have yielded positive results in other tourism-driven, small-town settings.



## CASE STUDY 1: KENNEBUNKPORT, MAINE



Kennebunkport, a coastal town in Maine, shares many characteristics with Munising. As a popular tourist destination, Kennebunkport struggled to provide affordable housing options for its year-round workforce.

To address this challenge, in 2018, the then called Kennebunkport Heritage Housing Trust, was formed. The organization first started with a mission of creating 25 affordable homes and

partnered with a local developer to build a workforce housing on town-owned land.<sup>17</sup> To date, six homes have been built, and six more homes are in the process of being built and are expected to go on sale in the spring of 2025. To accomplish those successes, the organization has partnered with the town of Kennebunkport, local businesses, private donors, and charitable foundations to create opportunities for home ownership for moderate-income earners<sup>18</sup>

***By offering the land at a reduced cost, the town was able to leverage private investment to construct the housing units.***

The development targeted households earning 80-120% of the area median income, ensuring the units remained affordable for local workers. This public-private collaboration enabled Kennebunkport to create a much-needed workforce housing without the town having to shoulder the entire financial burden.

The Kennebunkport model demonstrates how strategic partnerships can facilitate the development of affordable units, particularly when municipalities contribute land or other resources to offset development costs. This approach could be replicated in Munising to help address its own workforce housing shortages.



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<sup>17</sup> [Community Land Trusts Are Providing Affordable Housing To Working Mainers | Maine Public](#)

<sup>18</sup> [Affordable housing initiative expands to Kennebunk and Arundel](#)



## CASE STUDY 2: HOOD RIVER, OREGON

The city of Hood River, Oregon, has implemented two innovative strategies to diversify its housing options and support workforce housing needs.

First, Hood River revised its zoning codes to allow for "missing middle" housing types, such as duplexes, triplexes, and cottage clusters, in single-family residential zones.<sup>19</sup> This enabled greater housing diversity and increased density without dramatically altering the community's character.



By providing more affordable options between single-family homes and large apartment buildings, Hood River aimed to address the needs of a wider range of household types and income levels.

Secondly, Hood River partnered with local employers to create a down payment assistance program for their employees.<sup>20</sup> This employer-assisted housing initiative helps workers,

especially those in lower-wage jobs, overcome the barrier of the upfront costs of homeownership. By supporting workforce housing, the program strengthens the local economy and retains essential community members.

***The "missing middle" housing strategy and the employer-assisted housing program in Hood River offer Munising potential models for increasing housing diversity, affordability, and workforce stability.***

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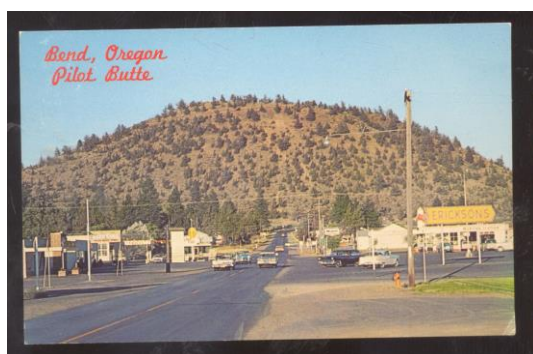
<sup>19</sup> Decreasing Barriers to Missing Middle Housing in Hood River, Oregon ([content](#))

<sup>20</sup> [Columbia Cascade Housing Corporation](#)

## CASE STUDY 3: BEND, OREGON

The city of Bend, Oregon, a growing community with a strong tourism economy, provides an insightful case study for Munising as it explores innovative housing solutions. Bend has successfully implemented two key strategies to address housing availability, affordability, and housing preservation.

First, in 2016 Bend established an Affordable Housing Trust Fund, supported by a voter-approved property tax levy.<sup>21</sup> This dedicated funding source generates over \$7 million per year to finance the development and preservation of affordable housing units.<sup>22</sup> Resources from the trust fund have been used to provide gap financing for affordable projects, acquire and rehabilitate existing affordable properties, and support homebuyer assistance programs.<sup>23</sup>



Recognizing the importance of retaining its existing affordable housing, Bend has also implemented targeted preservation efforts.<sup>24</sup> The city partners with non-profit organizations to purchase and rehabilitate aging affordable apartment complexes, ensuring they remain affordable for the long-term. Bend has also worked to protect existing mobile home parks from redevelopment, preserving this critical source of naturally occurring affordable housing.<sup>25</sup>

***By proactively preserving affordable units, Bend has been able to avoid the displacement of lower-income residents that often accompanies new development.***

Bend's Affordable Housing Trust Fund and its focus on preserving existing affordable housing stock provide helpful examples of the types of initiatives suggested in the Munising report, such as the establishment of an Affordable Housing Trust Fund and the leveraging of existing assets to address housing needs.

These case studies demonstrate how other communities have successfully tackled issues similar to those faced by Munising. By examining the diverse approaches employed in Kennebunkport, Hood River, and Bend, Munising can gain valuable insights and inspiration for crafting its own housing strategies.

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<sup>21</sup> [What's Happening in Affordable Housing in Bend? | The Source Weekly - Bend, Oregon](#)

<sup>22</sup> [KOR Land Trust Pioneers A New Affordable Housing Model in Bend — Bend Magazine](#)

<sup>23</sup> [Affordable Housing via Community Land Trusts | The Source Weekly - Bend, Oregon](#)

<sup>24</sup> [PRO Housing Files - Bend, OR](#)

<sup>25</sup> [Home Sweet Home: After the dust has settled mobile home owners wonder if they are better off | The Source Weekly - Bend, Oregon](#)

# Appendix A

## DETAILED METHODOLOGY, FOCUS GROUPS

During October 2024, four focus groups were conducted over two days to gather qualitative insights about housing challenges and opportunities in Munising. These sessions were supplemented by individual interviews to accommodate key stakeholders who were unable to attend the scheduled focus groups.

### PARTICIPANT SELECTION

Participants were strategically selected to represent diverse perspectives within the community. They ranged from local government representatives, real estate agents, mortgage and lending professionals, social services, major employers, community organizations and public services.

The 17 participants were:

- Joann Carlson, Big C Realty
- Cori-Ann Cearley, Munising Visitor's Bureau
- Marlene Curtis, Embers Credit Union
- Rod DesJardins, Independent Housing Consultant & Former Mayor
- David Horne, National Park Service
- Pam Johnson, Alger County Treasurer
- Michelle LaJoie, Alger-Marquette Community Action
- Kris Lindquist, Alger County Commission on Aging
- John Madigan, Pictured Rocks Cruises
- Devin Olson, City Manager
- Robin Pavase, Munising Planning Commission
- Kathy Reynolds, Munising Downtown Development Agency
- Melinda Savola, Pictured Rocks Real Estate
- Dean Seaberg, Alger County Commissioner
- Greg Schuetter, People's State Bank
- Julie Shaw, UPSAIL Disability Network
- Mike Travis, Munising Public Schools

# FOCUS GROUP STRUCTURE

Each focus group session:

- Lasted approximately 90 minutes
- Included 4-5 participants
- Was facilitated by Jessica Walter, Associate Planner at CUPPAD
- Was recorded and transcribed for analysis
- Followed a semi-structured format using the questionnaire below:

## **Current Housing Market and Community Insights**

1. How would you describe the current housing situation in the City of Munising? What housing-related challenges do you think are most pressing right now?
2. What types of housing do you feel are most in demand in this community (e.g., affordable rentals, single-family homes, senior housing)?
3. What areas in town would you like to see more housing development? What are the challenges of getting buy-in for this type of development?

## **Affordability and Financial Challenges**

4. How would you rank the following barriers to housing affordability in the area: high rents, rising home prices, limited affordable units? Why did you choose the top option? And the lowest?
5. What are the common financial challenges people face when trying to secure housing in this area (e.g., down payment, credit access, rental deposit requirements)? Are there programs or resources available to help people overcome these financial barriers?

## **Housing Development and Policy Challenges**

6. What are some of the specific challenges or obstacles that make it difficult to build new housing in Munising (e.g., zoning restrictions, land costs, community opposition)?
7. Are there specific regulations or policies that you think could be changed to make housing development easier or more efficient?

## **Economic Development and Workforce Housing Needs**

8. How does the current housing situation impact local businesses and employers (e.g., challenges attracting and retaining employees)?
9. Are there specific housing strategies that could help attract businesses and support economic development goals?

## **Special Housing Needs and Vulnerable Populations**

10. Are there enough housing options and support services for vulnerable groups such as seniors, people with disabilities, and low-income households? What

additional resources or housing types do you think are needed to better serve these populations?

### **Community and Stakeholder Engagement**

11. How well do you think different sectors here (e.g., government, businesses, nonprofits) are working together to address housing challenges? What kinds of partnerships or collaborations could be strengthened or developed to help improve housing outcomes in the community?
12. Are there any common concerns or sources of resistance regarding housing development in the community? How could these be addressed?

### **Strategic Recommendations and Future Directions**

13. What do you think are the most critical actions or initiatives needed to improve housing availability and affordability in this community?
14. Is there anything else you believe is important for us to understand about the housing situation in this community?

# Appendix B

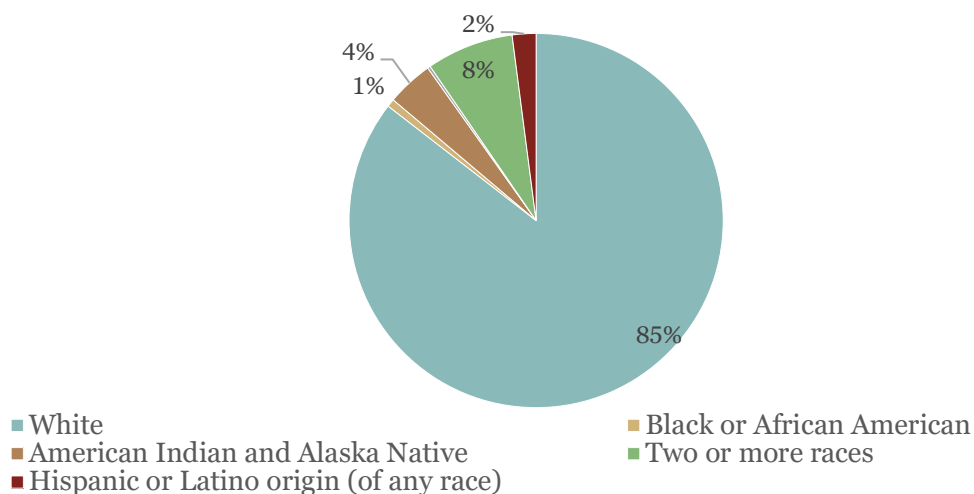
## ADDITIONAL DATA

### PER CAPITA INCOME BY SEX & BY RACE

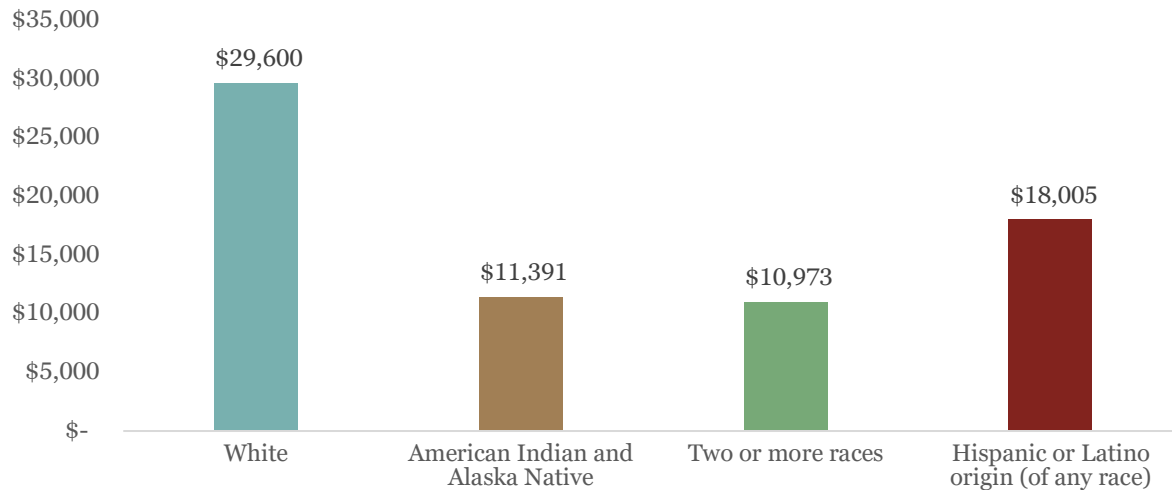
Examining disparities in earnings among Munising's residents, both across gender and racial/ethnic lines, is essential for identifying potential barriers to housing access and affordability. Differences in median earnings can translate to unequal financial resources and constraints when it comes to securing suitable living accommodations. By disaggregating income data according to both sex and race/ethnicity, the city can gain a more comprehensive understanding of the unique economic challenges and housing needs experienced by diverse populations within the community. This intersectional analysis can inform the development of targeted outreach, educational campaigns, and housing assistance programs to ensure equitable access to Munising's housing stock, regardless of an individual's gender or racial/ethnic background. Addressing these income disparities is a critical step towards creating a more inclusive and just housing landscape that serves the needs of all of Munising's residents.

Figure 37 and Figure 38 below breakdown the racial makeup of Munising residents, along with their respective median earnings.

*Figure 37. Racial Makeup of Munising Residents, 2022 ACS Estimates*



*Figure 38. Median Earnings per Capita, by Race/Ethnicity, 2022 ACS Estimates<sup>26</sup>*



The overall per capita income for Munising residents is \$27,255. For white residents, who make up 85% of the population, the median per capita income is \$29,600. For those identifying as American Indian and Alaska Native (4% of residents), the median per capita income is less than half, at \$11,391. For those listed as two or more races (8% of the population), it is lower still at \$10,973. Hispanic or Latino origin residents (approximately 2% of the total population), have a median per capita income of \$18,005.

These disparities in per capita income across racial groups suggest potential inequities in economic opportunities and housing access. Interestingly, female median earnings are higher than male median earnings in Munising, as depicted below in Figure 39, which is atypical and may reflect the specific employment opportunities available in the area.

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<sup>26</sup> \*Data unavailable for Black or African American residents.

*Figure 39. Median Earnings for Male vs. Female Munising Residents*

