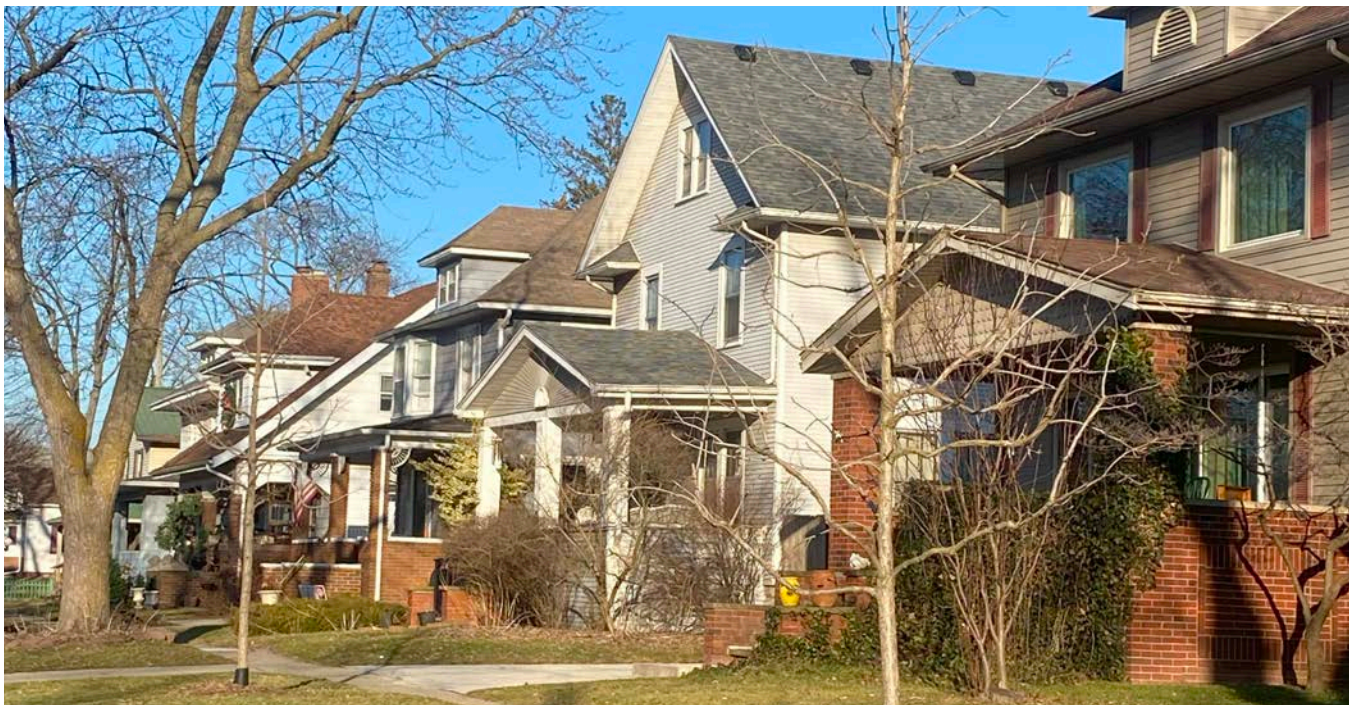




Housing Strategy



FINAL DRAFT

INSERT RESOLUTION OF ADOPTION

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01

Introduction



Multifamily structure in Monroe.



Historic single-family residence in Monroe.

In recent years, one topic has dominated the national, state, and local planning landscape: housing. The nation is in a housing shortage – Michigan alone is short tens of thousands of homes. While exact estimates have varied, the State has a target to build 75,000 new homes by 2028.¹ The housing crisis has several root causes, but the shortage can be traced back to the Great Recession of 2008 and the sub-prime mortgage recession in 2009. During this time and for several years afterwards, few homes were built and the supply of new home construction fell well below the demand for living spaces, resulting in escalating housing prices. The housing industry, mortgages, and residential construction were hit hard in the Great Recession. In 2007, the Census reported roughly 98,000 residential construction companies in the United States; by 2012, the number fell to under 49,000.² This has led years of lagging housing construction which further contributes to the current housing crisis. A lack of available housing creates many problems, including escalating housing costs, volatile housing markets, and depressed mobility.

This report aims to understand the current housing market and housing stock in Monroe. What are its challenges? What are its opportunities? And how does the housing market and housing stock in Monroe compare to other communities in the region? The report encapsulates the current housing conditions, how the City can support the existing housing stock and neighborhoods, and how the City can encourage new housing development to meet the City's needs.

This report is the continuation of a discussion about housing which is evident throughout many of the City's guiding plans and documents. Therefore, this housing strategy report does not reinvent the work Monroe has already done, but builds on that prior work. To ensure that this report is aligned with the prior work, key housing goals and themes were pulled from existing planning documents. Various city plans promote multiple action items to help improve current housing and build new housing, from redeveloping brownfield areas to providing assistance to homeowners in maintaining their homes. Monroe's approach reflects a commitment to fostering a resilient, diverse, and thriving community. The following items were synthesized from multiple city plans, including the 2017 Monroe Master Plan, Orchard East Subarea

Plan, Telegraph Road Corridor Improvement Plan, Subarea Plan – Former La-Z-Boy Headquarters Site, Downtown Master Plan & Parking Study, Monroe County I-75 Corridor Study, the PUD to redevelop the former Central Fire Station property, and the City of Monroe CDBG Consolidated Plan:

Downtown Revitalization:

- » Encourage a mix of housing and complementary retail/services.
- » Promote infill development for downtown housing, like the former firehouse site.
- » Redevelop the Riverfront Parking site to include residential housing.

Property Maintenance and Housing Diversity:

- » Improve property maintenance through enhanced code enforcement and rental inspections.
- » Increase the variety of housing types, focusing on the concept of “missing middle” housing.
- » Target the Orchard East neighborhood for home rehabs with CDBG funds.
- » Support up to 25 units of infill housing development on vacant lots per year.

Telegraph Road Corridor Improvement:

- » Consider multi-unit housing and housing of various densities in specific sites.
- » Create a zoning overlay district with provisions for attached housing and mixed uses.

Former LA-Z-BOY Headquarters Site:

- » Provide a mix of housing types in mixed-use locations with outdoor spaces.

I-75 Corridor Study:

- » Increase the diversity of housing options in the City of Monroe and across Monroe County.

CDBG Consolidated Plan:

- » Rehabilitate homeowner housing through owner-occupied housing rehabilitation programs.
- » Enforce housing codes to reduce blight and care for foreclosed properties.
- » Demolish poor-condition houses and infill vacant lots.
- » Provide down payment assistance for more affordable housing options.
- » Provide services and programs for the unhoused population to find housing.

Housing Accessibility for Seniors:

- » Assist seniors in remaining in their homes through rehabilitation programs.

Brownfield Redevelopment:

- » Continue efforts to redevelop obsolete or contaminated sites, including housing development.

In summary, key themes and areas of focus found in the City’s existing plans include downtown revitalization, housing diversity, property maintenance, corridor improvement, specific site plans, measures for affordability, and addressing the needs of seniors. These themes collectively reflect a comprehensive approach to housing development, maintenance, and community enhancement in Monroe.

Sources

- 1 State of Michigan, Statewide Housing Plan, 2022, https://www.michigan.gov/mshda/-/media/Project/Websites/mshda/developers/housing-plan/SHP_Overview-510.pdf?rev=f696d2a9a31349119276fbda9aeea05a&hash=B9924CD25CE4708D5A09E8C4AFE9DE78
- 2 Quint, R., US Government: Number of Home Builders declined by 50% between 2007 and 2012, National Association of Home Builders, Sep. 2015, <https://eyeonhousing.org/2015/09/us-government-number-of-builders-declined-50-between-2007-and-2012/>

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02

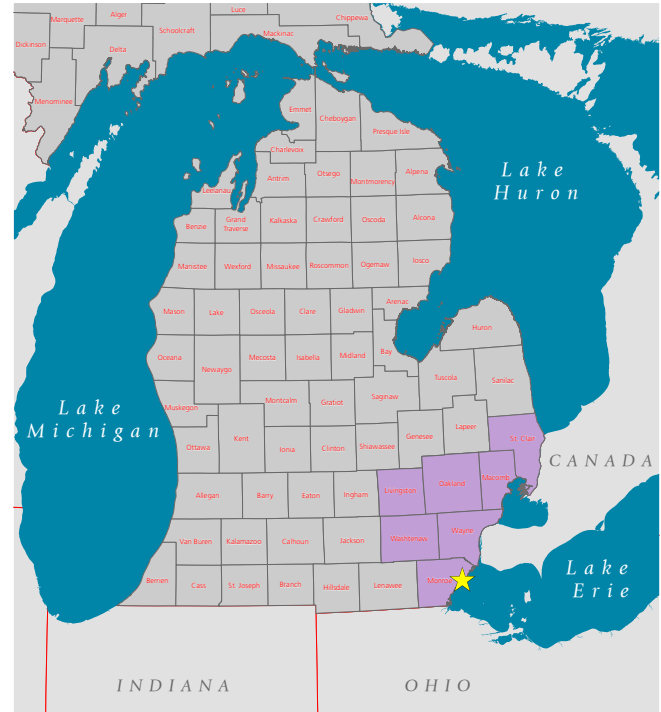
Existing Housing Conditions



Downtown Monroe, Michigan.

Source: National Register of Historic Places

Map 1: Regional Location



Regional Location

Sources: Michigan Open Data Portal, City of Monroe



- ★ City of Monroe
- SEMCOG

OVERVIEW AND KEY TAKEAWAYS

Like many municipalities across the country, the City of Monroe, Michigan faces challenges with their existing housing market. An aging population and housing stock coupled with rising interest rates and a lack of construction funding have put homeownership out of reach for many. Monroe seeks to craft a tangible new housing strategy for the city to reverse these trends and create sustainable changes that have the ability to increase overall quality of life of all of its residents.

This chapter examines relevant historic and existing conditions to inform upcoming scopes of work and ultimately support the City to plan for and incentivize future renovation and/or development. Quantitative analysis focuses on residential supply and demand factors, including demographic trends, property development and sales, vacancy rates, and job growth. Where relevant, city trends are compared with those of Monroe County, the broader Detroit-Warren-Ann Arbor Combined Statistical Area (CSA), and the state of Michigan.¹

Additionally, four one-on-one interviews with Monroe housing and real estate professionals were conducted to contextualize trends where possible.

The City may consider the following key takeaways as housing policy and recommendations formulated here and throughout this report:

- » **Driven by demographic trends**, demand for future housing in Monroe is likely to remain relatively stable. However, an **aging population** is likely to downsize to smaller homes and require different functional needs and amenities from their housing stock.
- » **Modest and counterbalancing economic trends** are also unlikely to drive significant housing demand. While select manufacturing sectors evince growth, the decommissioning of a major economic anchor may offset net effects. However, Monroe might incentivize development targeted to incoming workers to support residence closer to Monroe jobs if additional housing options become available.

» **Monroe’s housing supply is aging, is more diverse than its neighbors, and has had modest new development since 2013.** While new development is challenged by formidable construction and development costs, there is a steady demand for smaller units in a walkable neighborhood. Future housing policies can focus on providing rehabilitation and renovation support for the older housing stock and look to increase density in appropriate locations to avoid upward pressure on rents.

DEMOGRAPHIC TRENDS

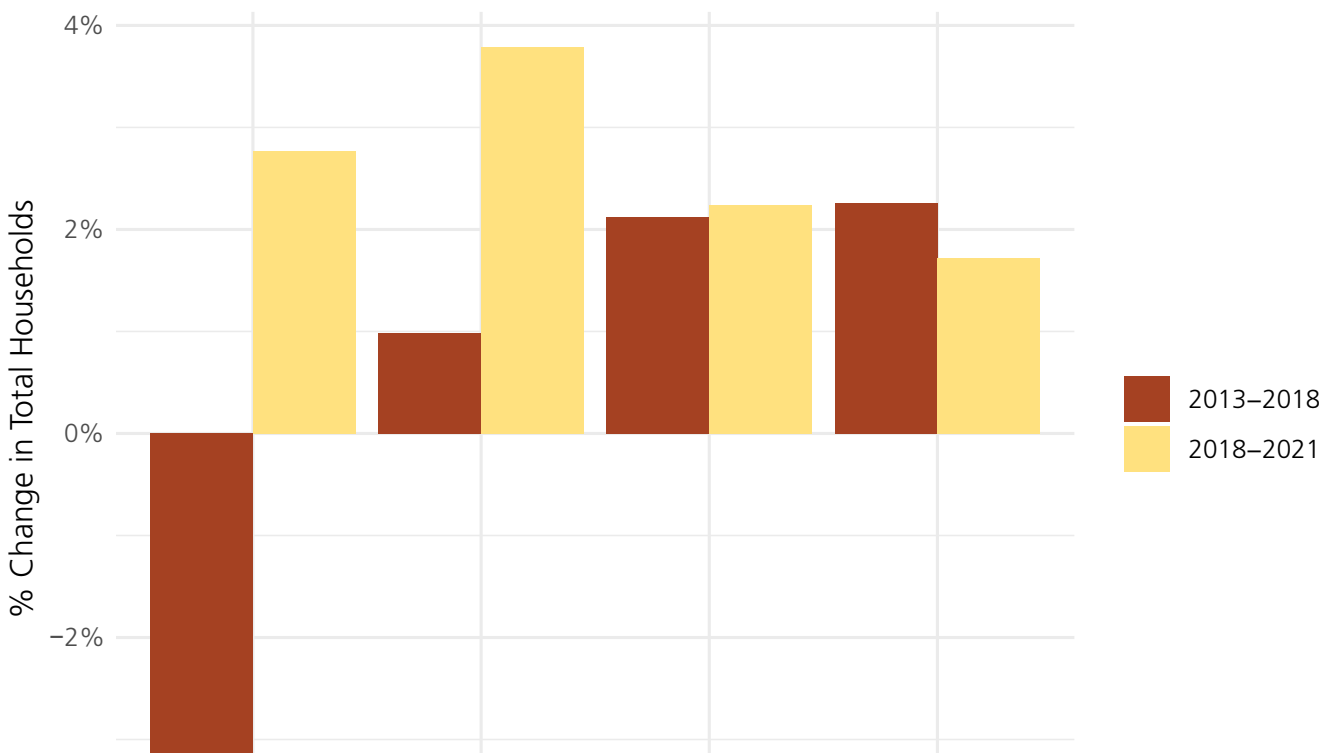
Over the last decade, Monroe’s population has remained relatively stable. From 2013 to 2021, the population declined by 1% from 20,627 to 20,344 people, while the number of households has largely rebounded from recent declines - the City saw a 3% decrease in housing units from 8,363 in 2013 to 8,099 in 2018, but regained much of this loss with a total of 8,323 units in 2021.² Comparable geographies evinced similar stability, with County,

CSA, and state households each growing or declining by less than 3%. The county’s population is projected to peak at 153,440 by 2030, followed by a period of decline.³

Over the same period, Monroe’s average household size has declined from 2.55 people in 2013 to 2.39 in 2021.⁴ Renter-occupied households became smaller (declining from 2.27 to 1.96 people) while owner-occupied units have increased from 2.48 to 2.60.⁵ Reflecting patterns of demographic dynamics and generational shifts seen across the United States, Monroe’s population is aging with the 65-74 year old cohort increasing by 30% and the 10-24 year old cohort decreasing by 10% between 2018 and 2021 (see Figure 2).⁶

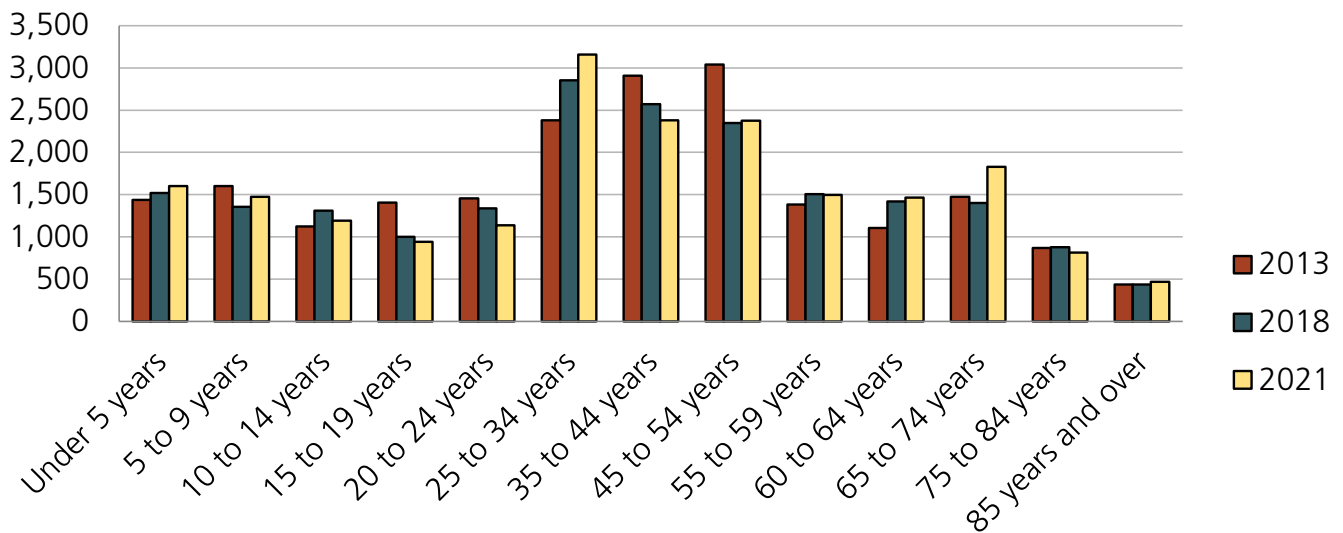
Considering demographic factors alone, demand for future housing is likely to remain relatively stable. An aging populace is likely to downsize from larger to smaller homes and require different functional needs and amenities (e.g., accessibility) from their housing stock.

Figure 1: Percent Change in Total Households 2013-2021



Source: ACS 5-Year Estimates (2021, 2018, 2013), Table DP04 - Selected Housing Characteristics (Prepared by: Karp Strategies)

Figure 2: Monroe Population Age Distribution 2013-2021



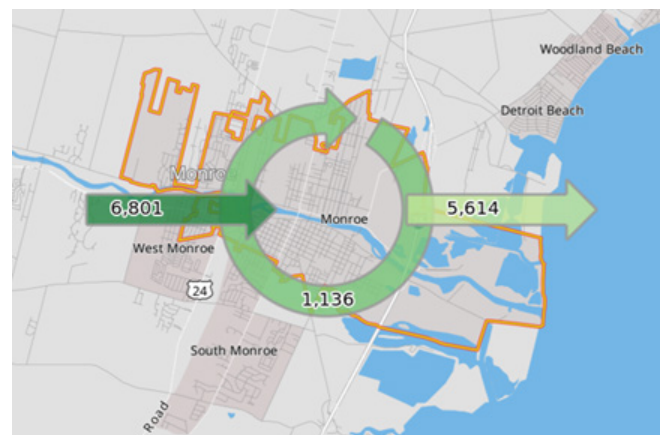
Source: ACS 5-Year Estimates (2021, 2018, 2013), Table DP05: ACS Demographic and Housing Estimates (Prepared by: Karp Strategies)

ECONOMIC FACTORS INFLUENCING HOUSING DEMAND

Nestled between the major north-south thoroughfares of Interstate 75 and Highway 24, Monroe’s geographic location provides unique accessibility and regional connectivity by car. The city has a majority automotive commuter base, with about 5,600 people leaving Monroe each day for work in Wayne, Oakland, and Macomb Counties in Michigan (40% of commuters) and the Ohio counties surrounding Toledo (6% of commuters).⁷ Even more workers (about 6,800 people) travel into Monroe from other cities and towns. Approximately 1,100 residents both live and work in Monroe.⁸ Future housing policies may weigh these commuting patterns to (1) ensure new developments make adequate parking provisions to serve the high commuter base, and (2) incentivize development targeted to incoming workers who might move closer to Monroe jobs if additional housing options became available.

Anticipated changes to Monroe County’s economic diversity and jobs base are likely to impact future housing demand in Monroe. Monroe County’s economy consists of 17,431 jobs over ten industries, led by Food Services & Drinking Places and Educational Services. While most

Figure 3: City of Monroe Worker Inflow and Outflow Job Counts (Private Primary Jobs)



Source: On the Map, US Census Bureau

industries have experienced net decline since 2018, employment in Transportation Equipment Manufacturing and Specialty Trade Contractors both increased by 13% and 12%, respectively, from 2018 to 2023. The broader Manufacturing and Logistics sector may continue to drive modest economic growth and is largely propelled by Ford Motor Company’s \$2 billion investment in Southeast Michigan, including the promise of an increase in production plants and 2,000 new jobs as well as the construction of the Gordie

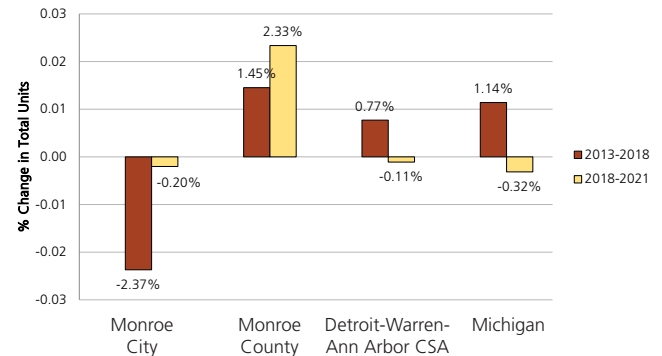
Howe International Bridge which will facilitate international trade.^{9,10} As the County benefits from these developments, Monroe’s economy will also be affected by the DTE power plant decommissioning in 2032.¹¹ Due to its high tax impact on city coffers, the closure of the power plant will require Monroe to source additional revenue from new anchors and employers, or through increased taxes elsewhere. The latter may reduce Monroe’s competitiveness in the housing market in comparison to its surrounding cities.

Taken together, future housing policy should track fluctuations in economic activity and job numbers in Monroe due to the significant investments in the County and State as well as the closure of major employers.

CURRENT HOUSING SUPPLY

As of 2021, Monroe had 8,882 housing units across different typologies and densities. For the past decade, the City’s housing stock has remained relatively stable; however, though Monroe’s declined by about 2% (215 units) from 2013 to 2021, comparable geographies experienced modest net growth (approximately 0.75% to 2.5%).¹² The exact cause of Monroe’s unit decline is unknown, but may stem from a combination

Figure 4: Percent Change in Total Housing Units 2013-2021

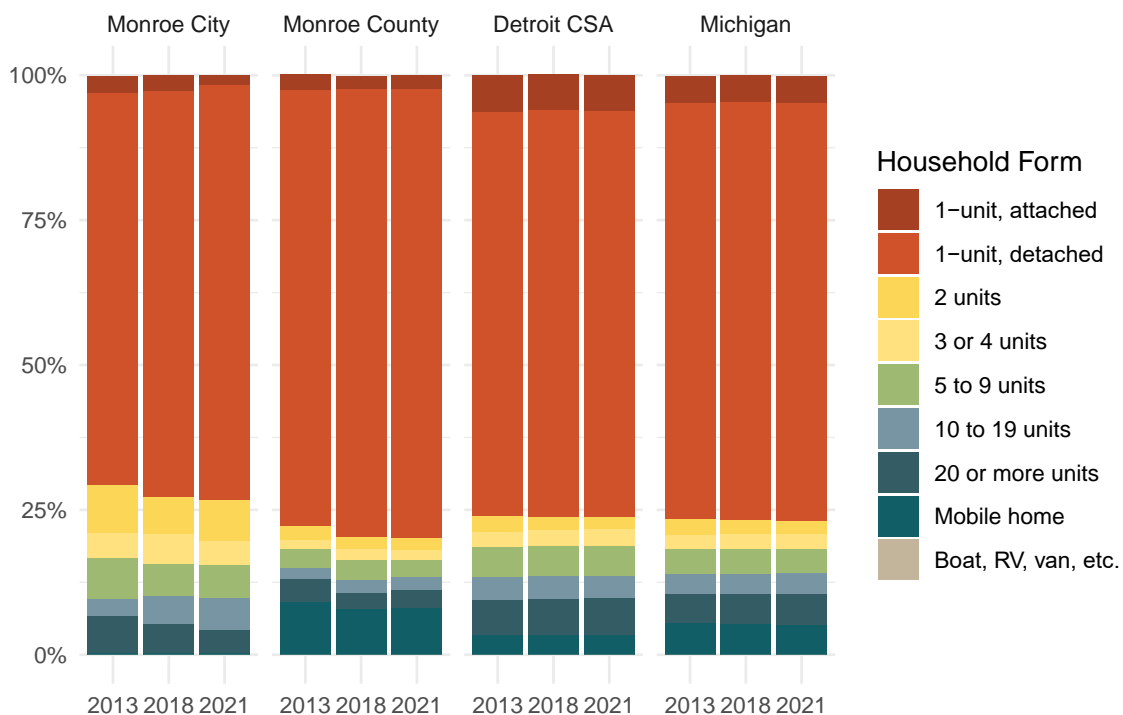


Source: ACS 5-Year Estimates (2021, 2018, 2013), Table DP04 - Selected Housing Characteristics (Prepared by: Karp Strategies)

of demolition, conversion/combinations, or units becoming unavailable for other reasons.

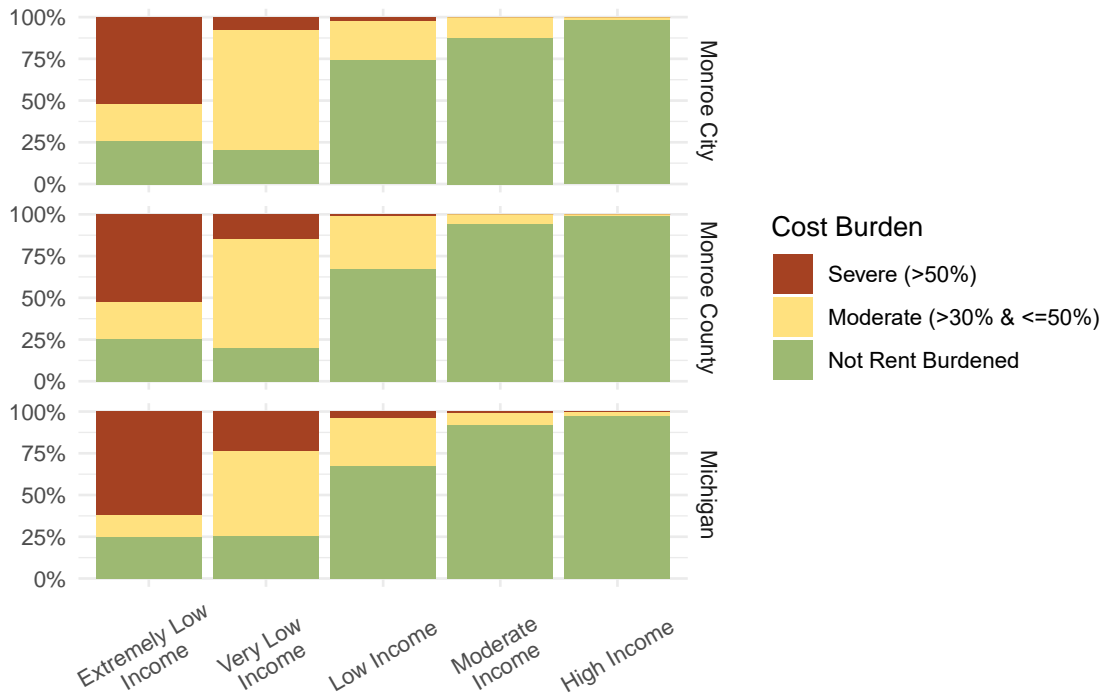
Single-family detached homes constitute about 70% of Monroe’s housing units. The city nevertheless boasts a more diverse housing stock compared to the CSA and state, with 26% of Monroe’s stock comprising two or more units, in contrast to 20% and 17% at the CSA and state levels, respectively.¹³ Owing to its relative density

Figure 5: Household Form by Geography, 2013-2021



Source: ACS 5-Year Estimates (2021, 2018, 2013), Table DP04 - Selected Housing Characteristics (Prepared by: Karp Strategies)

Figure 6: Cost Burden by Household Income (Renters Only), 2020



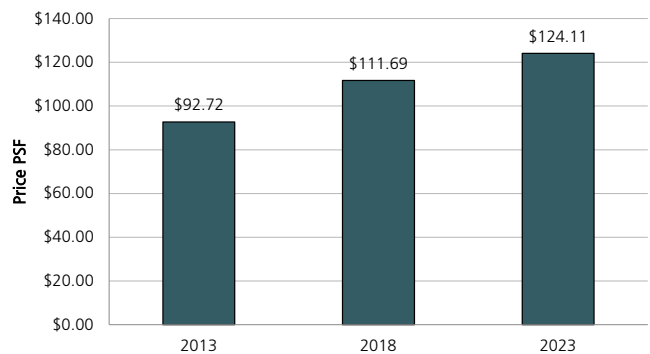
Source: HUD Comprehensive Housing Affordability Strategy (CHAS) 5-Year estimates (2020, 2018, 2013) - Table 7 (Prepared by: Karp Strategies)

compared to the county, Monroe has a larger share (14%) of smaller units (in the studio and 1-bedroom range) as compared to 10% at the CSA and state levels.¹⁴ Monroe’s smaller, more densely populated housing offers a unique opportunity for more walkable neighborhoods compared to the County. Future policies should explore incentives to increase density where appropriate.

Monroe’s housing tenure and occupancy are likewise diverse in comparison to surrounding areas. While the majority of Monroe residents are homeowners (~67%), the city has a larger share of renters (33%) as compared to the county, CSA, and state at 19%, 30% and 32%, respectively.¹⁵ Market demand for rental units appears high, with 2021 vacancy rates below 5% (in line with the state average).¹⁶ Any sustained demand for rental units, combined with little new development, will put upward pressure on rental prices and cost-burden renters (see Figure 6).

Monroe’s sales market has remained relatively strong over the last decade. Monroe’s median sales price is \$134,100 as of 2021, compared with \$174,500 in Monroe County.¹⁷ The median inflation-adjusted sales price per square foot (PSF) has grown nearly 20% between 2013 and 2018, followed by 11% growth between 2018 and

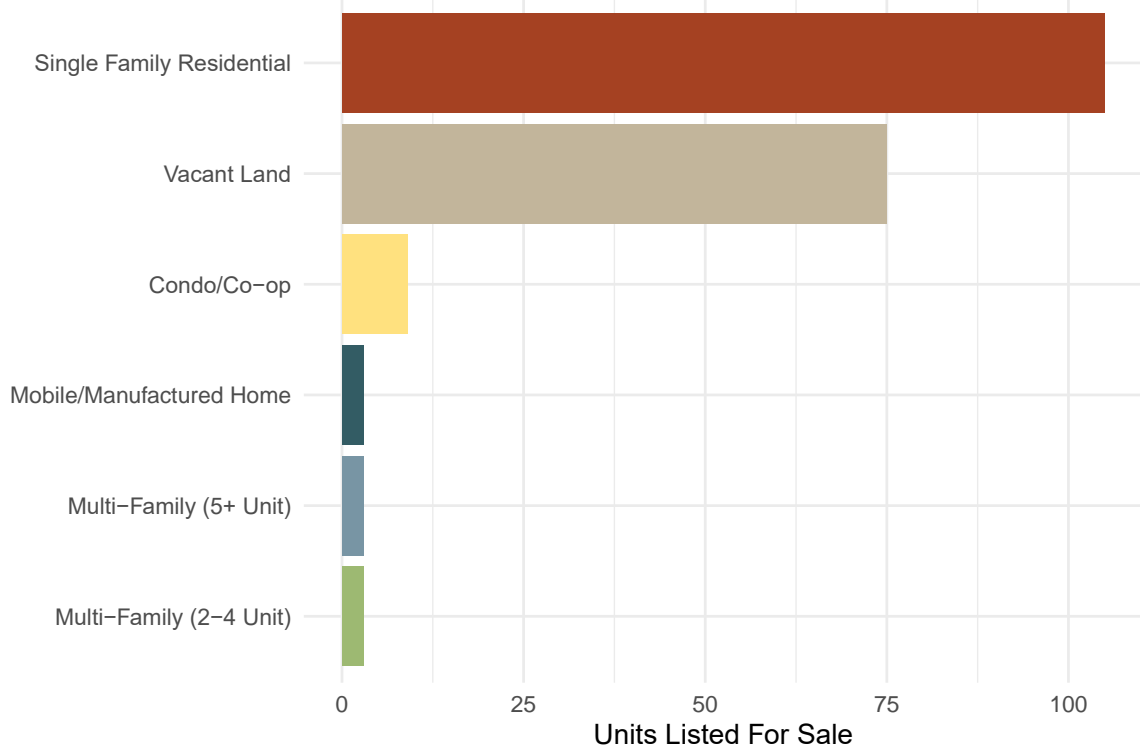
Figure 7: Monroe Median Residential Sales Price PSF 2013-2023 (2023 Inflation Adjusted)



Source: Monroe County Assessor’s Office (Prepared by: Karp Strategies)

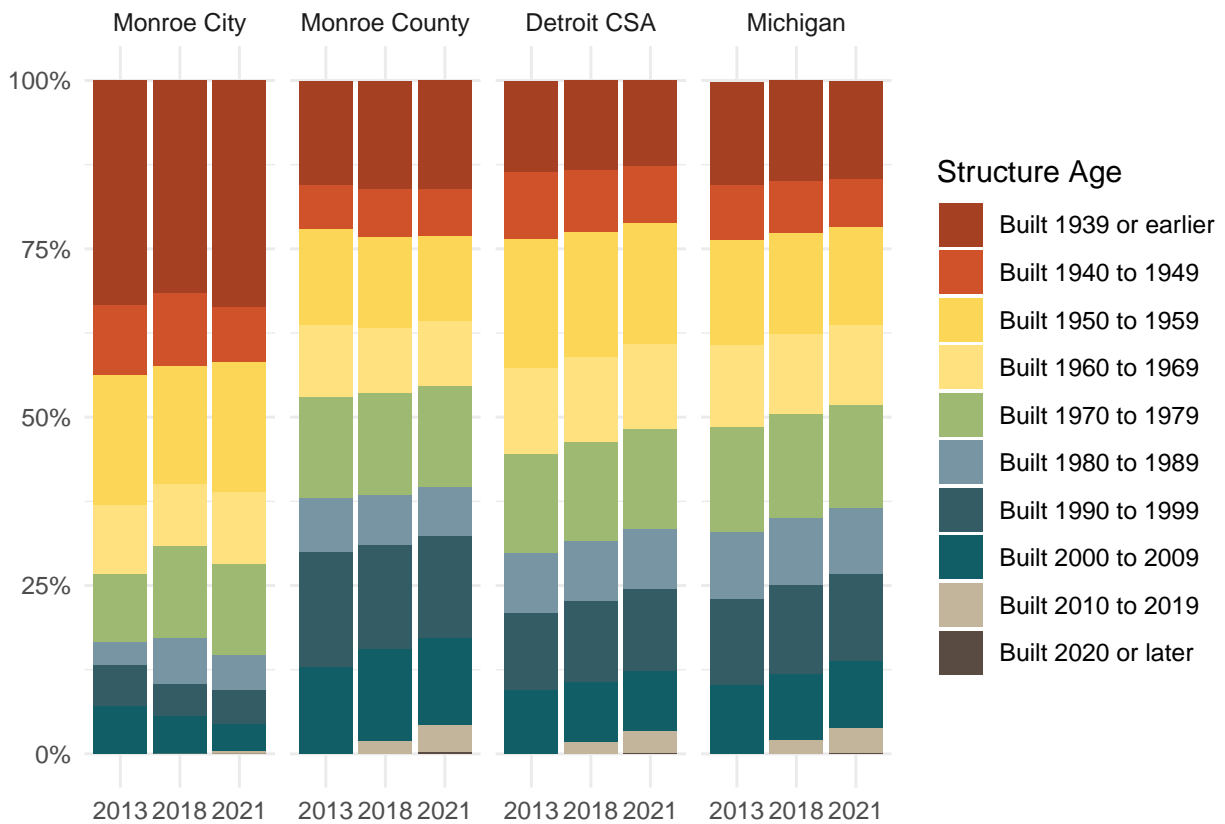
2023.¹⁸ By contrast, median sales price PSF across the country grew by 21% from 2013 to 2018 and by 51% from 2018 to 2023.¹⁹ While this relatively strong pricing and growth suggests demand for home ownership in Monroe, stakeholder interviews also revealed that rising interest rates have slowed the market and left listings unsold for longer periods of time. As of October 2023, there are more than 100 listings for single-family homes on Redfin.²⁰ Additionally, Redfin advertises about 75 listings for vacant land, offering a snapshot of the potential for new development.²¹

Figure 8: Current Redfin Residential Listings October 2023



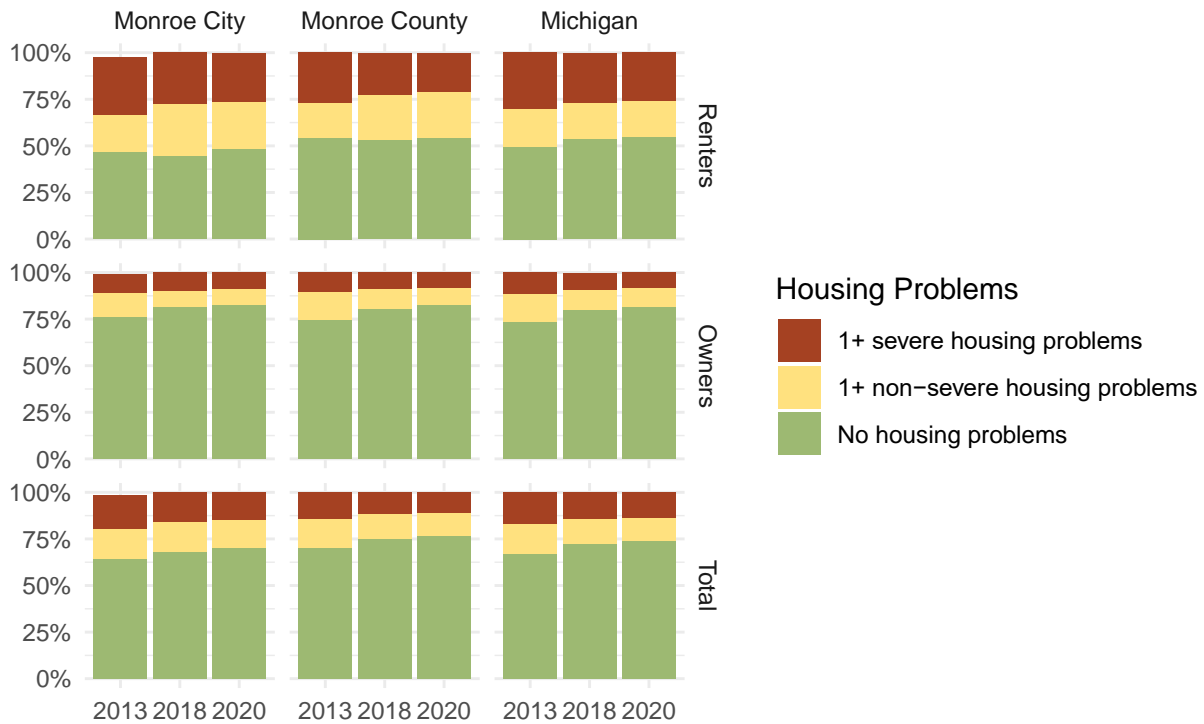
Source: Redfin Data, For Sale Listings in Monroe, 10/19/2023 (Prepared by: Karp Strategies)

Figure 9: Age of Housing Stock Compared to Other Entities 2013-2021



Source: ACS 5-year Estimates (2021, 2018, 2013) - Table DP04 - Selected Housing Characteristics (Prepared by: Karp Strategies)

Figure 10: Housing Problems in Existing Housing Stock 2013-2021



Source: Comprehensive Housing Affordability Strategy (CHAS) 2013-2020, HUD (Prepared by: Karp Strategies)

Critically, the relative strength of the rental and sales market is nevertheless hampered by an aging housing stock, with approximately 44% of Monroe’s housing built before 1949.²² In 2020, approximately 25% of Monroe renters experienced at least one severe housing problem, including lack of complete plumbing or kitchen facilities, severe overcrowding (more than 1.5 occupant per room), or severe rent burden. Another 25% of renters experienced at least one non-severe housing problem.²³

These conditions and their consequences pose multiple competitive challenges when the county, CSA, and state do not face similar problems:

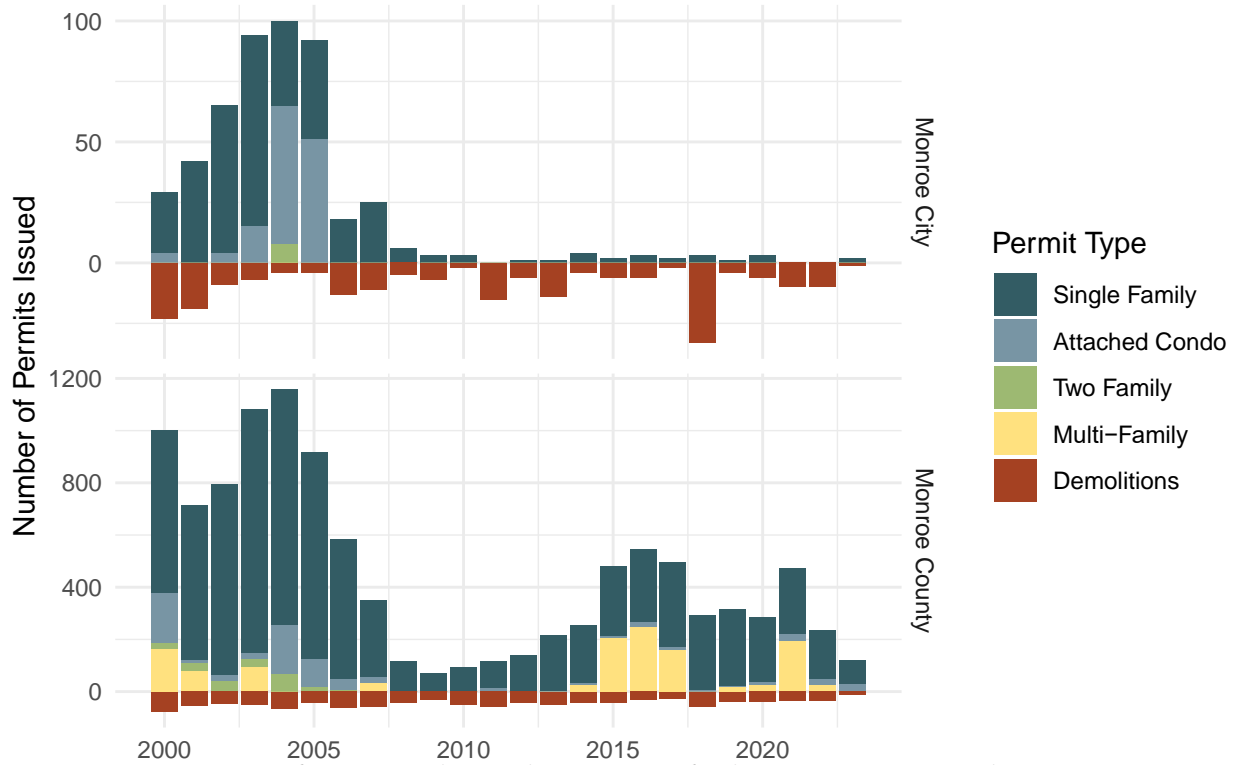
- » Monroe residents - and its larger share of renters in particular - may relocate for the newer, more functional housing stock in Detroit or Toledo;
- » State-wide housing incentives and policies may not be oriented towards maintenance, rehabilitation, and/or upkeep;
- » Despite existing high home values, inflation and deterioration in quality may mean owners face a decline in value over the next five to ten years (as they attempt to sell more expensive homes of depreciating quality).

NEW RESIDENTIAL DEVELOPMENT IN MONROE

Monroe has seen negligible residential development in recent years. As was the national trend, Monroe and the County experienced significant construction prior to the 2007-2008 financial crisis. However, Monroe’s residential market was heavily influenced by state incentives and grants. There was an increase in permits from 2000-2005 (Figure 11) due to a few major residential developments in the city including Mason Run, Towns on Front, and Frenchman’s Bend. Mason Run and Towns on Front were both funded with brownfield tax incentives. Since that time, and similar to county trends, demolition has outpaced new development, with only 22 new residential building permits issued since 2013.²⁴ Similar to the increased building permits in the early 2000’s, demolitions were also influenced by public financing. In 2021-2022, Monroe received a \$5M Michigan Department of Natural Resources grant to demolish 26 units on newly acquired property in the River Raisin National Battlefield.

Notably, in a city with a more diverse housing stock than its neighbors, 100% of all recent city permits have been issued for detached single-family homes,

Figure 11: New Housing Construction Permits 2000-2023



Source: Southeast Michigan Council of Governments (SEMCOG), Community Profiles (Prepared by: Karp Strategies)

as compared with 74% issued for single-family homes across the County.²⁵ Stakeholders noted that development costs are the likely leading cause for so little new development. Despite this, the same stakeholders asserted that there is unmet demand for newly constructed housing.

Given Monroe’s aging housing stock and lack of recent construction, new residential development provides an opportunity to meet market demands and replace housing that is unable to be renovated and occupied. While Monroe cannot control the nationwide rise in development costs, the City should consider encouraging new development by supporting developers as they navigate the nuances of building and housing codes, taking advantage of state and federal incentive programs, and providing a clear roadmap for housing development in order to remove the uncertainty and risk that hinders new projects from starting. Further understanding the financial feasibility of new construction in Monroe, along with any additional zoning or permitting barriers, will be critical for the City as it endeavors to formulate future housing policies to encourage new developments and further differentiate the housing options for prospective residents.



Newer residential development in Monroe.

Map 2: Monroe, MI New Residential Building Permits 2013-2023



Source: City of Monroe (Prepared by: Karp Strategies)



Historic homes in Monroe.

Industry Types

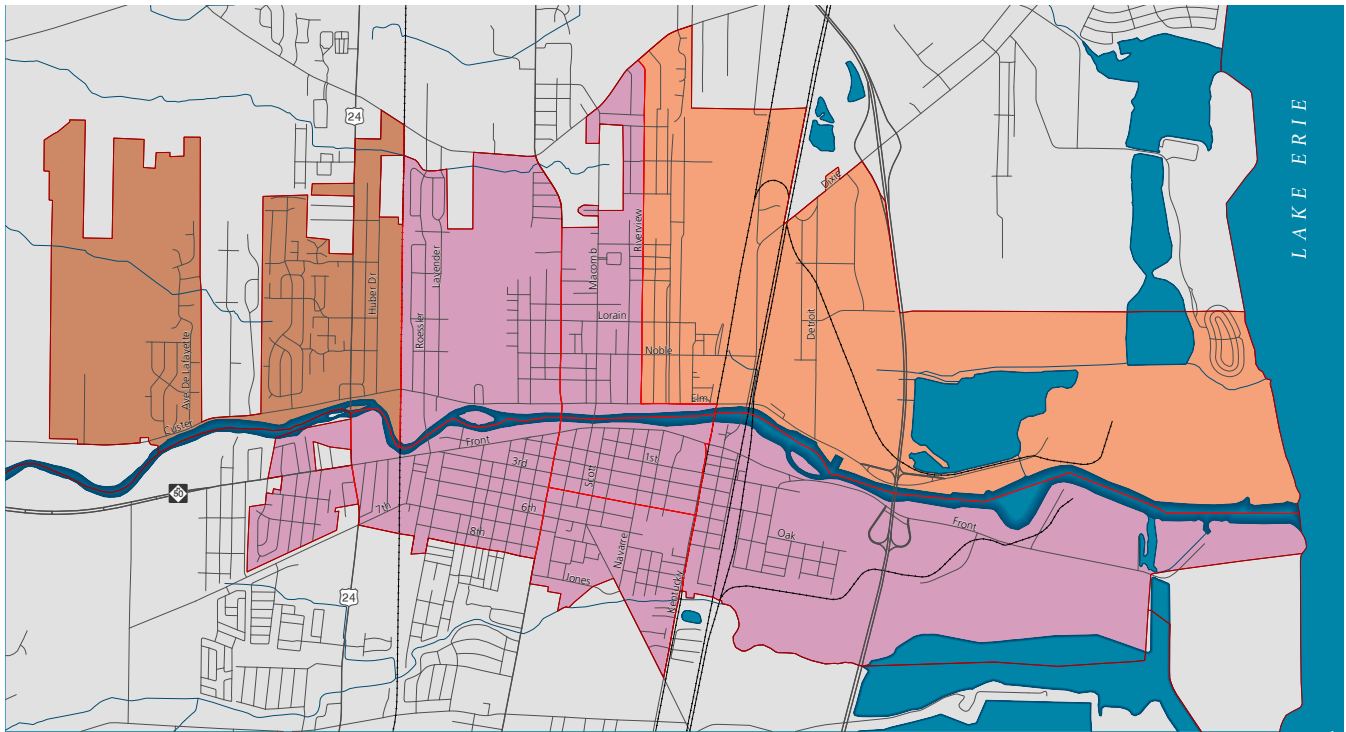
Declining: Industries that have a small presence and declining economic activity; negative change.

Emerging: Industries that are expanding but have yet to establish a strong presence; trending towards positive change.

Growing: Industries with a strong regional presence that are expanding; positive change.

Mature: Industries that have been a specialty for the region, but are now declining; trending towards negative change.

Map 3: Number of Dwelling Units Built Post 2010



Number of Dwelling Units Built Post 2010

Sources: Michigan Open Data Portal, City of Monroe, U.S. Census Bureau

- 0 - 20
- 21 - 100
- 101 - 150

0.4 Miles
Beckett & Raeder, Inc.

Source: ACS 5-Year Estimates (2021, 2018, 2013) - Table DP04

BASE SECTOR ANALYSIS

A base sector analysis compares the economic output of a specific area to the economic output of a greater regional economy. The base sector analysis completed for this study compared the economic output of zip codes 48161 and 48162 to the State of Michigan. A total of 534 industry sectors were compared employing a location quotient to determine if those local industry sectors were considered growth, emerging, mature, or declining sectors.

The top 35 industry sectors for the Monroe study group disclosed the following. Of the top 35 industry sectors, 21 are classified as “growth” sectors comprising \$2.6 billion in annual economic output, providing 61% of the total economic output of the 35 industry sectors and employing approximately 7,400 individuals. The eight industry sectors classified as “declining” produce \$1.25

billion (29%) in economic output, and employ approximately 3,760, or 28% of the workforce. A note of concern: the eight “declining” industry sectors produce one-half as much economic output as the 21 “growth” industry sectors combined.

Implications associated with base sector industries and the housing market focus on what sectors are determined to be “growth” and “declining” industries, what their average wages are, and how these will factor into rental or ownership of housing.

Three industry sectors from the “growth” sectors have rather low annual average wages: auto repair and maintenance, all other food and drink, and travel arrangements. Two sectors in the “mature” industry sector with low average annual wages are retail food and beverage and retail-building materials. These low average annual wage employment categories will likely include

Table 1: Base Sector Analysis

	Economic Output	Employment	Average Wage
Growth Industries			
Electric Power-Nuclear	\$1,526,445,899	1,694	\$213,183
General and Consumer Goods Rental	\$311,190,334	N.A.	N.A.
Electric Power-Fossil	\$249,297,447	183	\$168,945
Other Plastics Product Manufacturing	\$117,108,391	386	\$64,067
Automotive Repair and Maintenance	\$104,708,250	1,147	\$22,486
Office Administrative Services	\$89,097,434	433	\$84,916
Wholesale-Grocery	\$73,062,884	279	\$91,879
Wholesale-Petroleum	\$69,012,232	60	\$113,055
Truck Transportation	\$64,295,391	312	\$79,847
Prefabricated Wood Building Manufacturing	\$61,010,892	239	\$71,025
Travel Arrangement and Reservation	\$58,348,474	697	\$35,508
Metal Coating	\$58,068,360	184	\$91,746
Photographic Services	\$51,716,284	268	\$83,640
Business and Professional Associations	\$47,679,705	510	\$61,772
Radio and Television Broadcast	\$40,803,350	97	\$81,451
Wholesale – Other Nondurable Goods	\$40,444,796	128	\$71,858
Other Motor Vehicle Parts	\$38,921,215	76	\$99,905
Custom Computer Programming Services	\$37,727,516	323	\$109,165
Wired Communications	\$37,060,449	79	\$95,227
Retail-Motor Vehicles and Parts	\$33,738,454	235	\$77,706
Insurance Carriers	\$31,413,589	58	\$100,065
Emerging Industries			
Motor Vehicle Metal Stamping	\$132,340,111	335	\$102,260
Motor Vehicle Transmission and Power Train	\$96,606,949	152	\$119,760
All other Food and Drinking Places	\$44,331,689	703	\$20,790
Electroplating, Anodizing, and Coloring Metal	\$34,278,517	182	\$99,260
Mature Industries			
Retail – Food and Beverage Stores	\$37,647,071	460	\$31,264
Retail – Building Materials and Garden	\$32,029,173	240	\$43,418
Declining Industries			
Iron and Steel Manufacturing	\$247,962,164	240	\$116,280
Other Real Estate	\$140,167,327	793	\$59,691
Residential Mental Health and Substance Abuse	\$113,082,404	616	\$82,296
Facilities Support Services	\$97,805,050	401	\$149,910
Offices of Health Practitioners	\$81,975,816	663	\$100,953
Monetary Authorities and Depository	\$61,047,864	278	\$75,675
Individual Family Services	\$55,892,569	689	\$50,828
Paper Container Manufacturing	\$40,812,829	80	\$73,402

Source: IMPLAN 2019 and 2021 database, Beckett & Raeder, Inc.

a higher percentage of renters. Depending on their creditworthiness, higher average annual wage categories are potential candidates for the homeowner market. Because Monroe’s housing stock is affordable, it would seem that entry into the owner market is achievable.

HOUSING VALUATION

Utilizing data from the Monroe County Equalization Department, the taxable valuation of residential property per square foot was generated to determine areas within the City that produce the highest valuations.

Interestingly, the highest concentration of high valuations was found along North Macomb Street in the Elm-North Macomb Historic District and the Mason Run development. Higher valuations were also found in Frenchmen’s Bend, Cranbrook, and the Old Village Plat neighborhood. Higher taxable valuations are a function of housing value and density. New residential developments based on traditional neighborhood patterns (grid streets) with smaller lots produce higher taxable valuations than large suburban lots. For example, the Mason Run development was based on New Urbanism principles, and the residential architecture is based on a pattern book that reflects 20th century-era

housing styles that feature two and two-and-a-half stories with front porches, smaller lots, and on-street parking.

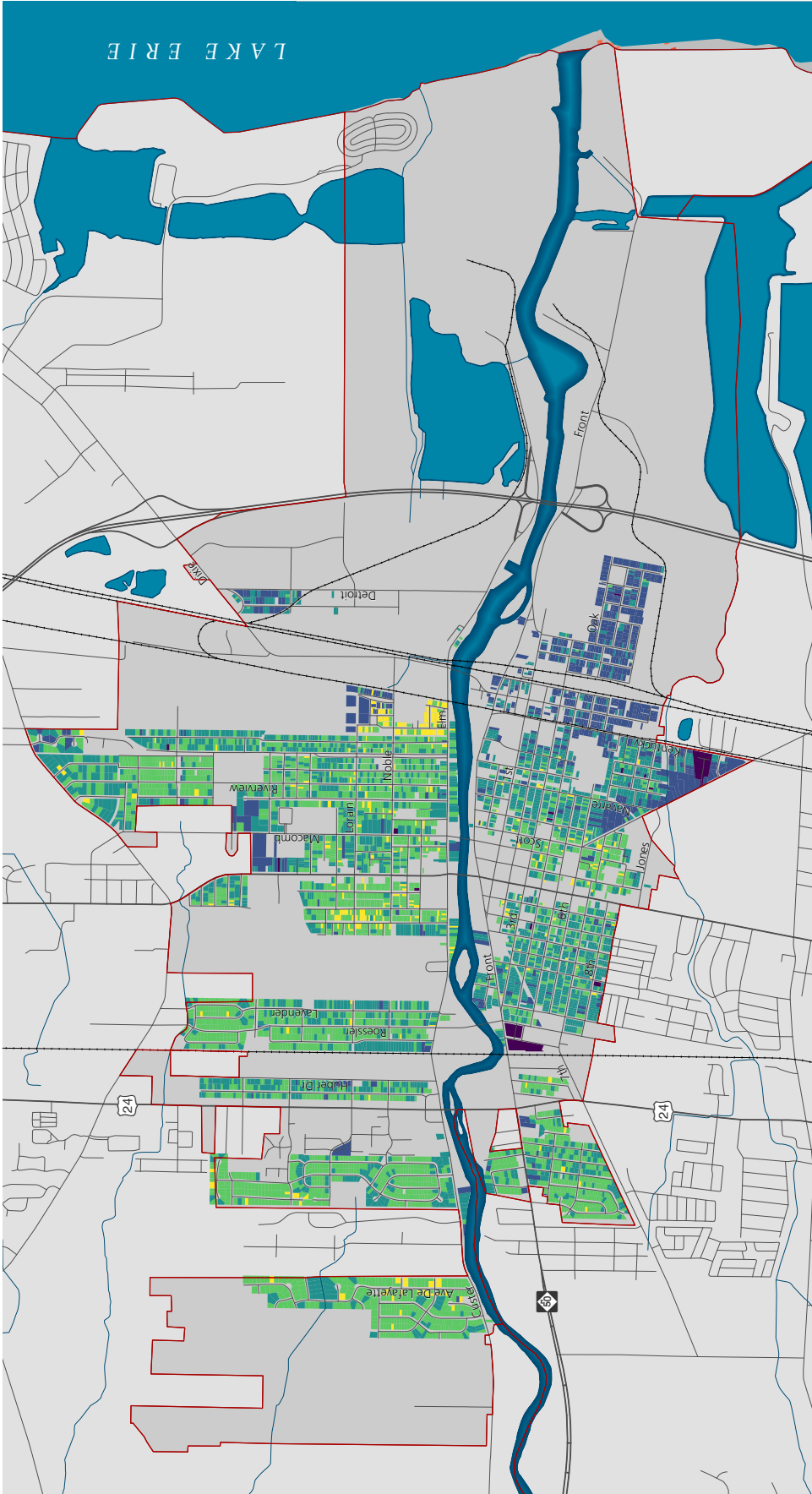
The Mason Run Pattern Book 2.0 is a slight departure from the original pattern book. Originally, the pattern book provided parking on the street and behind the residential dwellings via a network of alleys. For these reasons, houses were placed closer to the sidewalk to provide a pedestrian-enclosed space which gave the neighborhoods a greater sense of place and intimacy. Monroe recently adopted the Pattern Book 2.0 which uses driveways as the primary mechanism of parking. Because driveways are regularly included in the updated pattern book, residential dwellings will be placed at least 25 feet from the property line which aligns more with suburban residential development and, therefore, is expected to produce less taxable valuation per acre because it will be less dense.

Because Monroe is a historic community, several of its historic districts (such as the Elm-North Macomb and Old Village Plat) reflect the same characteristics as the original Mason Run project, producing higher taxable valuations due to smaller lot widths, slightly higher lot coverages, and higher densities.



Colonial-style house in Monroe.

Map 4: Taxable Value per Sq. Ft.



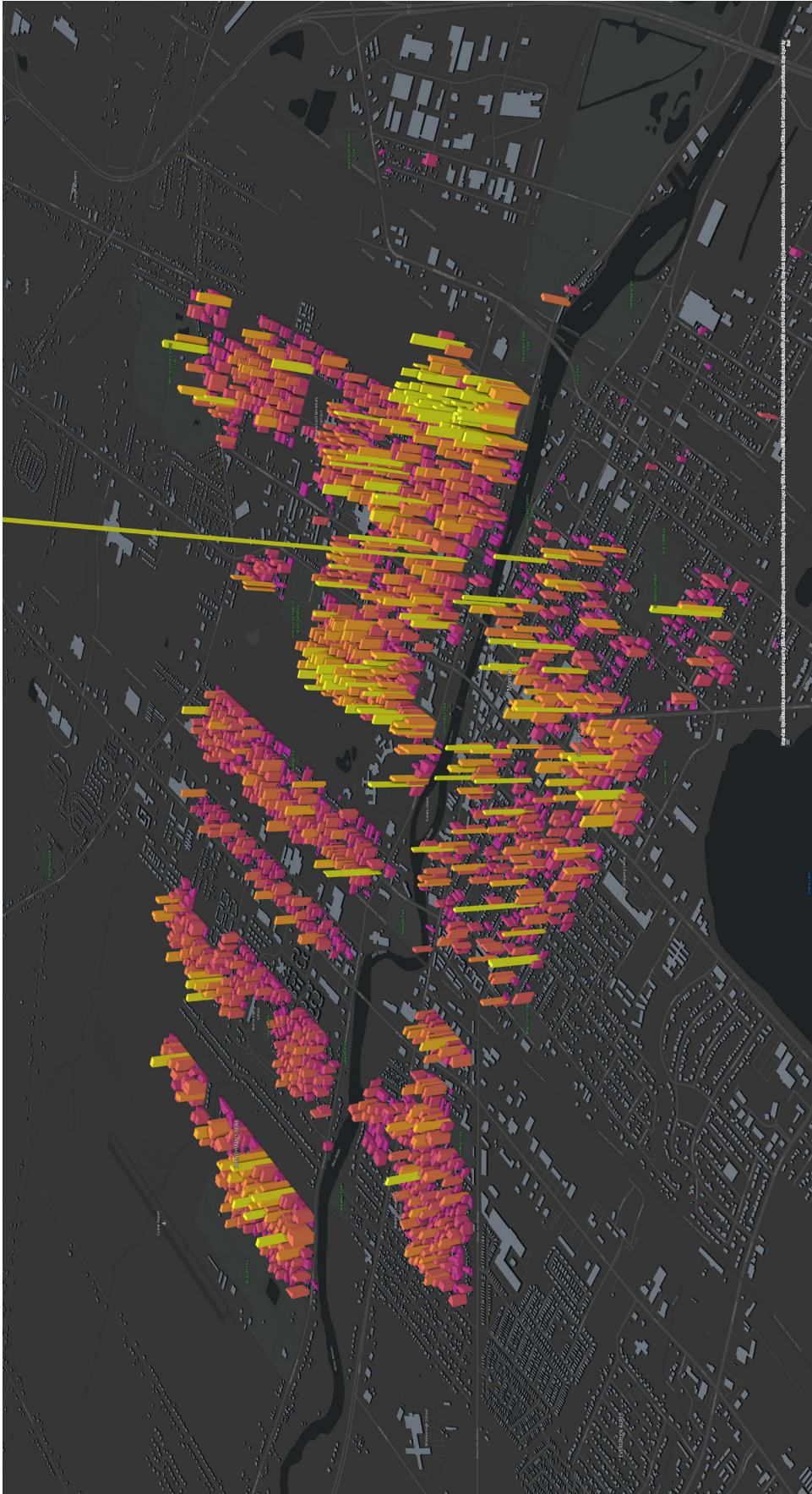
0.4 Miles
Beckett & Raeder, Inc.

Taxable Value per Sq. Ft.

Sources: Michigan Open Data Portal, City of Monroe

- \$500,001+ (4 points)
- \$250,001 - \$500,000 (3 points)
- \$100,001 - \$250,000 (2 points)
- \$1 - \$100,000 (1 point)
- \$0 (0 points)

Map 5: Taxable Value per Sq. Ft. of Residential Properties



Taxable Value per Sq. Ft. of Residential Properties

Sources: Michigan Open Data Portal, City of Monroe



0.15 Miles
Beckett & Raeder, Inc.

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Monroe home in disrepair



Monroe home in disrepair

BLIGHT AND MAINTENANCE

Blight is a problem that affects most communities throughout the United States. Often considered a common element of communities with older housing stocks, blight similarly impacts communities that are low-income and affluent, small and large, urban and rural. Blight is created over time through neglect. Economically, blight can be considered a form of depreciation that affects the value of the subject property and adjacent properties. When blight is unchecked and not managed, it can signal disinvestment in the home and the immediate neighborhood.

In Michigan, the pervasiveness of blighted housing conditions led the State legislature to pass PA 344 of 1945, the Blighted Area Rehabilitation Act, and PA 208, the Neighborhood Improvement Act. Both pieces of legislation focused on blight removal, reinvestment, and neighborhood revitalization.

Common blight indicators include code enforcement violations, mortgage foreclosure, tax foreclosure, and vacant and abandoned structures and lots. Code enforcement is broadly defined as a municipal program that seeks to ensure “compliant” homes and properties through maintenance requirements and subsequent consequences (such as citations) when such standards are not met. From September 2022 to October 2023, the City of Monroe recorded 1,291 blight citations. 38% were related to junk, rubbish, and garbage, 21% to high grass and noxious weeds, and 12% to motor vehicles. Although noted as a citation category, general building maintenance only had six citations, or four hundredths of 1%.

The Great Recession of 2007-2009 was known for the high number of mortgage and tax foreclosures. Prior to and after the Great Recession, blight was most pronounced through the conditions of vacant lots and abandoned homes as well as in communities that did not possess the resources to implement consistent code enforcement programs. In response to tax foreclosures, vacant lots, and property abandonment, the State created the concept of “land banks” at the State and County level to manage the inventory of these properties and provide a conduit for their sale and redevelopment.

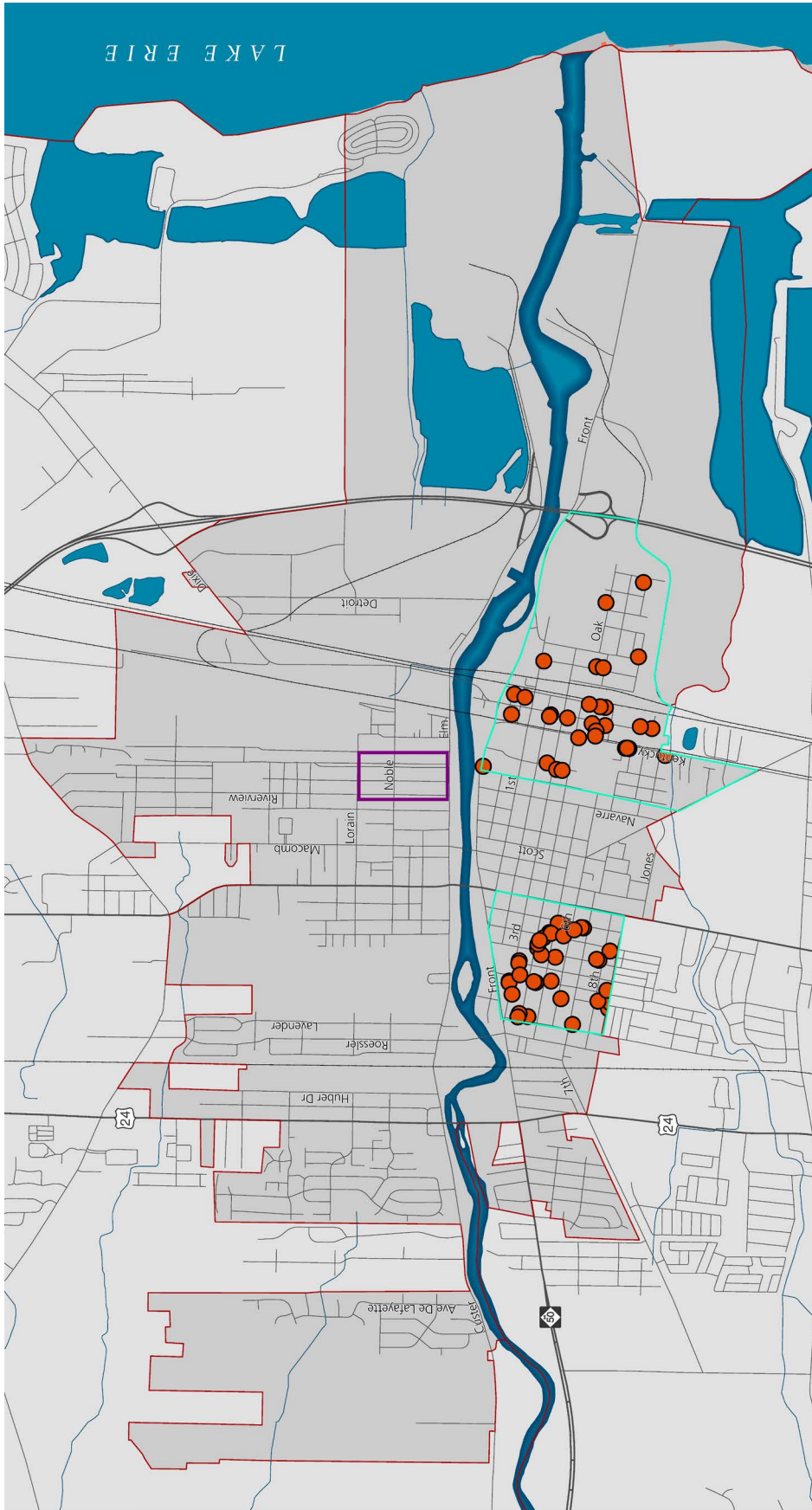
Signs of Disrepair and Lack of Building Maintenance



KEY

1. Hole in the roof soffit. Opportunity for squirrel and insect infestation.
2. In need of siding repair and painting
3. Gutters are bent with vegetation growing in the gutter. Indicates lack of cleaning.
4. Window sashes in need of painting
5. Garage cans on front porch
6. Porch is sagging with vegetation growing through the understory porch cover.

Map 6: Poor Housing Conditions



Poor Housing Conditions

Sources: Michigan Open Data Portal, City of Monroe

Surveyed

House in poor condition

Area of Concern

0.4 Miles
Beckett & Raeder, Inc.

HOUSING INVENTORY

To evaluate the housing quality of residences in the City and determine common conditions of deterioration, an on-site housing inventory was conducted for the city. During this inventory, members of the team traveled throughout the city's neighborhoods to identify homes with visible maintenance needs. The locations of these homes were recorded in ArcGIS (see Map 6) along with photographs and notes about the current state of their conditions. Overall, neighborhoods on the north side of the River Raisin had few clusters of blighted conditions, although one area of concern was noted where maintenance is beginning to waver. However, on the south side of the River Raisin neighborhoods east of Navarre Street and west of Monroe Street exhibited concentrations of blighted properties.

While the results of this inventory encompassed a wide variety of blighted conditions (from holes in roofs and missing awnings to overgrown vegetation and peeling or discolored paint), the majority were found to suffer from a lack of basic building maintenance though still structurally sound. The most observed housing conditions that

aligned with challenges to regular maintenance included deteriorating or faded paint, missing or broken porch steps, porches in disrepair, broken windows, limited to no yard landscaping, fence disrepair, and inappropriate storage around the home. Most of these items are violations under the International Property Maintenance Code (IPMC), which the City has adopted. The concentration of blight citations between Navarre Street and Eastchester, census tract 321 (precinct 1 & 2), and the "W" streets west of Telegraph Road and south of the River Raisin are an indication of potential neighborhood disinvestment.

The visual infractions and deteriorating conditions of over 80 homes across both neighborhoods undoubtedly signal challenges to regular maintenance in both areas and, consequently, give evidence of some level of disinvestment. However, many aesthetic violations relating to paint, landscaping, clutter, and general discoloration or dirt can be addressed through small-scale community initiatives that do not require intensive monetary investment. For more intensive repairs that involve roofing, steps, and other structural improvements, various tools and strategies are provided in the "Action Plan" section of this report.



Peeling paint and entrance awning require maintenance, but the home is structurally sound.

Source: Beckett & Raeder, Inc. Housing Inventory



Porch steps may require fresh paint or reinstallation. Discoloration in roof's soffit area requires cleaning or fresh paint.

Source: Beckett & Raeder, Inc. Housing Inventory



Deteriorating exterior of front façade, front porch, and windowpane require both structural improvements and new paint. Clutter on the porch should be cleared, and front landscaping requires maintenance.

Source: Beckett & Raeder, Inc. Housing Inventory



Roof discoloration requires intensive maintenance, and both chimney and porch awning require cleaning. Landscape is marginally maintained.

Source: Beckett & Raeder, Inc. Housing Inventory



Hole in roof, vegetation in gutters, and porch quality require repair and maintenance.

Source: Beckett & Raeder, Inc. Housing Inventory

Sources

- 1 The geographical boundaries of Monroe County and the Monroe Metropolitan Statistical Area are congruent. As such, this report will refer to the geography as “Monroe County” throughout.
- 2 ACS 5-year Estimates (2021, 2018, 2013), Table DP05: ACS Demographic and Housing Estimates
- 3 Michigan Population Projections by County through 2045, September 2019
- 4 U.S. Census Bureau. Table DP02: Selected Social Characteristics in the United States, 2009-2013, 2014-2018, and 2017-2021 American Community Survey 5-Year Estimates.
- 5 Ibid.
- 6 U.S. Census Bureau. Table DP05: ACS Demographic and Housing Estimates, 2009-2013, 2014-2018, and 2017-2021 American Community Survey 5-Year Estimates.
- 7 U.S. Census Bureau. (2023). LEHD Origin-Destination Employment Statistics (2002-2021)
- 8 Ibid.
- 9 Click on Detroit. “Ford to invest \$2B in SE Michigan plants, create 3,200 jobs.” June 2, 2022. <https://www.clickondetroit.com/news/michigan/2022/06/02/ford-to-invest-2b-in-se-michigan-plants-create-3200-jobs/>
- 10 Detroit Free Press. “Gordie Howe International Bridge Continues to Take Shape: Here’s what to know.” August 10, 2023. <https://www.freep.com/story/news/local/michigan/2023/08/09/gordie-howe-international-bridge-continues-to-take-shape-here-are-some-cool-facts-about-it/70414916007/>
- 11 Detroit Free Press. “Regulators OK DTE plan to close coal-fired Monroe Power Plant sooner. July 26, 2023. <https://www.freep.com/story/news/local/michigan/2023/07/26/dte-energy-monroe-power-plant-closure/70469507007/>
- 12 U.S. Census Bureau. Table DP04: Selected Housing Characteristics, 2009-2013, 2014-2018, and 2017-2021 American Community Survey 5-Year Estimates.
- 13 Ibid.
- 14 Ibid.
- 15 Ibid.
- 16 Ibid.
- 17 Ibid.
- 18 Monroe County Assessor’s Office. City of Monroe Residential House Sales 9/13-9/23, 2023.
- 19 U.S. Census Bureau. Characteristics of New Housing, 2022.
- 20 Redfin. For Sale Listings in Monroe, MI, October 2023.
- 21 Ibid.
- 22 U.S. Census Bureau. Table DP04: Selected Housing Characteristics, 2009-2013, 2014-2018, and 2017-2021 American Community Survey 5-Year Estimates.
- 23 U.S. Department of Housing and Urban Development. Table 3: Tenure by Housing Unit Problem Severity by Household Income, 2009-2013, 2014-2018, and 2017-2021 Comprehensive Housing Affordability Strategy 5-Year Estimates.
- 24 Southeast Michigan Council of Governments. Housing: Building Permits 2000 - 2023, 2023, Community Profiles for Monroe City and Monroe County. The Village of Dundee, who produced 400 new units since 2010, is the exception to this demolition trend and may be studied further as a regional competitor.
- 25 Ibid.

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03

Neighborhood Analysis

Table 2: Placemaking Attributes

Factor	Scoring	Points
Connectivity	Not connected to a sidewalk	0
	Connected to a sidewalk	4
Proximity to a transit route	Not within 0.25 miles	0
	Within 1,320 ft.	1
	Within 750 ft.	2
	Within 500 ft.	3
	Within 250 ft.	4
Tree Canopy Coverage	0% coverage	0
	1 – 15% coverage	1
	16 – 30% coverage	2
	31% – 45% coverage	3
	46%+ coverage	4
Schools	Not within 0.25 miles	0
	Within 1,000 ft.	1
	Within 750 ft.	2
	Within 500 ft.	3
	Within 250 ft.	4
Commercial Centers	Not within 0.25 miles	0
	Within 1,000 ft.	1
	Within 750 ft.	2
	Within 500 ft.	3
	Within 250ft	4
Parks	Not within 0.25 miles	0
	Within 1,000 ft.	1
	Within 750 ft.	2
	Within 500 ft.	3
	Within 250 ft.	4

The neighborhood in which a home or housing unit is located greatly impacts the perception of the home and the lived experience of its residents. Neighborhood planning, local amenities, and overall social connections contribute to external perceptions of a neighborhood and internal neighborhood pride. While much of this report covers new housing construction, the vast majority of Monroe’s housing units are in mature and established neighborhoods. Therefore, a true housing strategy pairs goals around new construction with strengthening existing neighborhoods and housing.

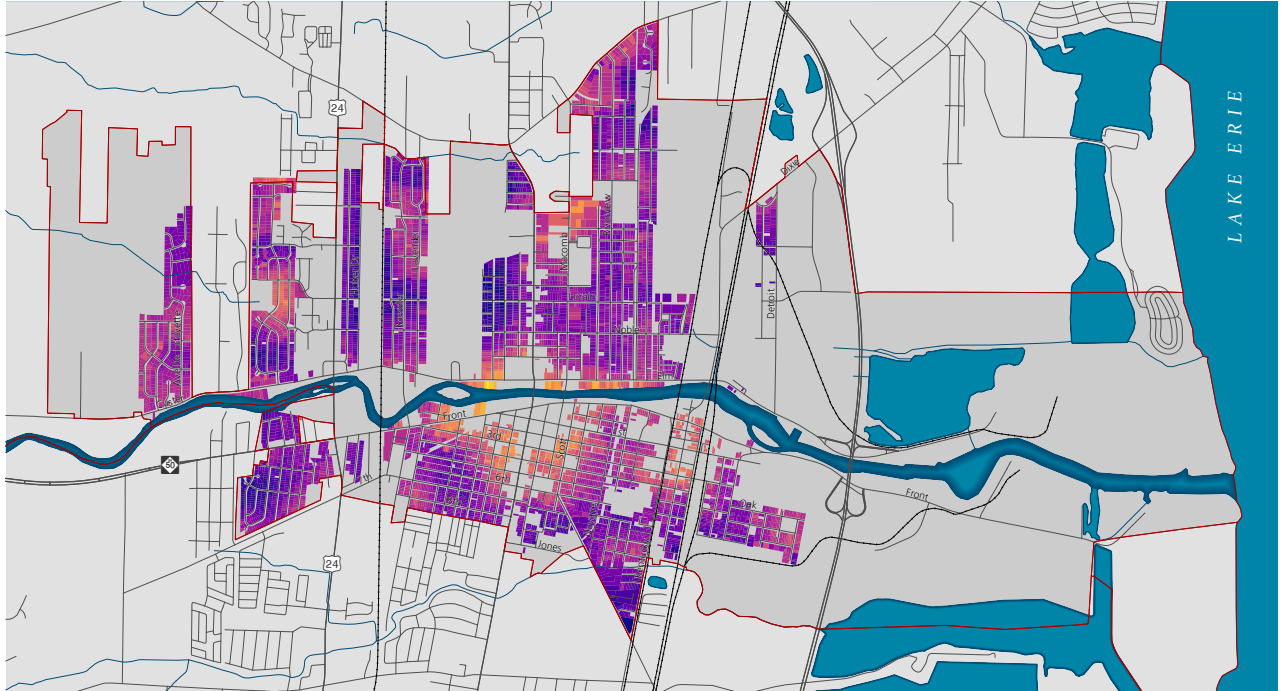
The following analysis looks at placemaking attributes, the elements of a neighborhood that contribute to overall livability, and various market and physical attributes that influence a neighborhood’s financial and physical condition. Each of these elements contribute to the quality and health of a neighborhood. By quantitatively looking at Monroe’s neighborhood through this lens, recommendations can be crafted to enhance and strengthen existing neighborhoods, address any gaps, and appropriately support neighborhood evolution.

PLACEMAKING ATTRIBUTES

To quantify placemaking attributes, the analysis considered the connectivity of parcels to a sidewalk (connectivity), proximity to a transit route, tree canopy coverage, proximity to a school (public or private), distance to the commercial centers, and proximity to parks. Within each of these attributes, properties were scored based on proximity and value. The complete scoring breakdown is detailed in the table titled “Placemaking Attributes.” Properties that score higher demonstrate a higher level of placemaking elements and an assumed higher quality of lived experience in the neighborhood.

The map titled “Placemaking Attributes” shows the result of this analysis for residential properties in the city. As evident on the map, the properties around the city’s core have a higher placemaking score, and the neighborhoods on the fringes of the city score lower. This is largely explained by the centralization of placemaking amenities (transit routes, schools, commercial centers) around the city’s core. The “Neighborhood Placemaking” map shows a ranking of prominent neighborhoods in

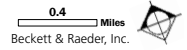
Map 7: Placemaking Attributes



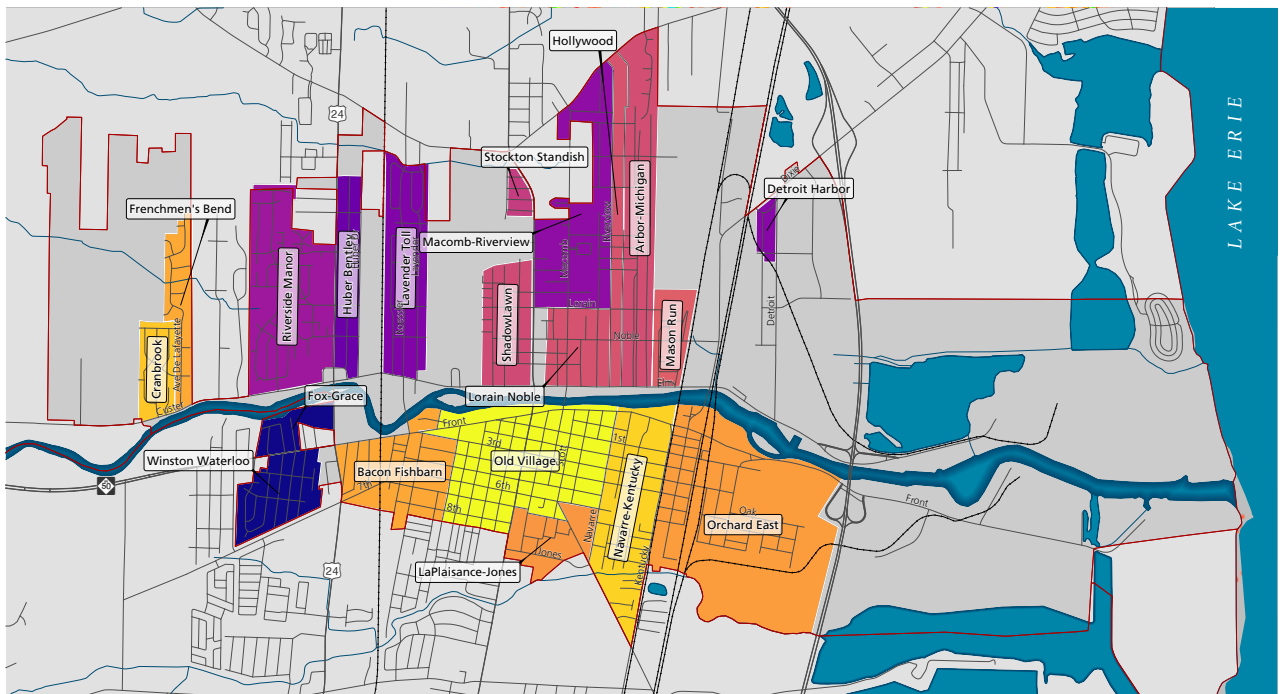
Placemaking Attributes

Sources: Michigan Open Data Portal, City of Monroe

Placemaking Score



Map 8: Neighborhood Placemaking



Neighborhood Placemaking

Sources: Michigan Open Data Portal, City of Monroe

Placemaking Score



Table 3: Market and Physical Attributes

Factor	Scoring	Points
Blight Citations (2022 – 2023)	4+ Blight Citations	0
	3 Blight Citations	1
	2 Blight Citations	2
	1 Blight Citation	3
	0 Blight Citations	4
Building Permits (2013 – 2023)	No Building Permit	0
	Building Permit: Construction Value ≤\$2.5K	1
	Building Permit: Construction Value \$2.6K – \$5K	2
	Construction Value: \$5.1K – \$10K	3
	Construction Value: \$10.1K+	4
Residential Sale (2013 – 2023)	No Sale	0
	Sale Price per Sq. Ft.: ≤\$75	1
	Sale Price per Sq. Ft.: \$76 - \$150	2
	Sale Price per Sq. Ft.: \$151 - \$300	3
	Sale Price per Sq. Ft.: \$301+	4
Public Investment within 0.25 miles of the property (2022 – 2024)	\$0	0
	\$1 - \$150,000	1
	\$150,001 - \$500,000	2
	\$500,001 - \$1,000,000	3
	\$1,000,001+	4
Taxable Value per Sq. Ft.	\$0	0
	\$1 - \$100,000	1
	\$100,001 - \$250,000	2
	\$250,001 - \$500,000	3
	\$500,001+	4

the city and how they score relative to each other. The “Old Village” neighborhood has the highest placemaking score, while the “Winston Waterloo” neighborhood has the lowest placemaking score.

MARKET AND PHYSICAL ATTRIBUTES

The same methodology was repeated for market and physical attributes of the neighborhood. These attributes include the number of blight citations on a property (2022 – 2023), the combined construction value of construction permits on a property, the average sale price per square foot for a property, the total value of public investments (CIP projects 2022 - 2024) within 0.25 miles, and taxable value per square foot.

NEIGHBORHOOD CLASSIFICATION

Combining the placemaking attributes with both market and physical attributes highlights unique dynamics in Monroe’s neighborhoods. Often, neighborhoods with many placemaking attributes are highly desirable and thus have high-scoring market and physical attributes. However, the neighborhoods with the highest placemaking scores in Monroe have average market and physical scores, and neighborhoods with average placemaking scores have the highest market and physical attributes as shown in the figure titled “Composite Scores.” Commonly, neighborhoods around historic downtowns (Old Village) are the most desirable neighborhoods because of the amenities that they offer such as proximity to shops and restaurants as well as walkability. In Monroe, however, the historic downtown neighborhood of Old Village has the City’s highest placemaking score with a lackluster market score, possibly a reflection of limited efforts to revitalize the downtown area.

The figure titled “Neighborhood Groupings” makes several groupings of neighborhoods evident. The neighborhoods with high market and physical attributes form a group (Strong Markets), those with high placemaking and average market and physical attributes form a group (Defined Sense of Place), those with lower placemaking attributes and average market and physical attributes form a group (Disconnected), and those with low market and physical attributes and a range of placemaking scores form a group (Distressed). The following

Figure 12: Composite Scores

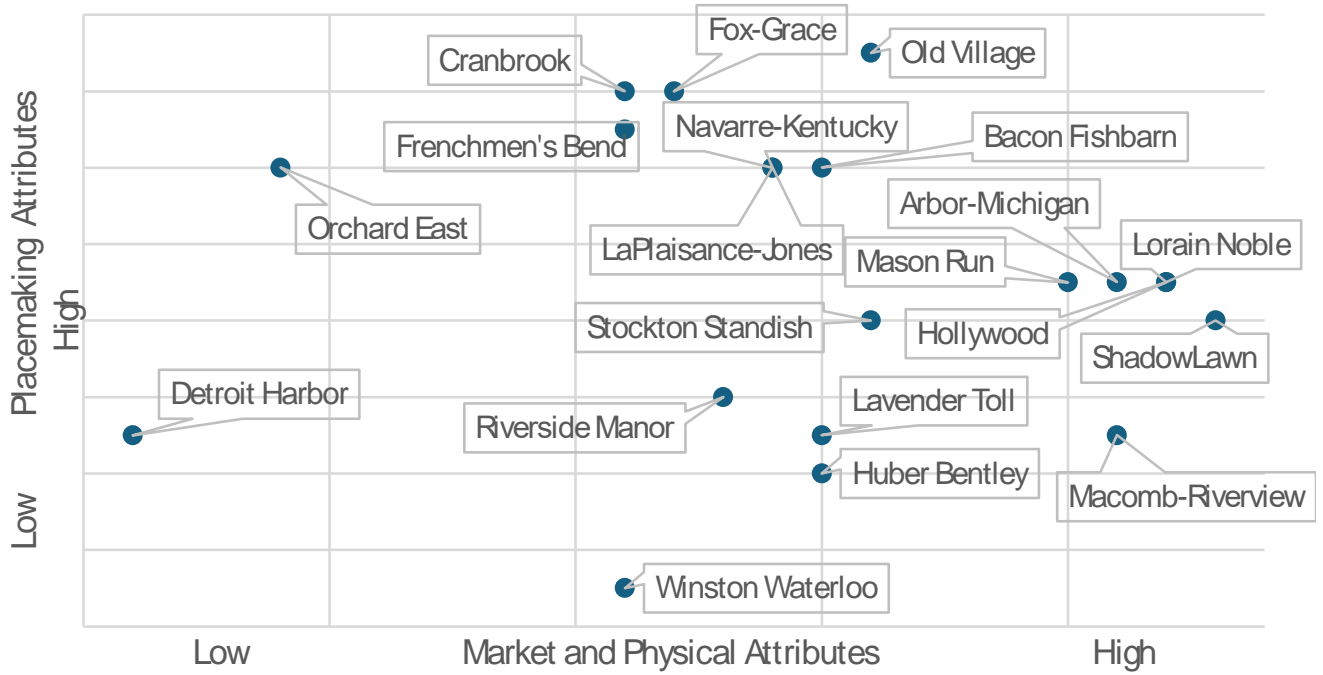
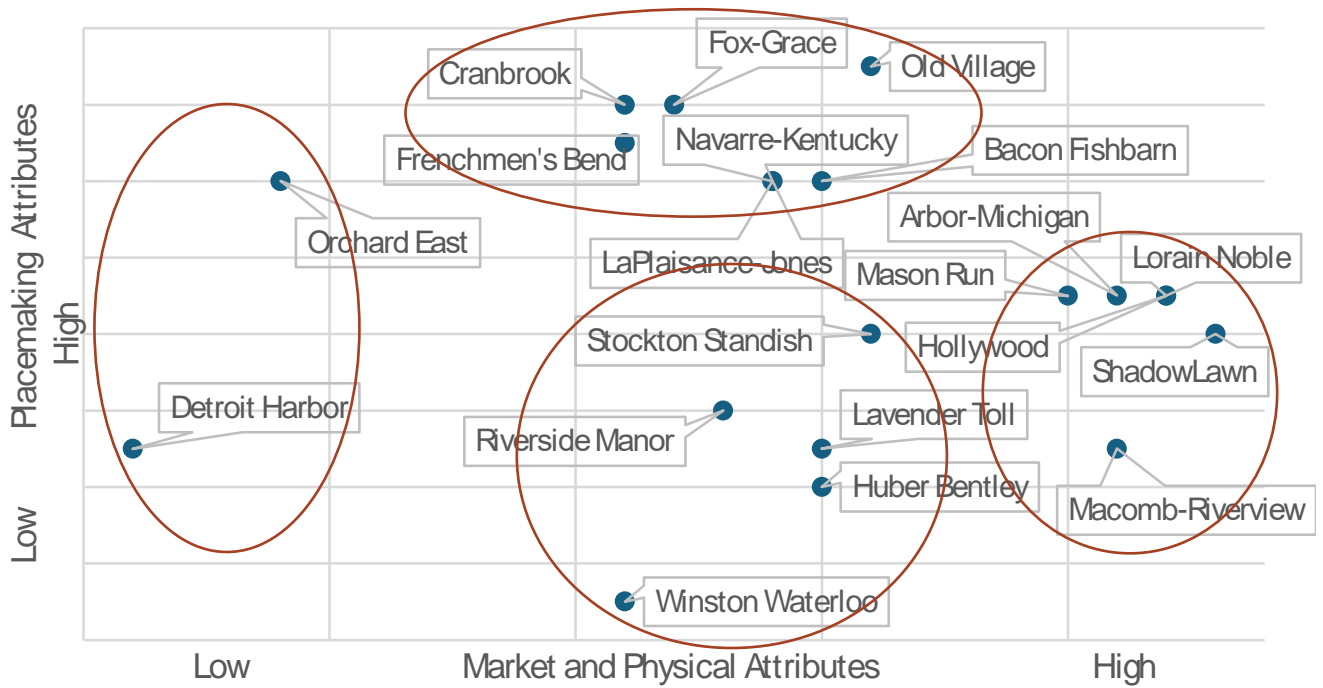


Figure 13: Neighborhood Groupings



recommendations focus on strategies to strengthen these neighborhoods and the housing landscape within them.

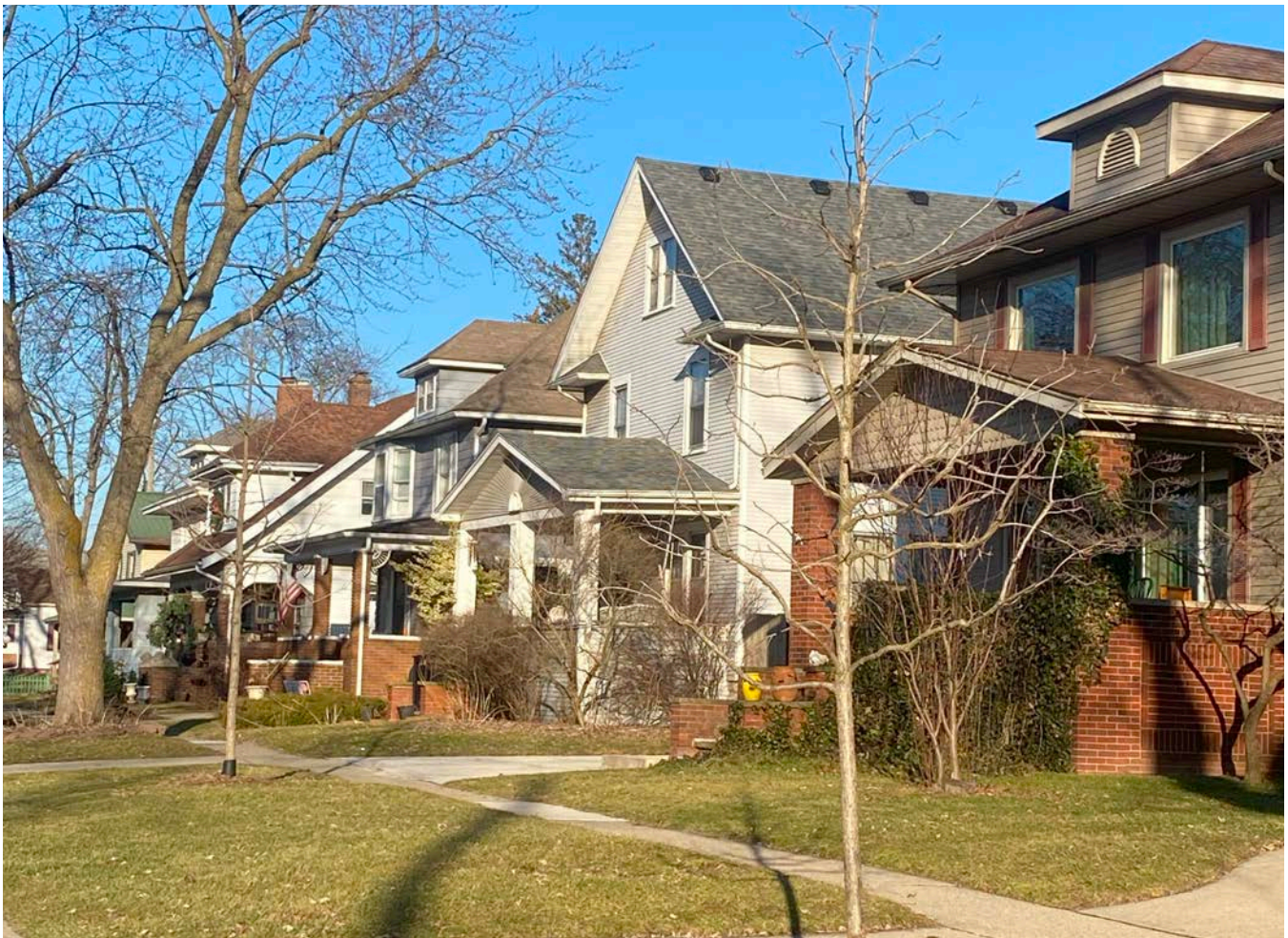
Strong Markets

The strong market neighborhoods of Mason Run, Hollywood, Lorain Noble, Shadowlawn, Macomb-Riverview, and Arbor-Michigan have strong sales records and higher taxable values. They are generally in better physical condition than other Monroe neighborhoods. These neighborhoods are all located in the north/northeastern portion of the city, indicating that this area of the city, collectively, is in good physical shape and offers an attractive housing market. From a placemaking perspective, Strong Market neighborhoods have many core placemaking elements: the connectivity of sidewalks and mature street trees create walkable and attractive neighborhoods, and these neighborhoods are relatively close to commercial centers and parks. The average placemaking scores

are not a result of city policy or neighborhood conditions, but a lack of proximity to schools and transit routes. While a new neighborhood school opening in the city is unlikely, expanding a transit route along Michigan Avenue or Maple Boulevard would increase transit connectivity for the neighborhood and providing wayfinding for existing transit routes at prominent locations would help define the sense of place. Overall, the Strong Market neighborhoods are healthy and competitive. Preventative maintenance programs and preserving the quality of the public realm will keep these neighborhoods strong.

Moderate Markets

Based on the factors incorporated into the neighborhood classification and placemaking analysis, several neighborhoods that were traditionally strong markets for smaller and entry-level working households are now showing signs of distress based on building permit information



Neighborhood houses in Monroe.

and frequency of blight citations. Both low volume of building permits and above average issuances of blight citations can be signs of disinvestment. Chronic disinvestment accelerates neighborhood decline, eventually affecting market value. The Bacon-Fishbarn, the eastern half of the Old Village, and the Navarre-Kentucky neighborhoods fall into this category. Further, as noted in other housing studies conducted in cities across the United States [Desmond 2016],¹ [Rosen 2020],² dis-invested neighborhoods tend to draw investors who seek lower-priced housing units and intend to charge market-rate rents or use Section 8 vouchers to obtain market-rate rents. These neighborhood trends can be reversed with targeted revitalization and stabilization strategies.

Defined Sense of Place

The “Defined Sense of Place” neighborhoods have high placemaking elements, excellent connectivity to parks, schools, and transit, and close proximity to commercial centers. The Old Village, Fox-Grace, Cranbrook, Bacon-Fishbarn, Frenchman’s Bend, LaPlaisance Jones, and Navarre-Kentucky neighborhoods are considered “Defined Sense of Place” neighborhoods. Neighborhoods with these elements are often the most desirable from a market perspective and thus have high home values and are in good physical condition. However, in Monroe, these neighborhoods have average market and physical conditions. Most of the placemaking elements of these neighborhoods are unlikely to change -- therefore, strategies to strengthen these neighborhoods focus on highlighting their placemaking elements and improving the physical conditions of the housing stock.

Disconnected

The disconnected neighborhoods have average market and physical conditions and low placemaking elements. The Stockton-Standish, Riverside Manor, Lavender Toll, Huber Bentley, and Winston Waterloo are considered “disconnected.” Generally, for neighborhoods with few placemaking elements and above-average desirable

market and physical conditions, recommendations are centered around improvements to the public realm. In theory, these improvements will also address and strengthen the market and physical conditions of each neighborhood. Although many of these neighborhoods have sidewalks and tree canopy coverage; their distance from schools, parks and commercial centers tend to lower their neighborhood placemaking value. However, in Monroe, the neighborhoods with high placemaking elements do not have the best market and physical conditions. Therefore, recommendations must be a combination of improvements to the public realm and the physical conditions of the neighborhoods.

Distressed

The two distressed neighborhoods with the lowest composite placemaking and market score are Detroit Harbor and Orchard East. Detroit Harbor has the lowest combined score of all neighborhoods in Monroe as a result of its location which is incredibly disconnected from the rest of the city. Located next to an industrial area, the conditions that surround this small neighborhood are not conducive for residential land use as the historic presence of industry has the potential to negatively impact the health of neighborhood residents. Due to its size and location, Detroit Harbor will always have fewer placemaking elements than neighborhoods closer to the city core. The size and location of the neighborhood also make it difficult to justify and promote improvements to the public realm in the neighborhood. Although connected to adjacent neighborhoods, the Orchard East neighborhood has been impacted by the decline of its Winchester and First Street business district and the physical barriers created by railroads that divide the community. Therefore, recommendations are tailored to maintaining and improving the physical condition of the neighborhood.

The City’s recent investment in the creation of an expanded Labor Park, and planned expansion of the ALCC Opportunity Center will aid in the revitalization of this neighborhood.

TAPESTRY SEGMENTATION

Several credit reporting companies also track data to differentiate sub-markets within the United States. ERSI, Claritas, and Experian offer their own proprietary versions of market segments. Market segments are all determined by distinct demographic and socio-economic characteristics.

ESRI's product is referred to as Tapestry Segmentation, which they define as neighborhoods with the most similar characteristics being grouped together and neighborhoods showing divergent characteristics being separated.³ In turn, they segment American neighborhoods into 67 distinct market segments. People tend to locate in the vicinity of other people with similar demographic and socio-economic backgrounds – communities with colleges, universities, and medical facilities draw individuals who have educational, medical, and professional backgrounds whereas communities that have a concentration of manufacturing draw residents that are more associated with blue-collar backgrounds. Each group has different household incomes, buying preferences, educational levels, hobbies, and dining preferences. This information is used by national marketing firms, advertisers, retailers, and the food industry to place printed ads, place TV advertising, select retail brand locations, and determine the location of national restaurant franchises.

Market segmentation was used in the 2017 Residential Target Market Analysis, prepared by Land Use | USA, using the Mosaic USA data from Experian. This information was used to determine the number and type of housing units preferred in the Monroe market. That study found that of the 240 households that move into the City each year, 200 households (83%) will choose a rental property, and 40 households (17%) are likely to be owners. The study further concluded that duplexes

and triplexes would be in demand, as well as townhouses and row houses.

According to ESRI, there are seven predominant neighborhood types represented in the City. The index indicates their representation based on the United States average. For example, if Rustbelt Traditions has a national index of 100, then in Monroe, this neighborhood type is 17 times more represented than the national index, which indicates a higher concentration of similar households. Therefore, any neighborhood type with an index of over 100 has a greater representation in that community than the national index. Bright Young Professionals and Hometown Heritage market segments prefer rental properties out of the seven neighborhood types. Based on market intel, that seems true for Bright Young Professionals, who rent apartments in downtown Monroe, and west of Telegraph and north of Lorain Street, with monthly rents in excess of \$1,000.

Housing data on the percentage of renter properties noted that census tract 321 (precinct 1 and partial precinct 2) had a high percentage of rental properties. ESRI segmentation also confirmed this trend where the Hometown Heritage market segment is prevalent in this neighborhood. Hometown Heritage neighborhoods proportionately have higher percentages of rental properties. Further, due to their lower median income and small median net worth, these households are likely considered asset-limited, income-constrained, and employed (ALICE), which puts them at risk if their weekly income is not guaranteed due to variations in the job market. Since household income is limited, it is conceivable that this neighborhood market segment may not have the disposable income needed for home repairs. (More detailed background on each market segment is found in the appendix).

Table 4: Tapestry Segmentation

	% Households Location	Index	Education Attainment	Median Income	Housing Type Preference	Housing Median \$ / Rent \$
Rustbelt Traditions (5D)	36.6% Precinct 1, 2, 3N, and 4	1712	High School; some college	\$51,800	Single-Family Owner 71.2% and 26.8% Rent	\$123,400
Traditional Living (12B)	19.3% Precinct 1, 2 and 3N	1032	Over 70% completed High or some college	\$39,300	Single-Family 58.9% Own and 41.1% Rent	\$83,200
Hometown Heritage (8G)	17.2% Precinct 1, 3S and part 6	1471	38% with high school diploma, 28% some college	\$28,000	Single-Family Rent, 40% own and 60% rent	\$710 (rent)
Small Town Sincerity (12C)	13.8% Precinct 5 and 6	775	67% with high school diploma, some college	\$31,500	Single-Family Own 49.7%, and 50.3% Rent	\$92,300
Bright Young Professionals (8C)	5.7% Precinct 6	248	35% with some college, 33% with bachelor's degree	\$54,000	Single Family and Multi-Units, 42.8% Own, 57.2% Rent	\$1,042 (rent)
Comfortable Empty Nesters (5A)	4.0% Precinct 6	164	36% college graduates, 68 with some college%	\$75,500	86.9% Own, 13.1% Rent	\$203,400
Midlife Constants (5E)	3.4% Precinct 5	140	63% high school diploma; some college	\$53,200	72.2% Own, 27.3% Rent	\$154,100

Source: ESRI

Sources

- 1 Desmond, Matthew. 2016. *Evicted: Poverty and Profit in the American City*. New York: Crown.
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04

Housing Barriers

There are many factors considered in a decision to invest in residential real estate. Some of these factors are beyond the control of a municipality, and others may be the result of unintended consequences of public policy. Collectively, these factors are evaluated by the developer and the investor, family, or individual to determine if the investment is appropriate with personal expectations and a reasonable return on that investment.

PUBLIC POLICY

In the late 1950's, the City of Monroe decided to extend public water facilities outside of the City to the adjacent Townships of Monroe and Frenchtown. Unlike other Michigan communities, which required properties wanting public water to annex into the City, the City of Monroe provided water at rates double those paid by city residents as the only condition. In the early 1970s, the federal government required the City of Monroe to create a wastewater authority with the same Townships, which extended public sanitary facilities into those municipalities. The extension of public sanitary facilities and water allowed developers in these Townships to increase the density of their housing developments because they no longer had to provide larger lots to accommodate wells and septic systems. Further exacerbating the issue was the tax differential between living in the City and living in a Township. These two public policies created an investment environment where a township residential real estate buyer had access to basic City services without paying City taxes. Table 5 shows the accumulative financial impact of these public policies on a property with a taxable valuation of \$100,000 with a 15-year and 30-year mortgage. As

noted, there is a financial differential between living in the City and Township, which has an influence on decision-making. Although Township residents have to pay for their own garbage pickup, higher water rates, and maybe an added cost for home insurance, these additional costs (when added to their taxes) are still lower than taxes paid by City residents.

PROPERTY TAX BURDEN

A prevailing assumption in municipal financial planning is that residential property is a tax consumer of municipal services and revenues, and non-residential properties are tax producers because they require fewer services. Over the years, based on a review of equalization apportionment reports and financial audits, the City has had substantially more taxable valuation in non-residential property, primarily due to the Detroit Edison (DTE) generation facility. However, according to the 6-30-2023 Annual Comprehensive Financial Report, the City came to an agreement with DTE to reduce the taxable valuation of the plant. Since that agreement, DTE has announced plans to shut down portions of the plant in 2028-2029, with a full closure sometime after.¹ This decrease in taxable valuation will reduce the City's taxable valuation by over 40%. As a result, subject to a reduction in some city services, the tax burden to fund those services will likely be shifted to the residential tax base of the City. This shift in taxable valuation could further the tax differential between the city and the adjacent township, adding to the competition for new housing between municipalities.

EDUCATION

One of the primary decision factors in selecting

Table 5: Public Policy Financial Impact

	Communities		
	Monroe, City	Monroe Township	Frenchtown Township
Millage Rate (PRE)	43.1648	26.6301	30.7638
Yearly RE Taxes	\$6,479.22	\$3,994.52	\$4,614.57
Annual Savings		(\$2,484.71)	(\$1,864.65)
15-Year RE Taxes	\$97,188.30	\$59,917.73	\$69,218.55)
15-Year (Savings)		(\$37,270.58)	(\$27,969.75)
30-Year RE Taxes	\$194,376.60	\$119,835.45	\$138,437.10
30-Year (Savings)		(\$74,541.15)	(\$55,939.50)

Table 6: Elementary Schools

Name of School	Great Schools Rating
Ida Elementary, Ida	9
Loren Eyer Elementary, Carelton	8
Joseph Sterling Elementary, Carelton	8
Manor Elementary, Monroe City	5
Custer Elementary, Monroe Township	3
Arborwood Elementary, Monroe City	3
Waterloo School, Monroe Township	2

Source: GreatSchools.org

a residential property, if you are a family, is the location of that property in relation to the public school district or neighborhood if you are not sending your children to a charter or private school. Unfortunately, the Monroe Public Schools closed and demolished three elementary schools that were the anchors of their respective neighborhoods: Boyd, Christiancy, and Lincoln. These elementary schools allowed children to walk to school and provided a sense of community for the surrounding neighborhoods. Monroe Public Schools has three elementary school buildings north of the River Raisin, Arborwood North, Arborwood South, and Manor serving kindergarten - 6th grade students. Also north of the river is Riverside which is a Early Learning Center serving preschool students. South of the river are three elementary school buildings with Waterloo being located just west of the city and the Custer 1 and Custer 2 buildings south of town with the schools serving preschool students through 6th grade. The Custer campus is a short 3 miles away from City Hall.

After meeting with the District, they recognize that their schools are not highly rated but shared with how they are addressing this through adding more academic coaches, staff developers, reduced class size, hire more staff for focused interventions with students along with other program changes. The District through it's internal monitoring system is seeing indication that student achievement and student growth are on the rise.

DOWNTOWN

As discussed in the Neighborhood Analysis portion of the report, the viability, or lack thereof, of the downtown has market and valuation implications for adjacent neighborhoods north and south of the River Raisin. Place-based asset analysis indicated that neighborhoods surrounding the downtown had the highest place-based rating but also marginal market values. In other communities, neighborhoods adjacent to the downtown have some of the highest-valued properties due to their location and access to downtown retail and restaurants. This is evident in communities like Wyandotte, Trenton, Northville, Ferndale, and Royal Oak, to mention a few. One stakeholder stated, "We rent three storefronts that might as well be vacant because we are not really making money." As noted in the Downtown Monroe Master Plan, the downtown has the market demand for an additional 40,000 square feet of retail: 16,000 in restaurants, 6,000 in Special Food, and 5,000 in apparel.² However, the study also outlined several significant challenges that need to be overcome, including an uninviting downtown, one-way traffic patterns, Monroe Street as a physical barrier, lack of retail, and upgrading the public realm. Significant physical and market improvements to the downtown will assist in elevating property values in adjacent neighborhoods and preserving some of Monroe's historic residential areas. There are some notable signs of improvement with the opening of new businesses, such as Misty's Plant Based Foods, the Michigan Beer and Wine Portal, the Front Street Mercantile, Brown Bag Boutique, the Conservatory, VinMod Venue, Barn Owl Studio, Nocturnal Coffee Shop, Cakes by Stephanie, and \$20 & Below.

ZONING

"Hidden barriers" include provisions in municipal regulations, such as a zoning ordinance, that may not intend to restrict housing but, in effect, are obstacles to its development. To identify "hidden barriers" in Monroe's regulatory environment, the City of Monroe Code of Ordinances, which includes the Zoning Ordinance, was reviewed for language that may hinder housing in the city.

Table 7: City of Monroe Code of Ordinances Review

Statute	Existing Language	Recommendation
Chapter 525 Property Maintenance, Article 1, § 525-2 Amendments, 106.3 Prosecution of Violations	"Any person failing to comply with a notice of violation or order served in accordance with Section 107 shall be deemed guilty of a misdemeanor or civil infraction as determined by the Code Official..."	It is recommended that the Code Official deems violations of this ordinance as exclusively civil infractions and not misdemeanor infractions. Guidance from the Michigan Association of Planning states that enforcing regulations like this statute as civil infractions places the violation in civil court and not in criminal court. In civil court, the City has more latitude in collecting evidence against the violator without impugning on the violator's 4th amendment rights (see Long Lake Township v. Maxon (2023)). Following this practice will likely improve the success of property maintenance enforcement in the court system, if and when cases are challenged by the violator.
Chapter 550 Rental Properties, § 550-6 Inspections (A)	"The designated enforcement officer shall inspect residential rental units on a periodic basis pursuant to this chapter or under any of the following circumstances:"	There is no definition of periodic basis in the chapter, so there is no standard inspection basis for rental units. It is recommended that rental units are inspected on a three (3) year cycle to ensure adequate rental housing condition, or more often if the property owner is non-compliant.
Chapter 550 Rental Properties, § 554-8 Inspection (D) (4)(b)	"Said driveway shall extend to point where a hard surface parking pad may be installed, and, where practical, accommodate two parking spaces per dwelling unit served."	The requirement of two parking spaces per dwelling unit is a high parking standard. Reducing the requirement to 1.5 or 1 parking space per dwelling unit would increase the space for residential construction on lots, potentially increasing the number of buildable lots in the city. Additionally, for existing structures, reducing this requirement would make rehabilitation easier. According to the American Community Survey 2022 5-Year Estimates, only 52% of households in Monroe have two or more vehicles. Reducing this requirement does not prohibit driveways from accommodating two parking spaces per dwelling unit, but it does lower the threshold.
Chapter 720 Zoning, § 2.03.B, 2.04.B, 2.05.B	The R-1, R-2, and R-3 zoning districts do not include language specific for duplex (two-family) units. The zoning ordinance treats duplexes as multi-family structures which discourages duplexes from locating in residential areas where they fit the form and character and where larger multi-family structures may not.	Add specific provisions for duplexes and permit them by right in the R-1, R-2, and R-3 zoning districts.
Chapter 720 Zoning, § 2.03.B, 2.04.B, 2.05.B	The R-1, R-2, and R-3 zoning districts do not include language specific for triplex and quadplex units. The zoning ordinance treats triplexes and quadplexes as multi-family structures which discourages them from locating in areas where they fit the form and character and where larger multi-family structures may not.	Add specific provisions for triplexes and quadplexes and permit them by right or by special land use in the R-1, R-2, and R-3 zoning districts

Table 7: City of Monroe Code of Ordinances Review (Contintued)

Statute	Existing Language	Recommendation
Chapter 720 Zoning, § 2.03.A, 2.04.A, 2.05.A	The specific name of a zoning district connotes a lot of meaning and direction to the community. The use of the phrase “single-family” in the zoning district title signals to the community that this district is reserved for exclusively single-family residences where, in reality, the district may permit multiple residential types that fit the form and character of the neighborhood. Therefore, to more accurately reflect the reality of the regulatory environment and signal a more holistic approach to residential land use planning, the phrase “single-family” should be removed from all zoning districts.	Remove single-family from the name of the zoning districts and replace with a non-typology specific name. I.e. “moderate density residential” or “traditional residential.”
Chapter 720 Zoning, § 2.02.C, 2.03.C, 2.04.C, 2.05.C, 2.06.C, 2.07.C, § 5.30	Lots that are double the minimum lot size can theoretically hold two structures and be the same density as a standard lot. Permitting two structures on double-sized lots removes the barrier of lot splitting if the property owner wants to place two structures on the property. This opens up land for development.	Add a provision to the dimension requirements that lots that meet double the minimum lot size permit two residential structures of the same type.
Chapter 720 Zoning, § 2.06.C(b), 2.07.C(b)	The required minimum floor area for residential dwelling units creates an arbitrary barrier for dwelling unit size. This not only restricts the range of dwelling unit sizes that are permitted, but may also make some properties unusable for residential development that otherwise may be able to incorporate small units.	Establish a minimum floor area of 560 square feet which fits within the parameters of the Michigan Residential and Michigan Building Code.
Chapter 720 Zoning, § 5.22 Multiple-Family Conversion from Single-Family Dwelling	“Conversion of single-family residences into multiple-family units, up to four (4), may occur within the RM and RMD Districts by Special Use Approval...”	This provision should be broadened to include all residential and mixed-use districts.

Table 7: City of Monroe Code of Ordinances Review (Contintued)

Statute	Existing Language	Recommendation
Chapter 720 Zoning, § 2.02.B, 2.03.B, 2.04.B, 2.05.B, 2.06.B, 2.07.B	Minimum parking spaces for Single-family dwellings: two (2) per unit.	The requirement of two parking spaces per dwelling unit is a high parking standard. Reducing the requirement to 1.5 or 1 parking spaces per dwelling unit would increase the space for residential construction on lots, potentially increasing the number of buildable lots in the city. Additionally, for existing structures, reducing this requirement would make rehabilitation easier. According to the American Community Survey 2022 5-Year Estimates, only 52% of households in Monroe have two or more vehicles. Reducing this requirement does not prevent properties from accommodating two parking spaces per dwelling unit, but it does lower the threshold.
Chapter 720 Zoning, § 2.02.E, 2.03.E, 2.04.E, 2.05.E, 2.06.E, 2.07.E, 5.03(E)	"Accessory buildings shall not be occupied for dwelling purposes nor used for any business, profession, trade or occupation."	Allow accessory dwelling units (ADUs) by right or special land use in all residential and mixed-use districts. Accessory dwelling units are a highly effective way of adding residential units without much construction, making them a highly affordable solution.
Chapter 720 Zoning, § 7	<p>"<u>Dwelling (Unit)</u> – A building or portion thereof designed for occupancy by one family for residential purposes..."</p> <p>"<u>Family</u> – An individual or a number of individuals living together whose relationship is of a continuing non-transient, domestic character. This shall not include any society, club, fraternity, sorority, association, lodge, coterie, organization, or group of students or other individuals whose relationship is of a transitory or seasonal nature or limited duration, such as school terms or other similar definable periods."</p>	The definition of dwelling unit and family restricts the cohabitation of non-related individuals. Roommates and other forms of cohabitation are in a grey area as defined by the zoning ordinance. These definitions should be revised, in consultation with an attorney, to reduce the exclusionary nature but still achieve the desired outcome.
General		Consider consolidating all single-family zoning districts into one neighborhood residential district. The only difference between the districts are the dimensional requirements and lot size which can based on standardized setbacks based on averages.

EXAMPLE OF HOUSING TYPES SUGGESTED FOR THE MONROE MARKET

Accessory Dwelling Units (ADU's)



Accessory Dwelling Unit's (ADU's) have been around since the 1800's. As noted by AARP, early settlers often built a small home to live in while constructing their larger, primary house nearby. When farming was a source of survival for most of the nation's households, families routinely constructed additional homes on their land when needed. People with wealth and acreage regularly populated their lands with secondary mansions and ancillary buildings independent of the main estate house. historic precedent for the modern day accessory dwelling unit is the "carriage house," or "coach house." Originally built for horse-drawn carriages, the structures associated with grander homes were frequently large enough to double as living quarters for workers and stable hands. Decades later, in response to housing shortages and economic needs, many surviving carriage houses were converted into rental homes. By becoming landlords, the owners gained income from their otherwise unused outbuildings.

EXAMPLE OF HOUSING TYPES SUGGESTED FOR THE MONROE MARKET

Tri-Plex



Quadplex (Fourplex)



Cottage Courts



Cottage courts are a group of small (1 to 1.5 story) detached structures that are clustered around a common courtyard which is used by residence for social activities and shared open space. This housing format is very popular with mature households that are looking to downsize while having the opportunity to stay within their community. Community elements are managed through an homeowners association (HOA) or through covenants, conditions and restriction agreements (CC&R's).

Sources

- 1 City of Monroe, Annual Comprehensive Final Report, 6-30-2023, page 14, Plante Moran.
- 2 Monroe Downtown Master Plan & Parking Study, MKSK, Nelson/Nygaard, and Gibbs Planning Group, 2017
- 3 AARP, <https://www.aarp.org/livable-communities/housing/info-2019/adus-are-an-american-tradition.html>



05

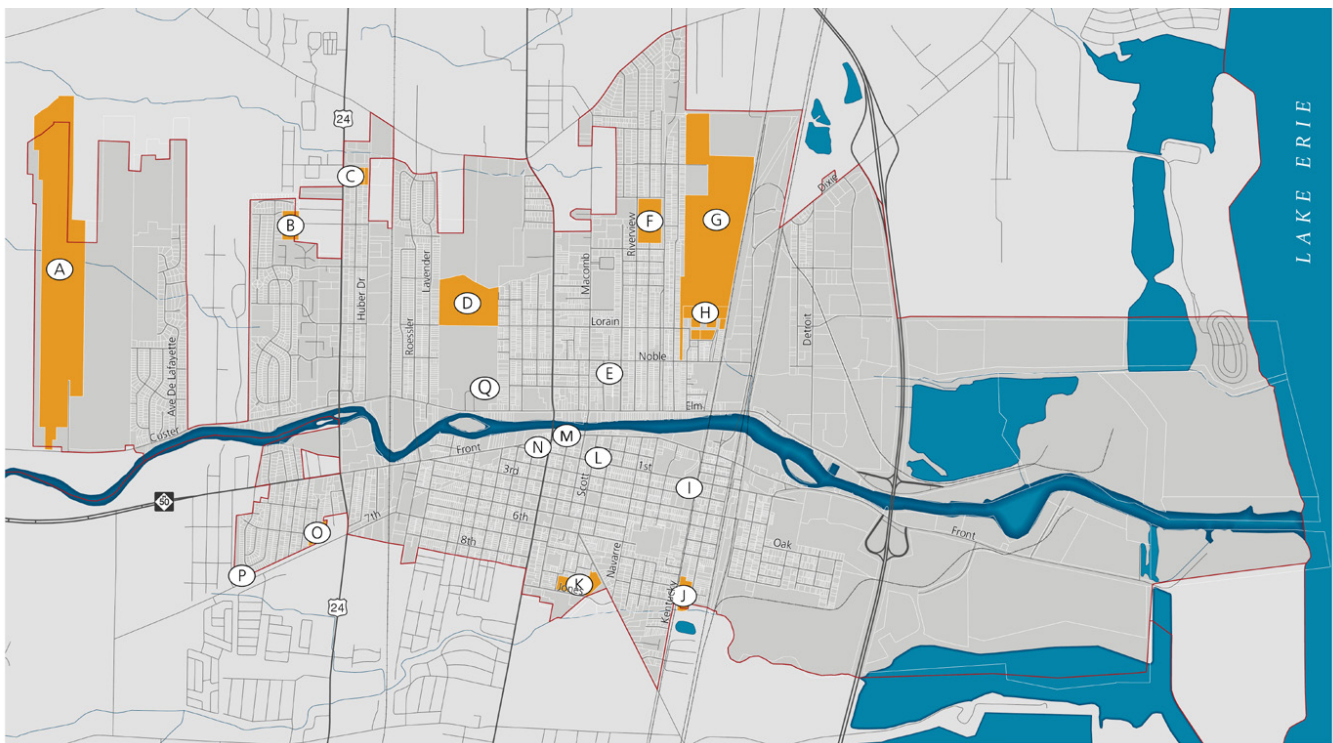
Housing Opportunities

REDEVELOPMENT SITES

In developed communities like the City of Monroe, the best land for residential development has likely already been developed. Therefore, new residential development occurs on either subprime land and locations, or as infill development in existing developed areas. Both strategies are less financially viable for developers and therefore require public-private partnerships to achieve both the financial goals and obligations of the private sector as well as the public goals of the community: new residential construction. This section identifies several potential redevelopment sites in the City of Monroe for residential development as well as possible incentives that can be leveraged to achieve the goals of new residential development.

The largest parcels with redevelopment potential are north of the River Raisin and located in, or adjacent to, strong market neighborhoods. This locational factor, combined with available funding incentives, should elevate the success of the redevelopment or infill project. Given the sizes of all redevelopment sites as well as the land needed for public infrastructure (such as streets, utilities, and parks), the City has the opportunity to add up to 2,235 housing units of various densities and typologies to its housing market. Possible typologies include traditional single-family housing, duplexes, triplexes, quadplexes, cottage courts, and apartments. The Missing Middle graphic (pg. 53) shows the variety of housing types available to the market. As noted, Monroe has an abundance of single-family and apartment complexes but is not well represented in other housing types.

Map 9: Redevelopment Sites



Redevelopment Sites

Sources: Michigan Open Data Portal, City of Monroe

- | | | | |
|-------------------------------|-------------------------------------|------------------------|---------------------|
| A: Monroe Custer Airport | F: Arborwood School Athletic Fields | K: Navarre Field | P: Winston Ct Park |
| B: Oak Forest | G: Former Hi Industrial Property | L: Former Fire Station | Q: St. Mary Academy |
| C: La-Z-Boy PUD | H: Mason Run | M: Downtown Monroe | |
| D: IHM | I: Former MAECO Site | N: Amendt Milling | |
| E: Former Christianity School | J: Former DPS Yard | O: Hoffman Park | |

0.4 Miles
Beckett & Raeder, Inc.

Figure 14: Missing Middle Housing



Source: Opticos Design, Daniel Parolek, AIA

Table 8: Redevelopment & Infill Sites

Location	Name	Acreage	Housing Strategy	Potential Units
A	Monroe Custer Airport	186.00	Redevelopment for Single-Family Subdivisions	650
B	Oak Forest	5.07	New Development – Traditional Neighborhood Residential	12
C	La-Z-Boy PUD	3.73	Redevelopment - Multi-Family	60
D	IHM	38.45	New Development – Senior Assisted Housing	250
E	Former Christianity School	2.04	New Development – Traditional Neighborhood Residential	9
F	Arborwood School Athletic Fields	7.00	New Development – Mixed Housing	46
G	Former Hi Industrial Property	134.00	New Development – Mixed Housing	725
H	Mason Run	13.45	New Development – Pattern Book	70
I	Former MAECO site	1.83	Redevelopment – Multi-Family	40
J	Former DPS Yard	4.96	Redevelopment – Single-Family	7
K	Navarre Field	10.48	New Development – Mixed Housing	45
L	Former Fire Station	1.04	Townhomes	8
M	Downtown Monroe		Upper Story Apartments and Lofts	150+
N	Amendt Milling	3.64	Redevelopment – Mixed Use	40
O	Hoffman Park	4.70	Redevelopment for Single-Family Subdivisions	12
P	Winston Court Park	0.43	Infill Single-Family	1
Q	St. Mary Academy	Bldg	Adaptive Reuse for Residential	100+
Total Potential Residential Build-Out				2,225+

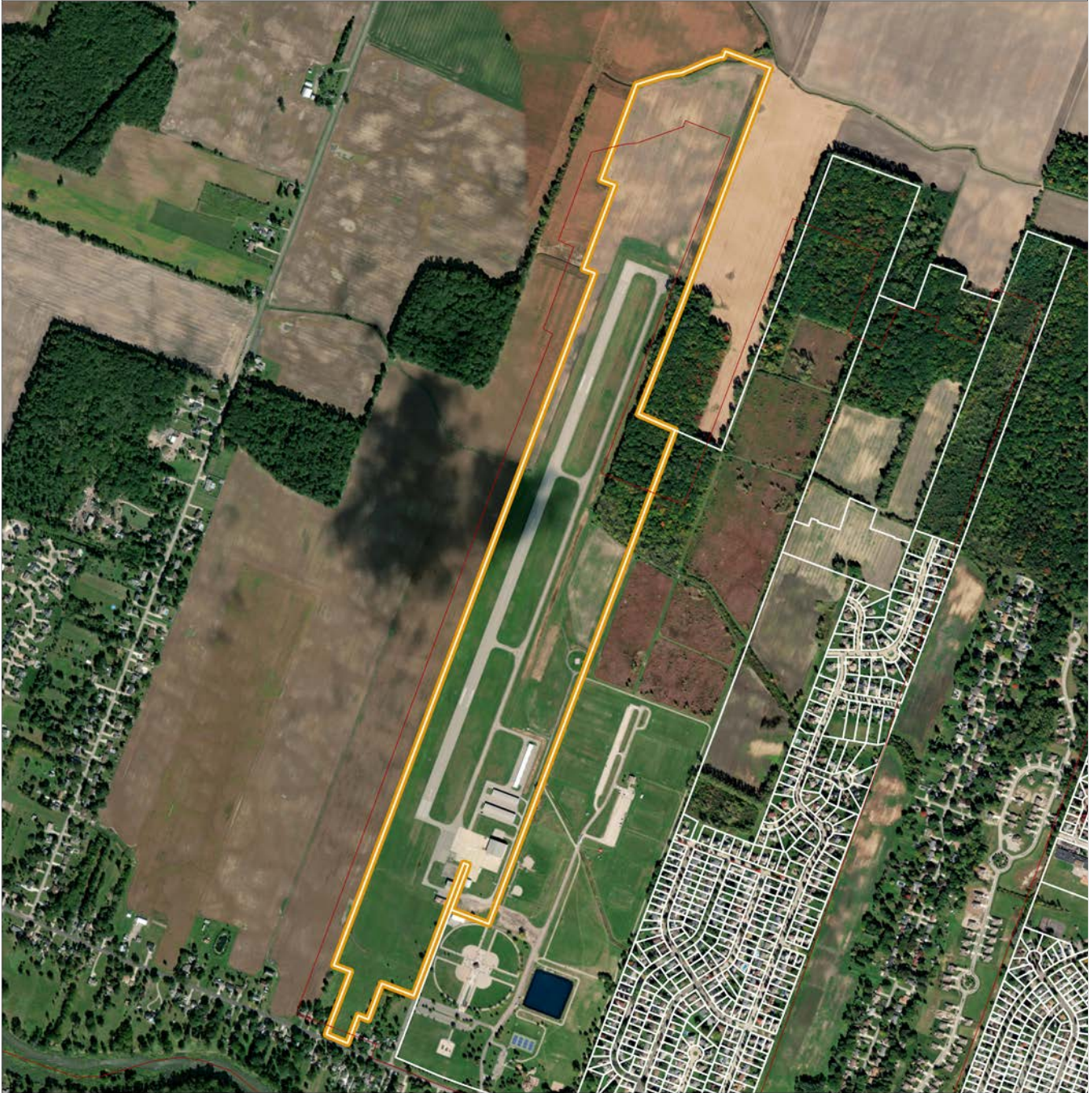
A. MONROE CUSTER AIRPORT

Parcel Number(s)	69-00659-064	Acreage	186.0
Zoning	AP	Potential New Units	650

Housing Strategy

Redevelopment of the current Custer Airport property into a suburban-style subdivision similar to Frenchmen's Bend. Housing typology would include single-family, two-story with front loaded garages.

Site Map



B. OAK FOREST

Parcel Number(s)	69-00659-020	Acreage	5.07
Zoning	R-2	Potential New Units	12

Housing Strategy

Conversion of PUD dedicated open space into a small single-family development. Due to the property being forested, the site could also accommodate a cottage court development, which is gaining popularity with empty-nester households.

Site Map



C. LA-Z-BOY PUD

Parcel Number(s)	69-00332-050, 69-00332-100, 69-00332-150, 69-00332-200	Acreage	3.73
Zoning	PUD	Potential New Units	60

Housing Strategy

Continuation of the redevelopment program to include additional market-rate rental properties in combination with owner-occupied townhome condominiums. There is an opportunity to create a walkable residential development with connections to existing residential neighborhoods along Huber and Bentley Drives.

Site Map



D. IHM

Parcel Number(s)	69-01501-000	Acreage	38.45
Zoning	L	Potential New Units	250

Housing Strategy

The proposed development area could accommodate an independent and assisted care senior housing development that complements the existing IHM campus. These types of developments would likely be a combination of single and multiple-story structures.

Site Map



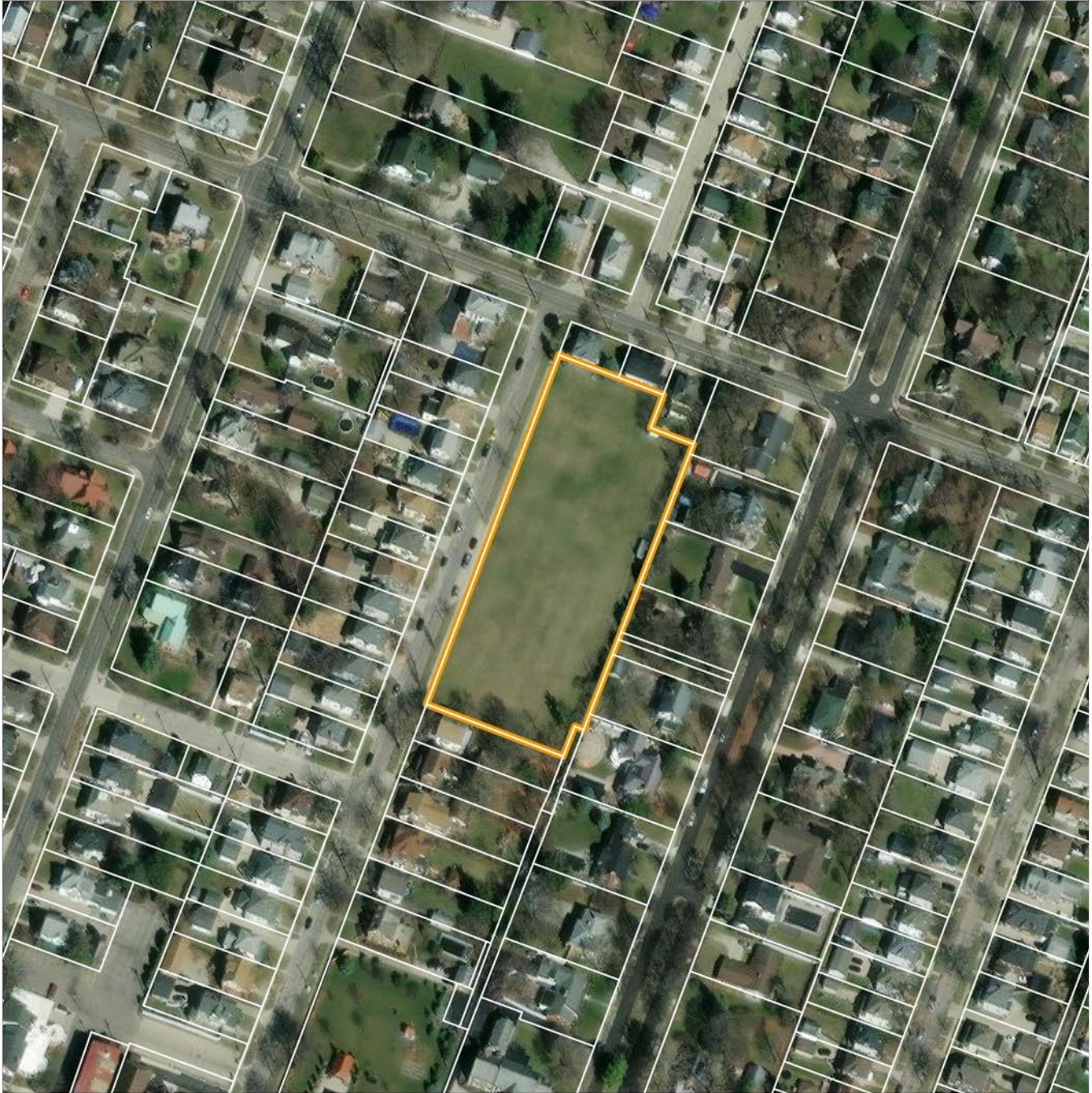
E. FORMER CHRISTIANCY SCHOOL

Parcel Number(s)	59-00852-000	Acreage	2.04
Zoning	L	Potential New Units	9

Housing Strategy

Redevelopment of the former Christiancy School property as a traditional single-family development that mirrors the housing types and architectural context of the single-family homes across the street.

Site Map



F. ARBORWOOD SCHOOL ATHLETIC FIELDS

Parcel Number(s)	59-01070-000	Acreage	7.0
Zoning	R-2	Potential New Units	46

Housing Strategy

Extension of Arbor Avenue into the northern portion of the former athletic fields to create a double-loaded residential neighborhood that would front Arbor Avenue, Riverview Avenue, and Maple Blvd. Housing typology would include smaller footprint single-family one-and-one-half-story homes.

Site Map



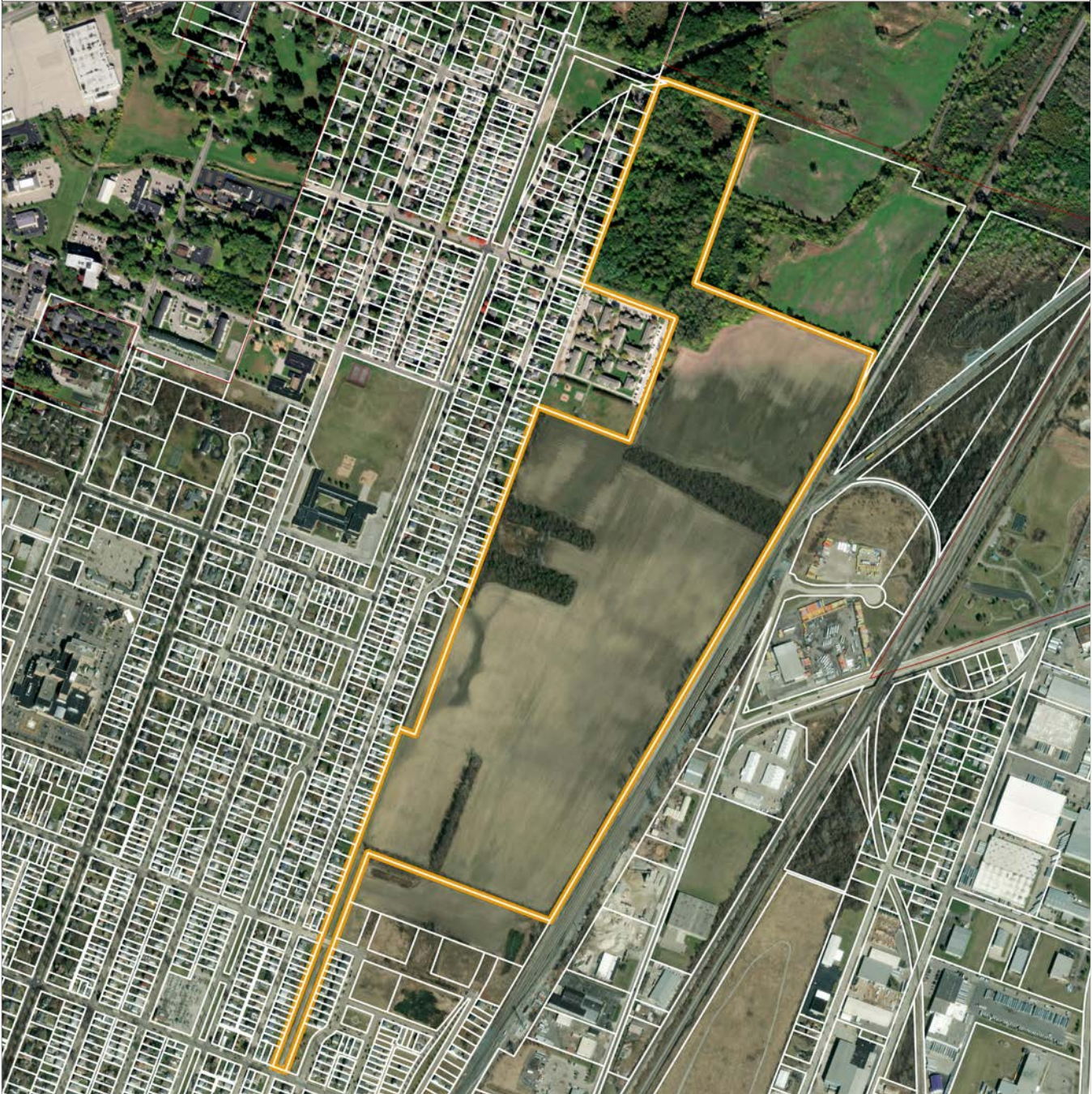
G. FORMER HI INDUSTRIAL PROPERTY

Parcel Number(s)	59-01885-000	Acreage	134.0
Zoning	PUD	Potential New Units	725

Housing Strategy

The former Hi Industrial property owned by the City Monroe is situated between Michigan Avenue and the Norfolk Southern (NS) and Canadian National (CN) rail lines. The property is relatively flat and has been farmed. This property could easily accommodate a residential mixed-use development. Due to the number of residential units within a ½ mile walking distance, the site could also accommodate a small neighborhood retail hub.

Site Map



H. MASON RUN

Parcel Number(s)	59-01788-908, 59-01788-909, 59-01788-910	Acreage	13.45
Zoning	PUD	Potential New Units	70

Housing Strategy

Recommend continuation of the Mason Run development utilizing the recently revised Mason Run Pattern Book 2.0. Based on an analysis of taxable valuation per square foot, this residential development generates some of the highest valuations in the City.

Site Map



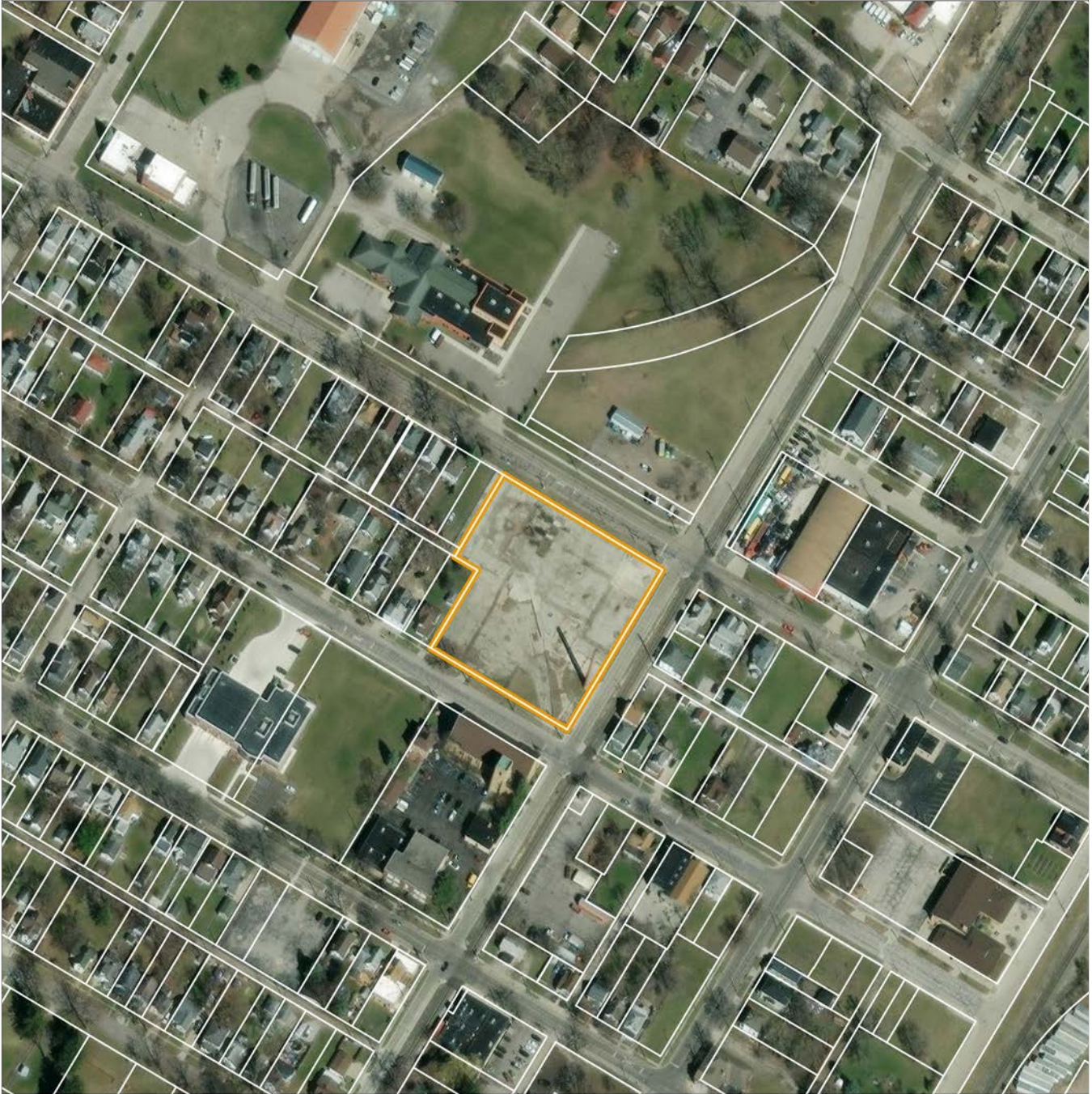
I. FORMER MAECO SITE

Parcel Number(s)	49-00066-000	Acreage	1.83
Zoning	MU-1	Potential New Units	40

Housing Strategy

The City zoning code has already determined that this site should have multiple dwellings. It is a brownfield site and is across the street from a rail line, which presents some redevelopment challenges. This property is also identified within the redevelopment area #12 in the Community Master Plan.

Site Map



J. FORMER DPS YARD

Parcel Number(s)	49-01347-000	Acreage	4.96
Zoning	R-3	Potential New Units	7

Housing Strategy

This property is owned by the City of Monroe, and is likely a brownfield due to its former use as the service yard for the Department of Public Services. Suggested reuse would be to develop small lot single-family homes along Winchester Street and leave a significant buffer along the west property line adjacent to the rail line. In addition, open space should be preserved along Plum Creek which was part of the 1813 Battle of River Raisin.

Site Map



K. NAVARRE FIELD

Parcel Number(s)	39-00090-000	Acreage	10.48
Zoning	PROS	Potential New Units	45

Housing Strategy

Redevelopment of the Monroe Public School Navarre Field property into single-family and two-family homes as an extension of the Custer, Scott and Laplaisance residential neighborhoods. The site could qualify as a brownfield under the amended legislation if a portion of the homes were available for households within the 80% to 120% area median income range.

Site Map



L. FORMER CENTRAL FIRE STATION

Parcel Number(s)	39-00497-000	Acreage	1.04
Zoning	MU-2	Potential New Units	8

Housing Strategy

This property is owned by the City of Monroe and zoned for a planned unit development. The former Central Fire Station has been demolished and the site is redevelopment ready. Initial concepts envision the installation of attached townhouses. If the adjacent property, owned by Monroe County, is included in the redevelopment, the number of units would be increased. The site is adjacent to and walking distance from Downtown Monroe.

Site Map



M. DOWNTOWN MONROE

Parcel Number(s)	Varied	Acreage	Varied
Zoning	Varied	Potential New Units	150

Housing Strategy

The housing strategy for downtown Monroe is focused on the continued redevelopment of upper-story space for residential apartments or condominiums. The City's Downtown Development Authority has funding available for exterior improvements, and the City has used the Obsolete Property Rehabilitation Act (OPRA), where applicable, to offer tax incentives to accomplish this conversion.



N. AMENDT MILLING

Parcel Number(s)	29-00238-000	Acreage	3.64
Zoning	CBD	Potential New Units	40

Housing Strategy

The former Amendt Milling property has undergone numerous owners over the past decades. The property is relatively large and adjacent to downtown Monroe. In addition, the property will be accessible to a new shared pathway, which is being constructed along the former Michigan Southern Railroad line on the south boundary of the property. When no longer utilized for milling, the property should be redeveloped as a mixed-use development.

Site Map



O. HOFFMAN PARK

Parcel Number(s)	19-00926-000	Acreage	4.7
Zoning	R-2	Potential New Units	12

Housing Strategy

The park is owned by the City of Monroe and can easily be redeveloped as a small, single-family development. Using Jenni Place and Huron Street as access points, the site can accommodate a small neighborhood tot lot and upwards of twelve single-family homes.

Site Map



P. WINSTON COURT PARK

Parcel Number(s)	19-00274-116	Acreage	0.43
Zoning	R-3	Potential New Units	1

Housing Strategy

This site was the former Winston Court tot lot decommissioned by the City. The play equipment has been removed, and the site can accommodate one single-family home with access from the existing cul-de-sac.

Site Map



Q. ST. MARY ACADEMY

Parcel Number(s)	55-69-01502-000	Acreage	Building
Zoning	PUD	Potential New Units	100+

Housing Strategy

This site is the former St. Mary Academy property owned by the Sisters of the Immaculate Heart of Mary (IHM). The St. Mary Academy building was designed by the Indianapolis architectural firm of D.A. Bohlen & Son. The building is Gothic in style, made of soft-tone variegated brick with stone trim. It consists of a central tower with five-story wings radiating outward. The property was used as a Catholic boarding school for women until it closed when St. Mary Academy (Girls High School) and Monroe Catholic Central (boys High School) merged to form St. Mary Catholic Central with the combined high using the former Monroe Catholic Central building on West Elm adjacent St. Mary Church.

Site Map (Building)



A PUBLIC POLICY FOCUSED ON REDEVELOPMENT

Monroe Public School Properties

Many of the redevelopment sites outlined in the inventory are owned by the City of Monroe and Monroe Public Schools. Fundamentally, these properties are owned by the city's taxpayers and under the stewardship and care of both units of government. This is an important concept in regard to the transformation of public-owned property. Since Monroe Public School District does not have access to a myriad of grants and incentive programs, it makes sense for the school district to partner with the city on their redevelopment. Acquisition of the property should not be a consideration. Remember, the taxpayers already bought the property, so it does not make sense for the taxpayers to buy the same property they already own. The benefit in redevelopment to both parties should be the focus of the redevelopment effort. Successful redevelopment of school-owned property by the city provides additional tax revenue and school enrollment to the school district. In 2023-24 the per pupil state contribution to the school district is \$9,608.00. Some of the potential redevelopment sites could easily increase K-12 enrollment for the school district. On the other hand, if the properties remain vacant and undeveloped the school district receives zero in tax revenue and zero in K-12 per pupil contribution.

City Properties

City-owned properties offered for redevelopment should be viewed as a contribution to public equity. The price to develop residential land averages 15% to 25%, depending on local market conditions. Offering the property as an incentive can reduce

the finished price point of the housing product, which, in turn, opens the market to more buyers. Further, city-owned property is currently tax-exempt, which doesn't generate additional tax revenue but requires some public expenditure to maintain the property in a reasonable condition. Development agreements with reversion clauses can protect the City from developers who plan to develop the property but do not follow through on its execution.

New housing also brings with it disposable income to the local market. Retail and restaurant depend on "rooftops" for customer traffic and sales. Introducing new housing units into the market not only provides additional taxable value but also adds local wealth. For example, a walkable housing development adjacent to the downtown area will help local revitalization efforts. In a study published by the State of Virginia, entitled *The Effects of Housing on the Local Economy* noted:

The major housing impacts that economists typically quantify are jobs, spending, and tax revenue. For housing, these impacts occur in two phases: when the housing is constructed and during occupancy.

Jobs created include the construction workers who are building the structure as well as workers in their firms who support them.

Ripple effects are comprised of building material suppliers.

The household income of all housing residents contributes to the economic activity when households spend their disposable income on items such as food, clothing, transportation, and health care.

EXAMPLES – OTHER LOCAL INITIATIVES

East Jordan, Michigan

The City of East Jordan owns a 35-acre parcel on the south portion of the City adjacent to its planned industrial park. They are proposing to offer the project through a Request for Qualification to a developer to build a mix of housing types: large lot rural estate, small lot suburban, and cottage courts. The City will extend water and sewer into the development and plan to use state and local incentives to reduce the development costs so families can afford the new housing.



City of Traverse City, Michigan

The City's 2024 Community Master Plan suggests the repurposing of the City of Traverse City's in-town football field into a mixed-use development with a focus on creating a walkable neighborhood.





06

Action Plan

PURPOSE AND METHODOLOGY

Informed by the housing and socioeconomic research and analysis, the following chapter outlines recommendations for where the City of Monroe should focus planning and policy resources in order to incentivize housing development and rehabilitation. The team reviewed key data points and trends in Monroe to identify the City's competitive advantages and most urgent housing challenges. This led to identifying three housing goals that should guide future policy and investment.

The team then conducted research to identify new and existing incentive and funding programs at the local, state, and federal levels that can be leveraged to help Monroe achieve housing goals. In addition, case studies from neighboring cities and cities of similar size and socioeconomic conditions were reviewed to tactically demonstrate creative housing solutions that can be implemented or replicated in the City of Monroe. The following recommendations are directly tied to the City of Monroe's broader objectives to encourage sustainable growth and to continue as an affordable, vibrant community for both long-term and new residents.

Detailed information is in Table 8, Housing Incentivizing Tools and Strategies.

KEY TAKEAWAYS: MONROE'S COMPETITIVE ADVANTAGES AND POTENTIAL CHALLENGES

A. Monroe remains a relatively affordable place to live with diverse housing options as compared to its neighbors.

Key Data Points:

- » Monroe's median 2021 rent across all unit sizes was \$782, less than the median rent in Monroe County (\$901), the Detroit Combined Statistical Area (\$1,013), and the State of Michigan (\$946). (American Community Survey 5-Year Estimates, Table DP04: Selected Housing Characteristics)

- » Monroe has a notably older housing stock, with 72% of buildings having been built before 1970 and 33% built before 1940. (American Community Survey 5-Year Estimates, Table DP04: Selected Housing Characteristics)
- » There is a lot of deferred maintenance on existing affordable housing. Since low-income residents often struggle to afford regular maintenance, many of these properties are being sold to investors. (Stakeholder Interviews)

Housing Challenges: The older housing stock has fallen into disrepair, which puts further pressure on the existing market. The naturally occurring affordable housing is not quality housing, and there are few opportunities for low-income homeowner investment.

B. Monroe is well positioned between two major MSAs, which has allowed the overall population and demand for homeownership to remain steady.

Key Data Points:

- » There has been little recent development in Monroe, with only 25 new residential permits issued since 2010. (SEMCOG, Community Profiles)
- » Despite stable population numbers, demand for homes in Monroe remains strong. Single-family homes and low-density multi-family options (e.g., duplexes) are high in demand. The housing inventory is near the lowest it's been since the turn of the century, with homes that do go up for sale remaining on the market for just 17 days on average. (Stakeholder Interviews)

Housing Challenges: Monroe's population is aging, and those looking to remain in Monroe will often stay in their larger single-family homes simply because smaller options are not available. This withholds supply from individuals and families who are looking to grow in or relocate to Monroe. If affordable options are not available, it is likely those residents would go elsewhere.

C. Monroe boasts a walkable downtown core that can handle mixed-use development.

Key Data Points:

- » Monroe is relatively more walkable than its surrounding cities, and young families in the city want access to downtown amenities. (Stakeholder Interviews)

Housing Challenges: The City has struggled to support businesses in the downtown core, and potential new residents are likely to consider quality of life and walkability when making housing choices.

D. Monroe has competent, helpful City staff and a relatively easy permitting and development process.

Key Data Points:

- » The City of Monroe is easy to work with; Monroe' permitting process is relatively simple in comparison with surrounding municipalities. (Stakeholder Interviews)

Housing Challenges: This information would only be known to people who have already worked with the City, meaning that new residents or developers might not be aware of this advantage.

GOAL 1: Provide opportunities for homeowners or new buyers to make necessary repairs to buildings in poor condition.

Tools and Strategies

- » Create a vacant property and property in disrepair inventory. Prioritize areas with highest need and potential. See Map 9.
- » Create local low-interest loans and/or grant programs for homeowners, targeting the City's high priority properties in disrepair.

Case Study: West Orange Homeowners Rehabilitation Program: 0% interest loans of up to \$25,000 for low- and moderate-income homeowners to support home repair and improvement costs.

- » Explore the opportunity to take advantage of new or existing tax programs, such as TIFs, to target distressed properties.

Case Study: MSHDA Housing Tax Increment Financing (TIF) program: allows tax revenues captured through local brownfield redevelopment authorities to fund affordable housing costs.

- » Partner with the Monroe County Land Bank or other Acquisition and Preservation Fund to acquire land and highly distressed properties and to eventually turn them over to homeowners/developers

Case Study: Detroit Land Bank Authority: acquires and disposes of property in order to provide affordable ownership opportunities. Has also instituted a "compliance program," requiring renovation and occupancy to improve neighborhoods.

GOAL 2: Encourage the development and financing of smaller homes, including single-family and medium-density typologies such as townhomes or duplexes.

This will provide more affordable housing options to both retain existing and aging Monroe residents, and attract new individuals and families.

Tools and Strategies

- » Establish a micro or low-interest loan program for appraisal gap financing for homes under a certain value.

Case Study: Michigan's Gap Financing Program: provides various tiers of gap financing to generate statewide ownership and rental housing production, targeting lower income households.

Case Study: Louisville MicroMortgage Marketplace: creates mortgage opportunities for homes under \$100,000. Research from the Urban Institute suggests that traditional lenders often don't offer low-value mortgages that can cover affordable properties in this price range.

- » Consider affordable zoning incentives (increased floor area, zoning waivers) or a PILOT program (reduction in taxes) to further encourage smaller, lower-priced housing that the existing market is not providing.

Case Study: City of Lansing PILOTS for Housing Program: an investment negotiation between the City of Lansing and a developer of multi-unit housing. The PILOT replaces a traditional property tax assessment with a limited and/or deferred payment.

- » Develop educational material on "new homeownership" and "aging in place" to target the two critical demographic shifts.

Case Study: Michigan's Home Loan and Mortgage Credit Certificate Program: existing housing assistance programs available for lower-income and first-time owners. Home Loan program issues down payment loans up to \$10,000 but limits resale price. Credit Certificate Program issues a federal tax credit to first-time homebuyers statewide and repeat homebuyers in targeted areas.



Tree-lined residential street in Monroe.

GOAL 3: Focus on modest increases in density around the downtown core.

Encourage public realm improvements that promote walkability and a mixed-use district.

Tools and Strategies

- » Expand Multi-Family (RM) and Residential Mixed District (RMD) zoning in areas around Downtown. Adjust existing residential zoning in more central areas to allow for higher density without height increases (smaller unit sizes, lower lot minimums, or higher lot coverage). See Map 10.

Case Study: Bastrop Building Block Code (Bastrop, Texas): Overhauled the small city's traditional zoning ordinance to create broader zoning guidelines based on neighborhood character, rather than enforcing specific building form requirements or strict use divisions. Also allowed ADUs by-right on residential lots and took steps to modernize the City's grid and infrastructure piece-by-piece as new development took place.

- » Seek State or Federal funding opportunities to support land use actions to encourage housing..

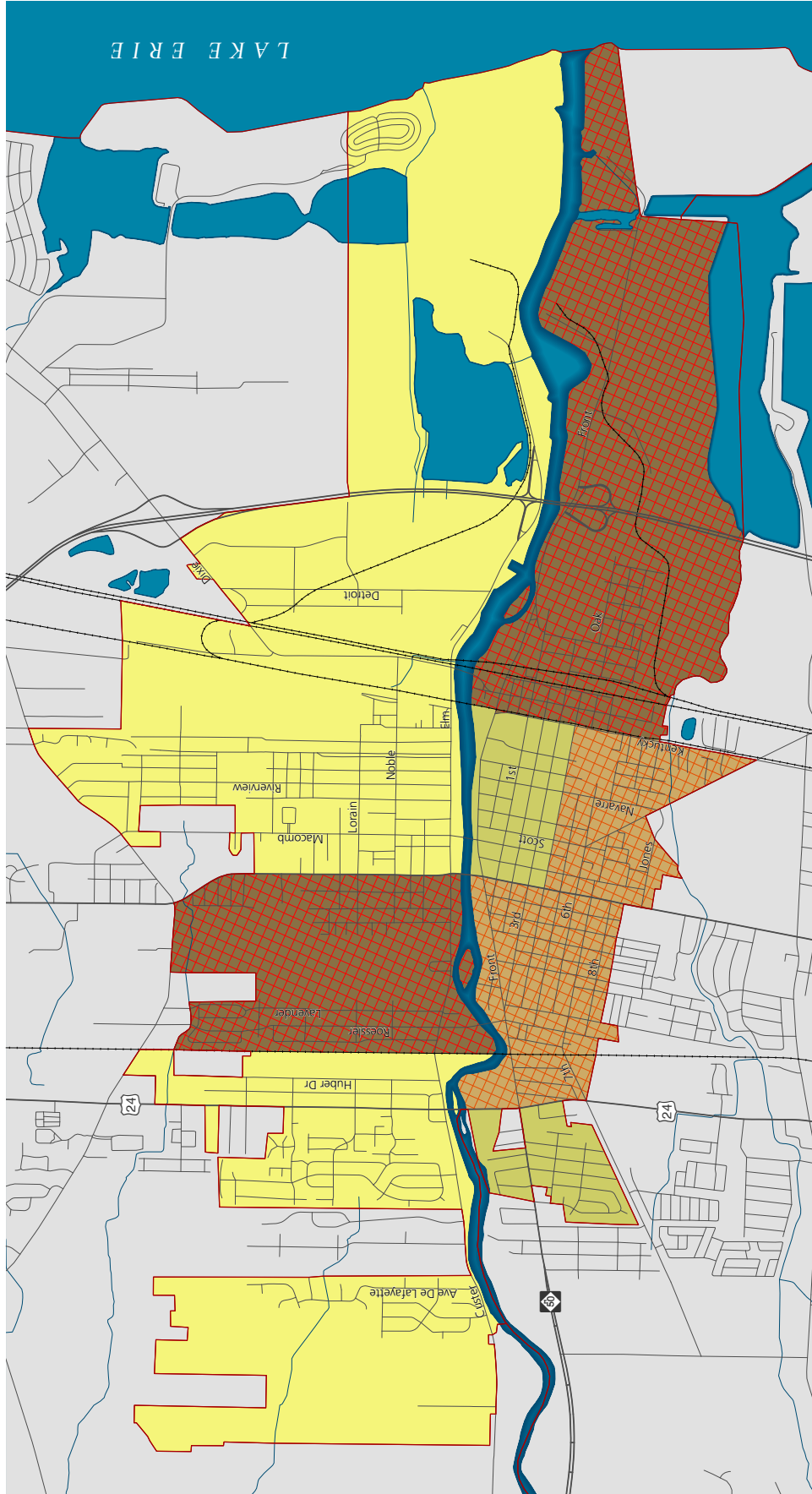
Case Study: Michigan's Housing Readiness Incentive Grant Program: grant is meant to support cities, villages, and townships in adopting or eliminating rules and regulations to encourage building more housing and making housing more affordable.

- » City to conduct outreach and education for frequent Monroe developers to walk through more permissive zoning and development opportunities.



Newly Renovated Father Cairn's Park located in southwest Monroe at the intersection of Union and Eighth Streets

Map 10: Priority Census Tracts for Home Repair Investments



Priority Census Tracts for Home Repair Investments

Sources: Michigan Open Data Portal, City of Monroe, United States Census Bureau, Karp Strategies

% of Homes with 1+ Planning Problems*

- 22.3% - 28.9%
- 29.0% - 35.3%
- 35.4% - 38.8%
- 38.9% - 45.2%

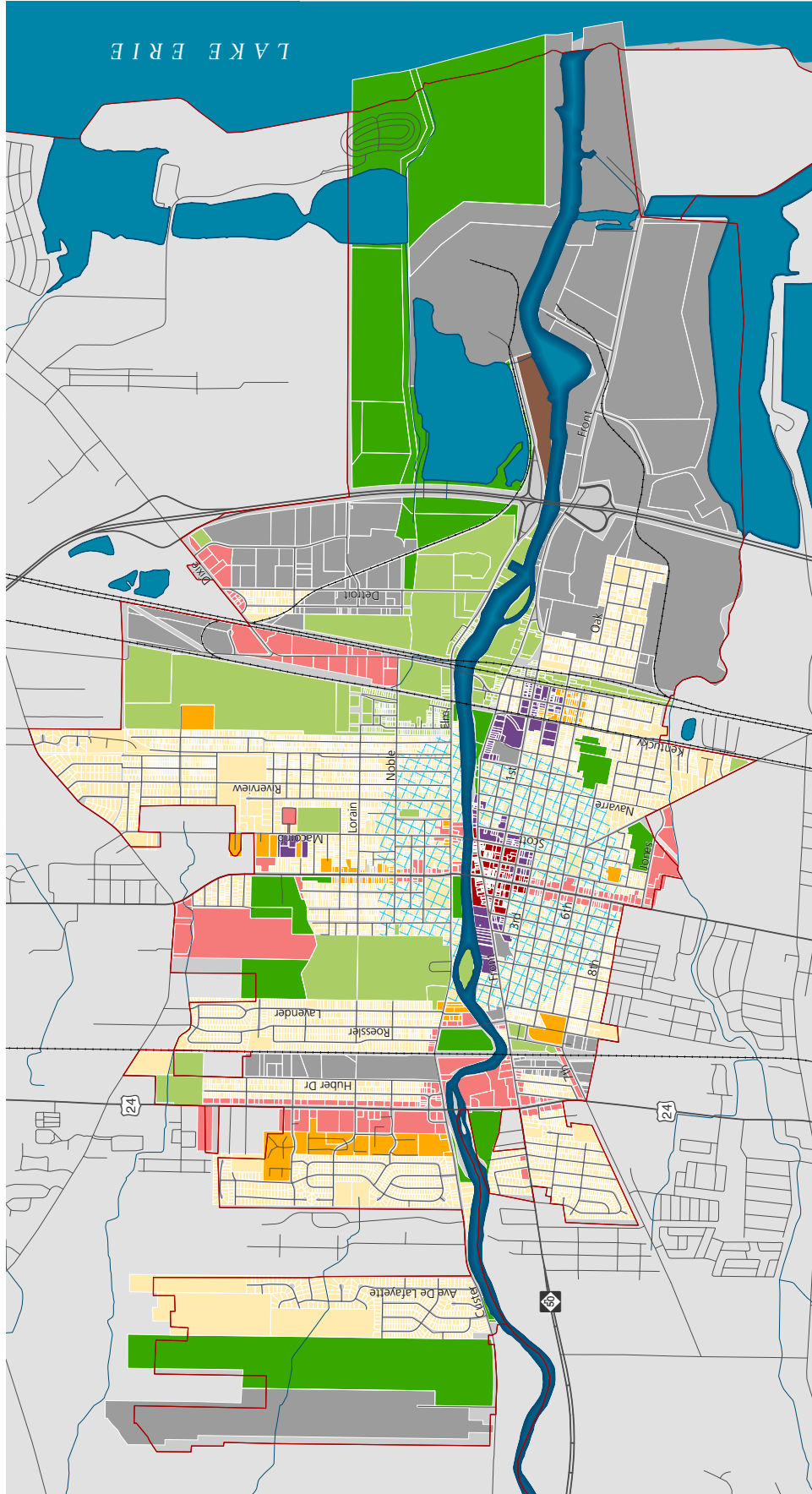
Area for Home Repair Investment

*Housing problems are defined by the U.S. Census as:

- Lacks Kitchen Facilities
- Lacks Plumbing Facilities
- More than One Occupant per Room
- Monthly Costs greater than 30% of household income



Map 11: Target Parcels for Expanding Multi-family and Mixed-Use



Target Parcels for Expanding Multi-Family and Mixed-Use

Sources: Michigan Open Data Portal, City of Monroe

Zoning Districts Condensed

- Single Family Residential
- Multi Family Residential
- Mobile Home Residential
- Commercial
- Downtown
- Mixed-use
- Industrial
- Open Space
- Special District

- Target Parcel
(Zoned R-1, R-2, or R-3 and within 10-min walk of Downtown)





Multi-family housing in Monroe.

FOCUSED INITIATIVES

There is a more robust list of potential strategies in the table titled, “Additional Housing-Related Resources;” however, the following section details several focus initiatives that have the greatest potential for impact.

Historic Preservation and Districts

Monroe is Michigan’s 3rd oldest community and has an abundance of historic buildings, structures, and sites that define its identity and character. As early as 1901, information on historic buildings was compiled. In 1978, the City completed a comprehensive historic survey that identified 3,352 buildings and structures and nearly 100 sites pre-dating 1930. In 1998, three nationally recognized historic districts were established, including its central business district. Other historic areas encompass a War of 1812 Battlefield, sacred places, monuments, cemeteries, and cultural landscapes such as those from Monroe’s French Colonial Period.¹

Unlike many Michigan communities which may have an enclave of historic structures, the City is

fortunate to have thousands of eligible historic properties. This abundance of historic structures has, to some degree, devalued their existence. Over the years, some impressive architectural and historic buildings have been demolished to accommodate new developments or parking lots. Many others have been covered in aluminum and vinyl siding, or inappropriately “modernized.”

Today, Monroe has three National Register of Historic Places districts which include the following:

East Elm-North Macomb Street Historic District

Consisting of large houses that date back to the 1820s, the area is well known for its wide mixture of Greek Revival, Federal, Second Empire, and Victorian architecture. Some of Monroe’s most significant residents, such as Robert McClelland (former Michigan Governor and U.S. Secretary of the Interior), have resided in this area. Today, these grandiose dwellings are privately owned and are among the largest in Monroe. This district comprises approximately 0.75 square miles bordering the River Raisin on the south and North Monroe Street (M-125) on the west. The district extends north to East Lorain Street and east to

North Macomb Street. Streets within the district also include Tremont, East Willow, East Vine, East Noble, Gee, Sackett, and Glendale.²

Old Village Historic District

This district centers around Front Street and Monroe Street (M-125) and extends several blocks in the downtown area and surrounding residential neighborhoods. Some of the buildings date back as early as 1830, and various retail businesses and apartments now own these buildings. The outer areas of this district include the courthouse (1880) and the city's first post office (1913), which is now a museum. The area is commonly referred to as the downtown area and is the oldest settled area in Monroe, dating back to 1817 when it was first platted. Some of the oldest surviving buildings in this district date back to 1830, and the district incorporates several different architectural styles. The stretch of the district that runs along M-125 is also designated as a Pure Michigan Byway.³

St. Mary's Church Complex Historic District

This complex is comprised of four main buildings: St. Mary Church, the rectory, St. Mary Catholic Central High School, and the former Brothers of Holy Cross Hall residence. The church itself dates back to 1788 and is one of the oldest Catholic parishes still in operation, while the current church building dates back to 1835 and is renowned for its Gothic Revival architecture. The church continues to be one of the most important religious institutions in Monroe.

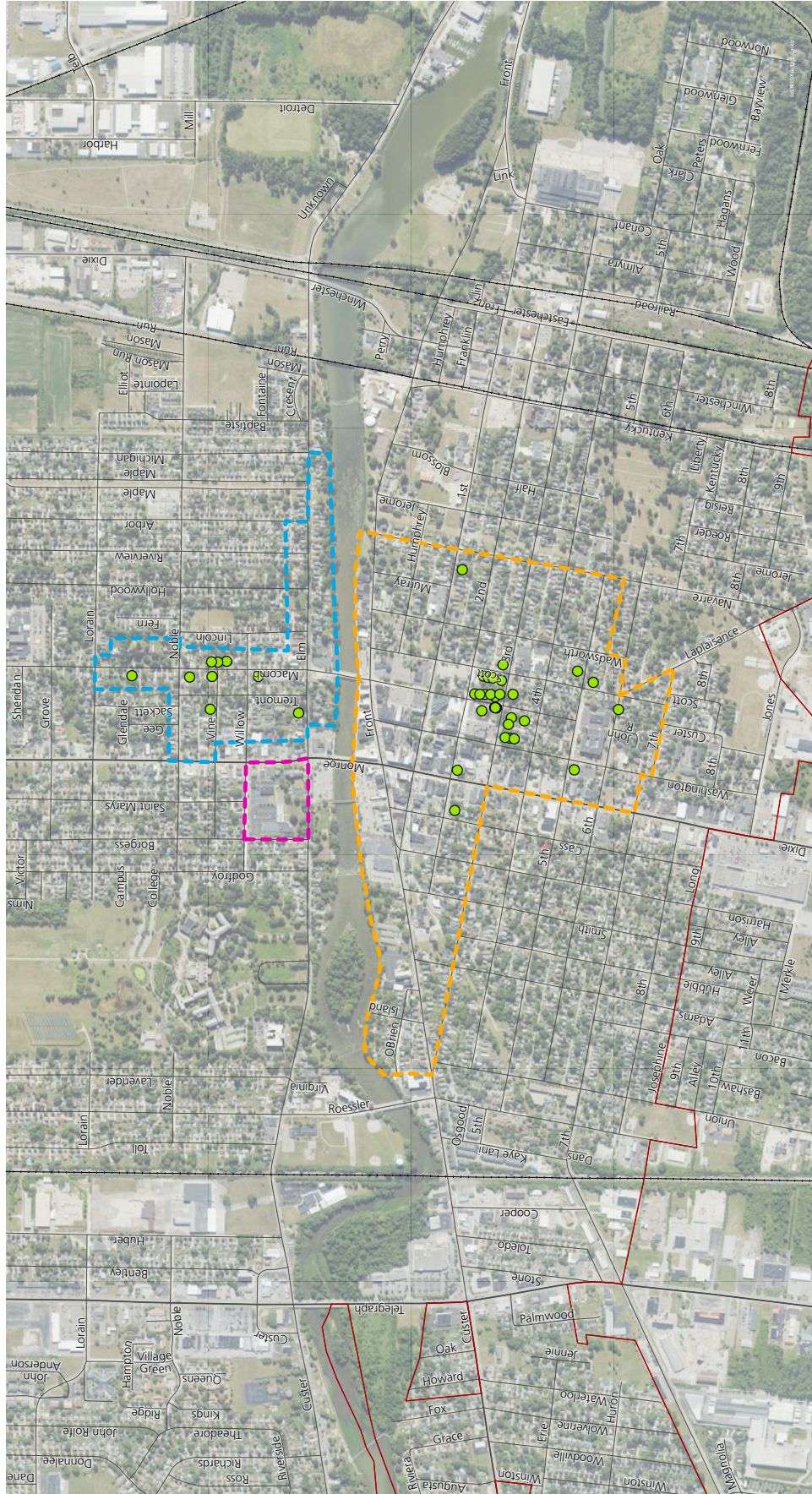
Other notable historic sites that are not in a district include the George Armstrong Custer Equestrian Statute, former Hall of Divine Child, Rudolph Nims House (206 W. Nobel Avenue), River Raisin Battlefield Site, St. Mary's Academy, Sawyer House, and Weis Manufacturing (Woodcraft Square).

In addition to these historic resources, the City has 36 individual local historic district properties that are subject to review by the Monroe Historic District Commission.

Table 9: Local Historic Properties in Monroe

North of the River	South of the River
<ul style="list-style-type: none"> » 303 North Macomb Street - The Harry S. Stoddard House » 325 North Macomb Street - C.B. Stoddard House » 143 North Macomb Street » 218 North Macomb Street » 226 North Macomb Street » 47 East Elm Avenue - The McClelland House » 302 North Macomb Street - Horen House » 443 North Macomb Street - (William G.) Ross House » 49 East Vine Street - Cicotte House 	<ul style="list-style-type: none"> » 221 South Macomb - Orvis House » 226 Scott Street - Zeh/Gutmann/Wagner House » 11 South Macomb Street- Adams/Clark/Wagner House 307 Washington Street - Gilday House No.2 » 208 Scott Street - Sprague House » 201 South Macomb Street » 207 South Macomb Street » 217 South Macomb Street » 306 South Macomb Street » 303 Washington Street » 311 Washington Street » 516 East First Street » 118 East Third Street » 205 East Third Street » 210 East Third Street » 304 East Fifth Street » 309 East Fifth Street » 212 Scott Street » 218 Scott Street » 225 Scott Street » 320 South Macomb Street - Merz House » 22 East Second Street - Johnson - Phinney House » 323 East Sixth Street - Salow House » 212-214-216-218 S. Macomb Street - Waldorf House » 220 South Macomb Street - Schmidt House » 203 Cass Street - Meier House » 504 Washington Street

Map 12: Historic Assets



0.15 Miles
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Historic Assets

Sources: Michigan Open Data Portal, City of Monroe

- Historic Asset
- ▭ E. Elm and N. Macomb St Historic District
- ▭ St. Mary's Church Campus
- ▭ Old Village Plat Historic District

In 2016, the Michigan State Housing Development Authority funded and published a study entitled “Local Historic Districts and Property Values in Michigan Neighborhoods.” Hedonic regression models were estimated and tested for each community to determine the actual value of local historic district designations and how they contribute to property values in the area.⁴ The communities evaluated included Grand Rapids, Ann Arbor, and Kalamazoo. The report findings included the following:

- » In all communities and time periods studied, the property values in designated historic districts were higher than comparable non-designated areas of the same community, regardless of whether the overall values were stable, increasing, or decreasing.
- » In communities and time periods where there was an overall increase in property values, the homes in the designated historic districts generally increased at nearly the same or better rates than the comparable non-designated areas.
- » In communities and time periods where there was an overall decrease in property values, homes in designated historic districts still fared better. While the rate of decreasing values was inconsistent between designated historic areas and non-designated neighborhoods, the actual property values of homes in designated historic districts always remained higher than those in non-designated neighborhoods.

Historic properties are not only sought after in many communities but also command a higher value than non-historic parcels, as noted in the narrative. In a study of historic properties conducted in three slow-growth central cities (like Monroe) and three fast-growth central cities, results indicated that a local historic designation was associated with higher property values in all six central cities. In addition, the positive appreciation

effects of local historic designation in slow-growth central cities were higher than fast-growth central cities by 7.7%, suggesting that historic designation has a role to play in urban revitalization for areas striving to improve property values despite slow population growth.⁵ A similar study conducted the Historic Landmarks Foundation of Indiana noted the following:

- » Historic districts often mirror the entire community in terms of their economic, educational, and racial diversity.
- » Historic districts promote increased levels of home ownership.
- » People moving into historic districts tend to be homeowners for extended periods which adds stability to the neighborhood.
- » Buyers who choose historic districts often have wider choices and get more house, dollar for dollar, for their money.⁶

Numerous studies point out that historic districts and designated properties can be used as a community stabilization and revitalization strategy. At the same time, these properties have the potential of appreciating in value more than other properties outside of the district. The same appreciation is evident in newer communities that have Homeowner Associations (HOA's) or condominium covenants, conditions, and restrictions (CC&R's). One review found that restrictive covenants (CC&R's) often benefit homeowners by limiting their exposure to negative externalities generated by nearby properties. This benefit tends to be capitalized into housing prices, with an observed price impact ranging from 2% to 17% in different market settings.⁷

Monroe's evolution as a mature “commuter” community of Detroit, Ann Arbor, and Toledo can certainly leverage the concentration of historic properties to its benefit, help stabilize certain neighborhoods, and increase property valuations.

Neighborhood Improvement Act

A seldom used neighborhood revitalization tool that is still available is the Neighborhood Improvement Act, PA 208 of 1949, which was amended as recently as 2007. This Public Act allows a municipality to designate a neighborhood(s) for targeted revitalization. The purposes of this act are to improve such areas by acquiring and developing properties within such areas for the protection of the health, safety, morals, and general welfare of the municipality; to preserve existing values of other properties within or adjacent to such areas; and to preserve the taxable value of the property within such areas.

Two factors used to identify neighborhoods that could benefit from the Act are the incidences of recorded blight complaints and the percentage of rental properties within the neighborhood's total housing stock. Blight citations issued in 2023 were mapped by address to determine any apparent areas of concentration in the City. Census tract 321 (precinct 1 and 2) was determined to have the highest geographic concentration of citations (see Map 12: Blight Citations). The percentage of rental properties has increased in many census tracts since 1970. Table 10 shows the percentage of rental properties by census tract and City voting precinct.

As noted in Table 10, census tract 319 (precinct 2) and census tract 321 (precinct 1 and 2) have the highest concentration of rental properties in the City. In fact, both census tracts are at a tipping point, sometimes referred to as an "incipient decline."

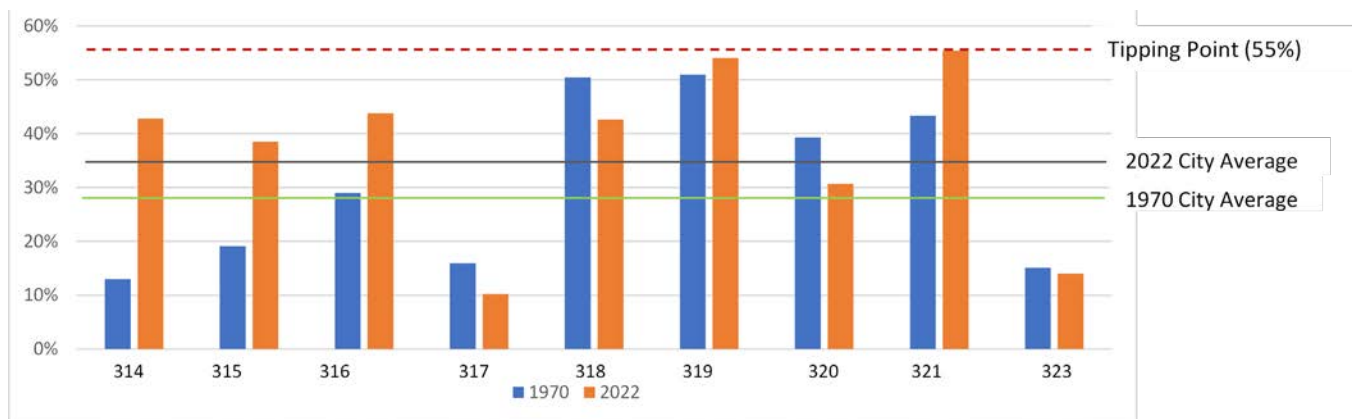
Table 10: Percent of Rental Properties by Census Tract and Precinct

Census Tract	Precinct	1970	2022	Trend
314	6	13%	43%	Increase
315	5	19%	38%	Increase
316	4	29%	44%	Increase
317	3N	16%	10%	Decrease
318	3S	50%	43%	Decrease
319	2	51%	54%	Increase
320	2	39%	31%	Decrease
321	2,1	43%	55%	Increase
323	1	15%	14%	Neutral

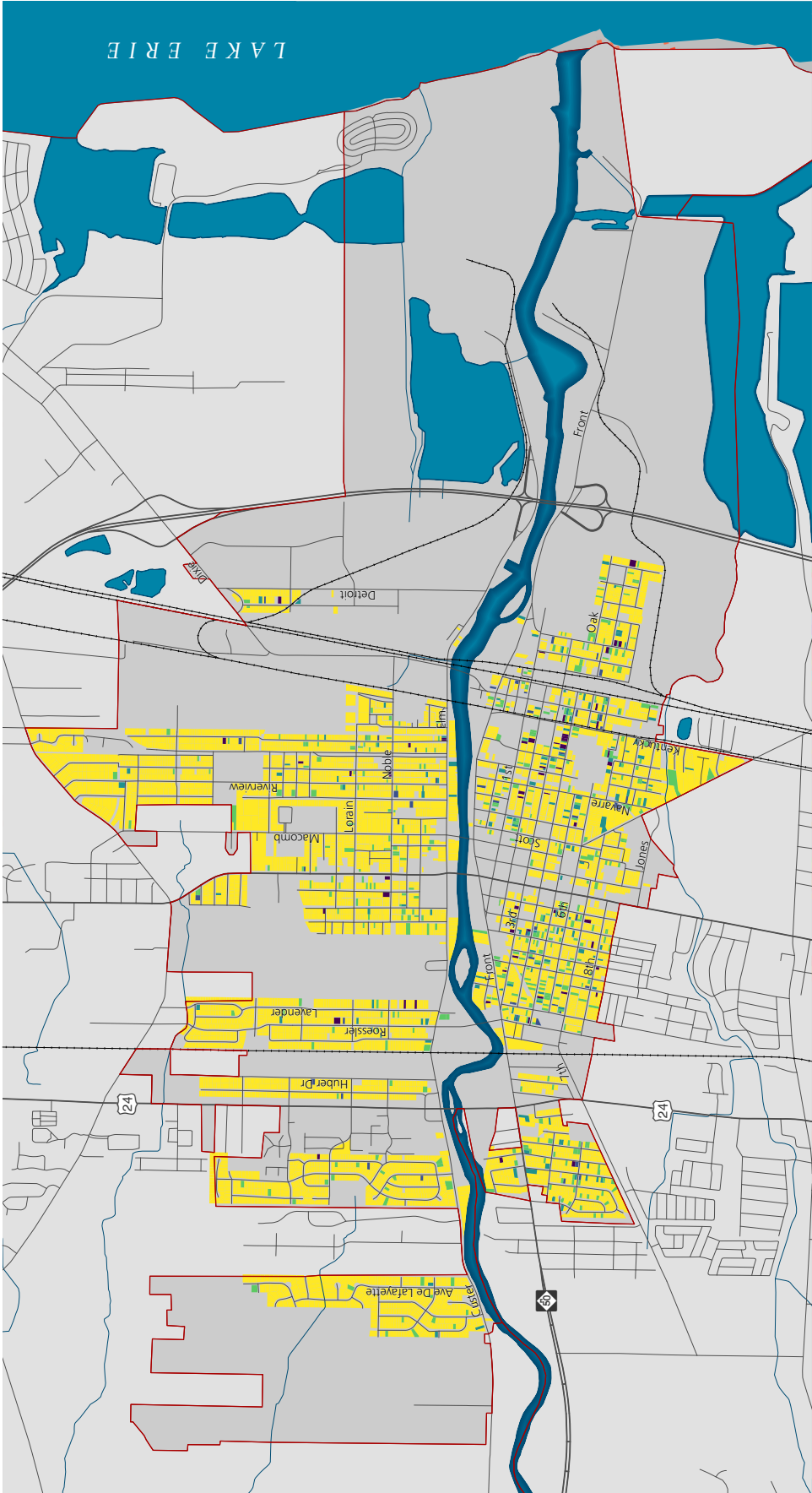
Census tract 318 (precinct 3S) observed a decline in renter properties between 1970 and 2022. This trend is partially due to the number of structures that have been demolished in this period as a result of neglect and dangerous building conditions. Census tract 317 (precinct 3N) noted a decline in rental properties as well which has contributed to a number of new owner-occupied homes built in the early 2000s at Mason Run.

Based on the concentration of blight citations and the high percentage of rental properties, census tract 321 (precincts 1 and 2) would be a likely candidate for the Neighborhood Improvement Act.

Figure 15: Percent of Renter-Occupied Units by Census Tract



Map 13: Blight Citations



0.4 Miles
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Blight Citations

Sources: Michigan Open Data Portal, City of Monroe

- 0 Citations (4 points)
- 1 Citation (3 points)
- 2 Citations (2 points)
- 3 Citations (1 point)
- 4+ Citations (0 points)

The key funding aspect of the legislation is the use of a special assessment district. Within this district, properties pay an annual assessment fee to improve the neighborhood based on recommendations of a neighborhood “betterment plan,” approved by the Planning Commission.

The Act also authorizes cities to designate neighborhood areas for the purpose of planning and carrying out local public improvements. Focus areas of these improvements include:

1. Prevention of blight within neighborhood areas and the authorization of assistance to carry out plans for local improvements by the acquisition and disposal of real property in such areas;
2. Combination of neighborhood improvements that benefit the entire neighborhood into one improvement project;
3. Establishment of local assessment districts coterminous with the neighborhood boundaries to prescribe the methods of financing the exercise of these powers, and to declare the effect of this act.
4. The Act also provides examples of potential projects that can be implemented in pursuit of the previously described public improvement areas. These projects include:
 - » Partial or total vacation of plats, or replatting.
 - » Opening, widening, straightening, extending, vacating or closing streets, alleys or walkways.
 - » Locating or relocating water mains, sewers, or other public utilities.
 - » Paving streets, alleys or sidewalks in special situations.
 - » Acquiring parks, playgrounds, or other recreational areas or facilities.
 - » Eliminating nonconforming uses.
 - » Rehabilitating blighted areas;
 - » Planting street tree and providing green belts, buffer strips. and other appropriate public improvements.
 - » Relocating families who will be displaced from the area in decent, safe and sanitary dwelling accommodations.

Residential Housing Facilities Act

The Residential Housing Facilities Act (Act 237 of 2022) provides a tax incentive to owners of rental housing properties with more than four units that enables the renovation and expansion of aging facilities as well as assistance in building new facilities.

In providing this support to rental housing owners, the complete provisions of this Act include the establishment of residential housing districts in certain local governmental units; the exemption from certain taxes; the levy, collection, and disposition of a specific tax upon the owners of certain qualified residential facilities; the acquisition and transfer of an exemption certificate and prescription of the contents of those certificates; the prescription of the powers and duties of certain state and local governmental officials; and to provision of penalties.

Several redevelopment sites that may benefit from this program, include the former MAECO site at First and Kentucky and undeveloped property behind the IHM Motherhouse and nursing facility.

Brownfield Redevelopment Authority

The City of Monroe has a long, successful track record of utilizing Public Act 381 of 1996, the Brownfield Redevelopment Authority Act, to assist with the redevelopment and reuse of underutilized properties in the City. Notable brownfield projects within the City include the redevelopment of the former La-Z-Boy headquarters site mixed-use development, Townhomes on Front housing development, Mason Run single-family development, and projects at the Port of Monroe. The Act was recently amended to include housing-related activities that include:

1. Housing development activities.
2. Infrastructure improvements that are necessary for housing property and that support housing development activities.
3. Site preparation that is not a response activity and that supports housing development activities.

Potential redevelopment projects that could benefit from this legislation include the redevelopment of the former Christiancy school property, the Navarre Field, and the redevelopment of the former Hi Industrial property.

Neighborhood Enterprise Zone (NEZ) Act

The Neighborhood Enterprise Zone Act (Act 147 of 1992) enables the development and rehabilitation of residential housing through the creation of neighborhood enterprise zones within eligible distressed communities. The Act both distributes and describes the content of neighborhood enterprise zone certificates for a defined period of time; enables the exemption of certain taxes; allows the levy and collection of a specific tax on the owner of certain facilities; and prescribes the powers and duties of certain officers of the state and local governmental units. Neighborhoods seeking to establish a NEZ must meet the following criteria:

1. Five (5) or more existing residential units per acre at the time of designation as the NEZ designation encouraged compact development.
2. Located adjacent to existing development and, therefore, can utilize existing infrastructure and access to municipal water and sewer services on at least one (1) frontage.

The City has designated two NEZ districts. The first is bounded by Fifth Street, the south city limits, Union Street, and Adams Street. This district includes roughly six city blocks and is located in census tract 321 (precinct 1), the same area of the City's Neighborhood Improvement Act district. The second NEZ district is located east of Monroe Street and south of the River Raisin, and includes properties bounded by First Street, Fourth Street, Eastchester, and Macomb Street, and properties bounded by Washington, Wadsworth, First Street, and Seventh Street.

Pursuing the establishment of an additional NEZ north of River Raisin between Lorain, Elm, Riverview and Michigan Avenue will encourage revitalization of the immediate housing stock. Properties in these areas are eligible for tax certificates that include the following parameters:

- » An existing structure, purchased by or transferred to an owner after December 31, 1996, that has as its primary purpose residential housing consisting of 1 or 2 units, 1 of which is occupied by an owner as his or her principal residence.
- » A new structure or a portion of a new structure that has as its primary purpose residential housing consisting of 1 or 2 units, 1 of which is or will be occupied by an owner as his or her principal residence.

Community Development Block Grant (CDBG)

The last initiative focuses on the Community Development Block Grant program. Activities supported by these funds may address needs such as infrastructure, economic development projects, public facilities installation, community centers, housing rehabilitation, public services, clearance and acquisition, microenterprise assistance, code enforcement, and homeowner assistance.

The City has received an annual allocation of CDBG funds for several decades and has used the program to promote housing rehabilitation, code enforcement, and the delivery of social services. Over the years, the program has been used city-wide depending on need. It is recommended that CDBG funds be used in the future for city-wide



Single-family home in Monroe in the midst of renovation

code enforcement and targeted improvements to the housing and infrastructure of the Orchard East neighborhood as well as housing rehabilitation on West Third Street from Smith Street to Front Street.

Targeting funds to a designated neighborhood will have a positive impact on revitalization efforts that eventually encourage further reinvestment. A report released by the Federal Reserve Bank of Richmond noted that public and nonprofit sectors should target their resources to achieve a threshold level of improvement beyond which the private market can provide in the absence of subsidies.⁸

A local example of targeting public funds was the acquisition of properties adjacent to the Arthur Lesow Community Center building for the development of Labor Park. The funds were obtained through State of Michigan discretionary appropriation and will be used to expand the Arthur Lesow Community Center and add a new neighborhood library. This strategy of targeting public funds to redevelop a portion of the Orchard East neighborhood has created a neighborhood sense of place providing cultural, social, and educational opportunities.

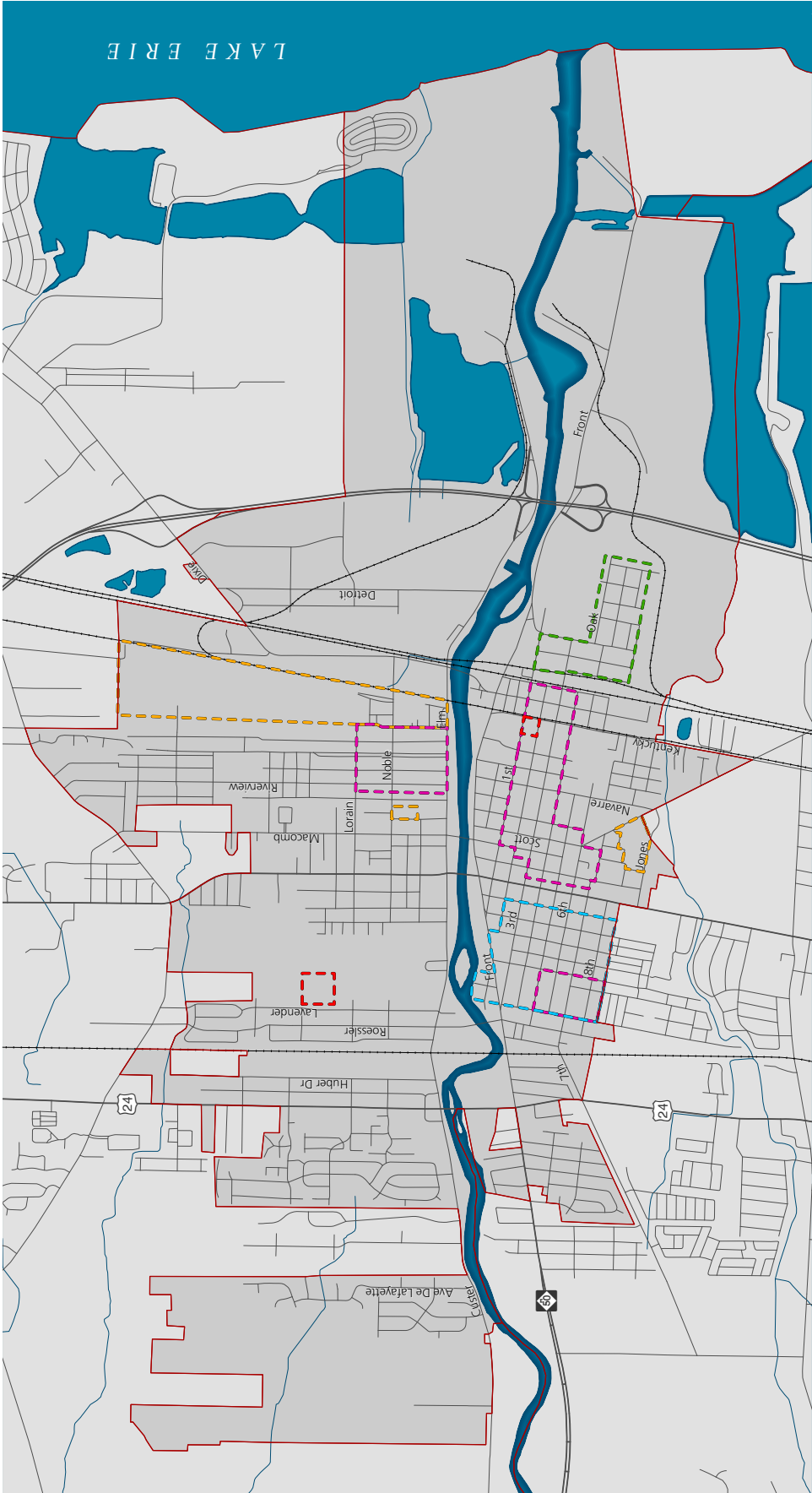
Local Capital Improvement Program (CIP)

The importance of using local capital improvement program funding should not get overlooked as an incentive that leverages neighborhood reinvestment. The City's CIP has invested millions of dollars into infrastructure and facility improvements throughout the community. Streets, water, sewer, parks, street trees, and equipment have been the recipient of these funds. CIP funds can be used to assist with the redevelopment of properties identified as potential housing sites and provide necessary public investment to encourage reinvestment, especially at the neighborhood level. These funds can leverage private investments by providing public infrastructure to reduce the (re)development costs associated with new housing construction, or providing funding for neighborhood enhancements (such as parks and trails) that enhance the attractiveness of a neighborhood, therefore leading to additional private reinvestment. Several recent CIP projects are examples of such investments. These include major storm sewer system improvements and street reconstruction in the Lavender, McCormick, Roessler and John L neighborhood as well as the redevelopment of Father Cairns Park in the City's southwest neighborhood of Union, Roessler, and Eight Streets. Both projects will have a positive impact on their respective neighborhoods.



Single-family housing development.






Map 14: Housing Strategies



0.4 Miles
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Housing Strategies

Sources: Michigan Open Data Portal, City of Monroe

-  Brownfield Redevelopment Act
-  CDBG Target Area
-  Neighborhood Enterprise Zone
-  Neighborhood Improvement Act
-  Residential Housing Facilities Act

FIVE-YEAR ACTION PLAN

This report has assessed Monroe’s housing, existing conditions, opportunities, barriers, and addressed goals, strategies and initiatives. The strategies and initiatives proposed by this plan will depend on administrative capacity and public policy. To address the capacity and public policy, a five-year action plan is outlined in this section, which builds off of the broad goals established at the beginning of this chapter. This five-year plan endeavors to create a realistic and achievable process to accomplish the tasks that are needed to improve Monroe’s existing housing stock and lay the foundation for new housing development.

Internal parties to effectuate the five-year action plan include the City administration and the City Council. The primary lead for the five-year action plan is the City’s Department of Community

and Economic Development which includes offices of community development, economic development, planning, zoning, building, and code enforcement. These are necessary local government functions that are normally associated with the implementation of housing initiatives. In Monroe, these functions are located within one department which enhances coordination and implementation.

The other important party needed to achieve results will be the elected officials, and in Monroe, this is the Mayor and City Council. Some of the actions needed to implement the five-year action plan will require City Council approval to ensure that funding is allocated and that legislation is adopted to exercise applicable State legislation.

External parties to the five-year action plan include the local board of Realtors®, local lenders, builders and developers, and residents.



Duplex in Monroe that fits in with the context of the surrounding neighborhood.

Table 11: Five-Year Action Plan

NEIGHBORHOOD IMPROVEMENT		
<p>A focused approach to neighborhood revitalization is needed to resolve instances of blight, address home and property disrepair, and reverse the high percentage of rental properties in certain areas of the City.</p>		
<p>Conduct an inventory to identify properties that are in the state of disrepair. Primary target areas would be census tract 318, 319, 320, and 321 (geographically from Roessler Street east to Norwood Drive).</p>	<p>C&ED Department; recommend using a summer intern(s) to conduct the survey</p>	<p>Summer 2024</p>
<p>Following the requirements in PA 208 of 1949 (the Neighborhood Improvement Act), prepare a neighborhood “betterment” plan for census tract 321. This should be done through the Citizen Planning Commission with representation from several neighborhood stakeholders. The information from the inventory provides the foundation for the plan.</p>	<p>C&ED Department and Citizen Planning Commission</p>	<p>Fall 2024</p>
<p>Subject to the outcome of the neighborhood “betterment” plan, begin the legislative process to enact a Neighborhood Improvement District for census tract 321 with the special assessment provision that will be used to fund revitalization improvements.</p>	<p>City Administration and City Council</p>	<p>Spring 2025</p>
<p>Initiate implementation of the census tract 321 plan focused on public realm improvements and targeted code enforcement using the International Property Maintenance Code.</p>	<p>C&ED Department</p>	<p>Begin Summer 2025</p>
<p>Initiate targeted code enforcement using the International Property Maintenance Code in census tracts 318, 319, and 320.</p>	<p>C&ED Department</p>	<p>Begin Spring 2026</p>
FINANCING		
<p>The availability of low interest financing will be critical to assist property owners with needed repairs that are identified through the targeted code enforcement program. Financing should be available only to property owners, not investors, and the rate of interest would be adjusted by household income.</p>		
<p>Collaborate with a FDIC local lender to provide an interest rate subsidy program using CDBG funds to fund the interest gap. The amount of the interest gap would be income based. The lender would provide the loan, and the CDBG program would cover the interest.</p>	<p>C&ED Department and Local Lender</p>	<p>Spring 2025</p>
ZONING		
<p>Revise the Zoning Ordinance to allow for several housing typologies that are either missing or that require special approval. Some of these housing typologies should be linked to neighborhood design guidelines or local historic districts so their inclusion does not negatively impact the context of the neighborhood. For example, Monroe has both traditional duplexes that fit in with the neighborhood (see photo previous page) and duplexes based on a “double-wide” manufactured housing format. The latter should not be allowed.</p>		
<p>Amend the zoning ordinance to refer to single-family zoning districts as Residential-Low Density, Residential-Medium Density, etc., and allow duplexes “by right” subject to meeting neighborhood design guidelines.</p>	<p>Citizen Planning Commission</p>	<p>Fall 2024</p>
<p>Amend the zoning ordinance to all triplex and quads in neighborhoods surrounding the downtown as a “special use” and subject to review by the Historic District Commission.</p>	<p>Citizen Planning Commission and Historic District Commission</p>	<p>2026</p>

Table 11: Five-Year Action Plan (Continued)

HISTORIC DISTRICTS		
The establishment of district-wide historic districts versus individual properties is crucial to protect the historic quality of the neighborhoods and increase taxable valuation for the City.		
Reactivate the Historic District Commission as an advocacy group and technical resource for property owners	C&ED Department, Historic District Commission, and Historic Preservation Consultant	2024
File with Monroe County Register of Deeds a notice of designation as a local historic district property for each of the 43 properties. This filing would be recorded for each property so that this declaration shows up on any title work during a potential sale.	City Attorney, Historic Preservation Consultant	2024
Convene neighborhood meetings in areas with a high concentration of locally designated historic properties to discuss inclusion as a cohesive district.	Historic District Commission and Historic Preservation Consultant	2024-2025
Re-establish local historic district(s). Distribute within the district(s) a pamphlet that explains procedures and outlines Federal and State tax incentives for either homeowners or owners of rental properties.	Historic District Commission, and Historic Preservation Consultant	2025
MONROE HOUSING FORUM		
Housing is a community-wide issue that affects the public, private, and non-profit sectors. In an effort to focus attention on the housing issue, it is recommended that the City convene a forum that meets quarterly to discuss housing-related issues with a focus on implementing the five-year action plan. Members would include representatives from Monroe Public Schools, County of Monroe (Land Bank), Board of Realtors®, Home Builders Association, Lending Institutions, Monroe County Landlord Association, Monroe Housing Commission, and United Way.		
Establish the Housing Forum.	C&ED Department	2025
REDEVELOPMENT		
The plan identified a number of potential redevelopment sites for new housing development. Each of the sites are unique and can support a variety of housing typologies. (Reference the Missing Middle graphic on page 39) Procurement of a builder or developer will be determined by the scale of the development. For example, sites O and P could be accomplished by a builder. Larger sites, such as, sites A, B, G and K may need the services of a developer.		
Builder-appropriate sites. Compile a brochure that outlines each of the properties, utility availability, city incentives available (if any), purchase price, and other requirements. Provide a broker-protected commission if a local real estate agency is used to solicit a builder.	C&ED Department	2024
Developer-appropriate sites. For large sites, coordinate with a design forum with adjacent neighborhoods to determine the scale, density, and housing typologies that are most acceptable. This design would be used in a solicitation Request for Qualifications (RFQ). The RFQ would include the scope of the project, acceptable housing typologies, availability of utilities, any public investment, incentives available, and purchase price parameters.	C&ED Department, Citizen Planning Commission, and Consultant	2024-2028

Table 11: Five-Year Action Plan (Continued)

NEIGHBORHOOD ENTERPRISE ZONE		
<p>The City established two Neighborhood Enterprise Zones (NEZs) for two neighborhoods south of the River Raisin. These are underutilized tax incentives that are available to homeowners within these established districts. The housing strategy recommends an additional NEZ north of the River Raisin.</p>		
<p>Amend the NEZ ordinance to include the north NEZ which includes residential properties bounded by Elm Avenue and Lorain Avenue, including Riverview, Arbor, Maple and Michigan Avenues.</p>	<p>C&ED Department and City Council</p>	<p>2024</p>
<p>Prepare an informational guidebook on how the NEZ works, eligible improvements, application process, and documentation needed by the homeowner. Distribute this information as a mailer to all owners within the three districts and place periodic news stories in the City's e-newsletter. Further, provide copies to local Realtors® as a marketing tool to prospective buyers in those districts.</p>	<p>C&ED Department</p>	<p>2025-2028</p>
RENTAL PROPERTY INSPECTION PROGRAM		
<p>The City of Monroe has 2,280 rental properties registered under its Rental Inspection Program. The license period is three-years for registered properties. However, not all rental properties are managed or maintained in the same manner. As noted in the report, two census tracts are already approaching the tipping point where rental properties will exceed 55% of the housing stock. This indicator suggests the neighborhood is, or will be, in a state of irreversible decline.</p>		
<p>Re-evaluate the rental property inspection program to determine if a graduated license period is needed to correct deficient properties and place landlords who buy properties without investing in repairs or maintenance on probation.</p>	<p>D&ED Department and City Attorney</p>	<p>2024-2025</p>



Example of design forum to determine neighborhood scale and density.

Table 12: Additional Housing-Related Resources

Status	Name	Geography	Relevance	Housing Goal	Notes	Flags
Existing	Neighborhood Enterprise Zones*	Local	High/ Currently Applicable	Increasing density and home repairs	<p>The program provides a tax incentive for the development and rehabilitation of residential housing, recently including workforce housing, in communities where it may not otherwise occur. A qualified local unit of government may designate one or more areas as a NEZ within that local unit of government.</p> <p>A community will reduce the taxes on property for up to 15 years in designated areas to promote the revitalization of those neighborhoods.</p>	A workforce housing NEZ covers new facilities and/ or rehabilitated facility projects designated by a township, city, or village that is not on the current list of OPRA-qualified local gov't units.
Existing	Community Development Block Grant (CDBG)*	Federal	High/ Currently Applicable	Repairs & Affordable Home Ownership	<p>Monroe City CDBG funds are utilized for: blight removal/ code enforcement; demolition of vacant & abandoned structures; public facilities (streets, alleys, parks and buildings); the FIX Program and administration; foreclosure and homelessness prevention; Summer Youth Program at ALCC, Planning & Administration, Down Payment Assistance, and Emergency Rental/Mortgage Assistance.</p>	NA
Existing	Commercial Rehabilitation District*	Local	High/ Currently Applicable	Increasing Density and Supply	<p>Commercial Rehabilitation Exemption Certificates provide property tax abatement to owners of certain rehabilitated commercial facilities in designated districts by freezing its pre-rehabilitated taxable value for 1-10 years. The City also has the authority to establish these districts.</p>	<p>Land and most personal property are not eligible for a Commercial Rehabilitation tax exemption.</p> <p>This exemption requires a petition to City Council to create a Commercial Rehabilitation district.</p>
Existing	Obsolete Property Rehabilitation*	Local	High/ Currently Applicable	Repairs / Rehabilitation	<p>This incentive is designed to promote redevelopment of contaminated, blighted, or functionally obsolete commercial and commercial housing properties. It allows the city to "freeze" the taxable value of a structure (before improvements are made) for 1-12 years, essentially allowing property owners to rehabilitate their buildings property-tax-free with the exception of school taxes.</p>	<p>Only applicable for commercial and commercial housing properties.</p> <p>Program design similar to Attainable Housing Districts.</p>

Table 12: Additional Housing-Related Resources (Continued)

Status	Name	Geography	Relevance	Housing Goal	Notes	Flags
Existing	Opportunity Zones*	Local	High/ Currently Applicable	Affordable Homeownership / Increases Affordability	<p>The program is designed to incentivize patient capital investments in low-income communities nationwide that have been cut off from capital and experienced a lack of business growth.</p> <p>There are three types of tax incentives that relate to the treatment of capital gains. Each of the incentives are connected to the longevity of an investor's stake in a qualified Opportunity Fund that provides the most upside to those who hold their investment for 10 years or more.</p>	<p>Monroe has two Opportunity Zones.</p> <p>Incentives can be combined with Low Income Housing Tax Credits and New Market Tax Credits.</p>
Existing	FIX Program	Local	High/ Currently Applicable	Repairs/ Rehabilitation	<p>This program funds projects that address code compliance, energy efficiency, and health or safety issues. Some activities that would be eligible include: aspects that bring a home into conformance with municipal building codes and minimum housing quality standards; health and safety hazard remediation; and projects that reduce the consumption of fuel and/or energy including: insulation, installation of storm windows and/or doors, and weather stripping, caulking or other energy-saving techniques.</p>	<p>The CDBG provides funding for the FIX Program.</p> <p>Monroe budgets approximately \$146,870 of CDBG allocation to the FIX Program. They contract with MCOP on the administration of the FIX Program to receive a steady stream of applications for those funds each year.</p>
Proposed	Neighborhood Improvement Authority (NIA)*	Local	High/ Currently Applicable	Repairs/ Rehabilitation	<p>A Neighborhood Improvement Authority (NIA) may be established by a city or a village. An NIA may use its funds, including tax increment financing, to fund residential and economic growth in residential neighborhoods.</p> <p>Funds can be used for residential neighborhood improvements to public facilities, such as housing, a street, plaza, pedestrian mall, as well as any improvements to a street, plaza, or pedestrian mall (including street furniture and beautification), park, parking facility, recreational facility, right-of-way, structure, waterway, bridge, lake, pond, canal, utility line or pipe or building, including access routes designed and dedicated to use by the public generally, or used by a public agency. "</p>	

Table 12: Additional Housing-Related Resources (Continued)

Status	Name	Geography	Relevance	Housing Goal	Notes	Flags
Existing	Historic Preservation Tax Credits*	State	High/ Currently Applicable	Repairs/ Rehabilitation	<p>This program encourages the preservation of historic buildings through income tax incentives to support the rehabilitation of historic buildings.</p> <p>A property must be listed in the National Register of Historic Places, the State Register of Historic Sites, or be in a local historic district, and either be individually listed or contribute to a listed district in order to be eligible for the State Credit.</p> <p>A federal tax credit program also exists which is available to properties that will be used for a business or other income-producing purpose, and a "substantial" amount must be spent rehabilitating the historic building.</p>	<p>Applicable for both commercial and residential properties.</p> <p>2024 Applications for the Owner-Occupied (residential) and Small Commercial Credits are open effective January 2, 2024.</p> <p>The Large Commercial credits have filled a priority list for the allocation of 2024 tax credits and will not be offered in 2024.</p>
Proposed	MSHDA Housing Tax Increment Financing (TIF) program	State	High/ Currently Applicable	Repairs & Affordable Home Ownership	<p>Encourages the redevelopment and transformation of blighted and dilapidated properties. The TIF program allows tax revenues captured through local brownfield redevelopment authorities to fund affordable housing costs.</p>	<p>Municipalities are authorized to create local brownfield redevelopment authorities ("BRA") to facilitate the implementation of brownfield plans to promote the revitalization, redevelopment, and reuse of brownfield properties, which include previously developed, tax reverted, blighted, or functionally obsolete properties.</p>

Table 12: Additional Housing-Related Resources (Continued)

Status	Name	Geography	Relevance	Housing Goal	Notes	Flags
Proposed	Gap Financing Program - Round 18	State	High/ Currently Applicable	Affordable Homeownership / Increases Affordability	<p>Total gap funding resources at MSHDA's discretion will be allocated to projects that qualify in the following areas:</p> <ul style="list-style-type: none"> • \$14.9 million will be available for projects that are creating new housing units (new construction or adaptive reuse of existing buildings) in large and medium sized cities throughout the state. Projects must be located in areas that do not meet the USDA RD definition of a rural area. • \$10 million will be available for projects that are creating new housing units (new construction or adaptive reuse of existing buildings) in rural areas throughout the state. Projects must be located in areas that meet the USDA RD Multifamily definition of a rural area. • \$3 million will be available for projects that are Preserving existing affordable housing regardless of geographic location throughout the state. 	<p>Projects will only be eligible to apply in one of the categories. Monroe will need to make a choice here.</p> <p>April 1, 2024 - Notice of Intent to Apply package due.</p>
Proposed	PILOTs for Housing	Local	High/ Currently Applicable	Affordable Homeownership / Increases Affordability	<p>Allows local governments the ability to develop Payment in Lieu of Taxes (PILOT) policies and enter into PILOT agreements with developers who are building affordable housing units.</p>	<p>Local government needs to adopt a PILOT ordinance.</p> <p>"</p>
Proposed	Housing Readiness Incentive Grant Program	State	High/ Currently Applicable	Increasing Density and Supply	<p>This grant is meant to support cities, villages, and townships in adopting or eliminating rules and regulations to encourage building more housing and making housing more affordable.</p> <p>Funding to cover costs associated with adopting land use policies, master plan updates, zoning text amendments and similar activities that increase housing supply and affordability.</p>	<p>The online application portal opened on Tuesday, January 16, 2024, and will remain open until funding has been exhausted.</p> <p>Applications will be reviewed by MSHDA and awarded as they are received.</p>
Proposed	Shared Equity Homeownership Program	State	Medium/ Can be introduced	Affordable Homeownership / Increases Affordability	<p>The shared equity homeownership program creates a long-term, affordable homeownership opportunities by imposing restrictions on the resale of subsidized housing units.</p> <p>A nonprofit or government entity provides a subsidy for a housing unit, making it affordable. This subsidy can be in the form of direct financial assistance, or in the form of developer incentives. In return, the buyer agrees to share any home price appreciation at the time of resale with the entity providing the subsidy, which helps preserve affordability for subsequent homebuyers.</p>	<p>Homebuyer education is essential to helping buyers become informed, successful homeowners.</p>

Table 12: Additional Housing-Related Resources (Continued)

Status	Name	Geography	Relevance	Housing Goal	Notes	Flags
Proposed	Key to Home Ownership Program	State	High/ Currently Applicable	Affordable Homeownership / Increases Affordability	The Key to Own Homeownership Program assists MSHDA Housing Choice Voucher (formerly Section 8) families with transferring their rental voucher into a homeownership voucher. This program allows a family to purchase an approved home with MSHDA's voucher assistance.	Participants must have an active Section 8 voucher, i.e., housing choice voucher. The voucher holder has to maintain earned income of at least \$15,000 and be working at least 30 hours per week.
Proposed	Habitat for Humanity Loan Program	State	Medium/ Can be introduced	Affordable Homeownership / Increases Affordability	Habitat for Humanity has a location in Monroe County where they provide low-cost development and mortgages for qualified home owners. Currently this program is limited, but could potentially be expanded, perhaps targeted for those looking to age in place.	Currently only accepting applications for veterans. (Monroe County)
Proposed	MI Home Loan	State	High/ Currently Applicable	Affordable Homeownership / Increases Affordability	This is a mortgage product that is available to first-time homebuyers state-wide and repeat homebuyers in targeted areas. All homebuyers work directly with a participating lender.	Sales Price limit - \$224,500 Minimum credit score of 640 required MI 10K Down Payment Assistance Loan up to \$10,000 available statewide. Housing Education class required.
Proposed	Mortgage Credit Certificate Program	State	High/ Currently Applicable	Affordable Homeownership / Increases Affordability	This program provides housing assistance by issuing a federal tax credit to first-time homebuyers statewide and repeat homebuyers in targeted areas.	MCC must be applied for and approved prior to buying the home through an approved MCC Lender. Qualified homebuyers can credit 20% of their annual mortgage interest paid against their year-end tax liability.
Proposed	Attainable Housing Facilities Act *	State	High/ Currently Applicable	Affordable Homeownership / Increases Affordability	A local government can create an attainable housing district where property owners can apply for partial tax exemptions if they meet specific affordability criteria determined by the government. This tool will reduce real property taxes by 50% of the statewide commercial, industrial, and utility average for up to 12 years if they meet the affordability criteria.	Requires a resolution by the local unit of government. Must be at least one acre in size. Focus areas would initially NEZ Zones.

Table 12: Additional Housing-Related Resources (Continued)

Status	Name	Geography	Relevance	Housing Goal	Notes	Flags
Proposed	Residential Facilities Exemption *	State	High/ Currently Applicable	Affordable Homeownership / Increases Affordability	Allows a temporary tax abatement on qualified new housing development in districts established by local units of government for developments of five or more units and a minimum investment of \$50,000. Local government would have the ability to establish residential facility districts used to provide tax abatements for qualified residential facilities.	Requires a resolution by the local unit of government. Must be at least one acre in size.
Proposed	Low Income Housing Tax Credit*	State	Low/Will need more time & resources	Affordable Homeownership / Increases Affordability	Program is intended to increase and preserve affordable rental housing by replacing earlier tax incentives with a credit directly applicable against taxable income. This program permits investors in affordable rental housing who are awarded the credit - corporations, banking institutions, and individuals - to claim a credit against their tax liability annually for a period of 10 years.	Only applicable for rental housing.
Proposed	Housing and Community Development Fund (HCDF)*	State	Low/Will need more time & resources	Affordable Homeownership / Increases Affordability	The HCDF is a bipartisan creation that allows MSHDA flexibility in awarding funds to promote affordable, attainable, and workforce housing. It is designed to help MSHDA to coordinate public and private resources to meet the affordable housing needs of low-income, very low-income, and extremely low-income households in Michigan. The HCDF has funded projects throughout the state. Once the low-income assistance thresholds are met, MSHDA has flexibility in directing the remaining funds towards workforce and missing middle housing developments.	While the fund was created in 2004, a dedicated funding source was not attached as part of the enabling legislation. So while the HCDF has been around since 2004, it has only been funded on a few occasions. Hence it cannot be utilized until federal funding/state is allocated.
Proposed	New Markets Tax Credit Program (NMTC)*	Federal	Medium/ Can be introduced	Affordable Homeownership / Increases Affordability	The NMTC Program incentivizes community development and economic growth through the use of tax credits that attract private investment to distressed communities. Administered through Community Development Entities (CDEs).	Program opens up yearly. Next announcement: Fall 2024 Does Monroe already have CDEs or can identify organizations that can get this certification?
Proposed	Historic Preservation Tax Credits*	Federal	Medium/ Can be introduced	Repairs/ Rehabilitation	The tax credit is only available to properties that will be used for a business or other income-producing purpose, and a "substantial" amount must be spent rehabilitating the historic building.	

Table 12: Additional Housing-Related Resources (Continued)

Status	Name	Geography	Relevance	Housing Goal	Notes	Flags
Proposed	HOME Investment Partnership	Federal	High/Currently Applicable	Affordable Homeownership / Increases Affordability	This program, financed by HUD, provides formula grants to localities to fund buying, building, and/or rehabilitating affordable housing (rent or homeownership) or providing direct rental assistance to low-income residents. HOME funds are awarded annually to participating jurisdictions. Local governments have the flexibility to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.	Three Detroit-area counties (Macomb, Oakland, and Wayne) were part of the 2023 HOME grant consortia, but Monroe County was not. It is unclear whether Monroe County would be directly eligible - would likely need to join the Detroit consortium to receive funds.
Proposed	Accessory Dwelling Units (ADUs)	Local	Low/Will need more time & resources	Increasing Density and Supply	ADUs are smaller, secondary housing units that are developed on the same lot as another residence, but are separate units. ADUs may be in a standalone structure, such as a converted garage or new construction, or may be attached to the principal dwelling, such as an attached garage or addition. In most cases, ADUs are amended into a city's zoning ordinance and allowed by-right on certain properties, such as lots zoned for detached single family homes. Several cities and townships in Michigan already allow ADUs, including Beulah, Niles, Manistee, Traverse City, and Grand Rapids.	ADUs can be successful in smaller cities and can help provide affordable, smaller-sized units for seniors and other one- or two-person households. However, this should be seen as a supplementary strategy to increase density - it will not solve affordability or density concerns alone.
Proposed	Affordable Housing Incentive Zoning	Local	Medium/Can be introduced	Increasing Density and Supply	Affordable housing incentive zoning programs are a wide range of policies that provide various incentives to housing developers who build new affordable units, either as part of a larger market-rate development or as fully-affordable projects. Through these programs, municipalities set requirements for key project characteristics, such as the percentage or number of affordable units that must be created, the level of affordability, the size of affordable units, etc. Developers who meet these requirements are then granted an incentive that makes the project more profitable or desirable - typically, either a density bonus (which allows for a greater number of units or building size than would normally be allowed by the zoning code) or a financial incentive (such as a property tax abatement). These programs allow developers to create affordable units without harming the financial bottom line of their projects. However, unlike inclusionary zoning ordinances, these policies do not typically mandate that the affordability requirements must be met - it makes these incentives optional for developers who choose to pursue them.	Monroe would need to evaluate the relative benefits and drawbacks of different incentives, such as density and tax bonuses. While both can be attractive to developers and increase affordable housing development, they can also create other issues around over-densification and/or loss of crucial tax revenue.

Table 12: Additional Housing-Related Resources (Continued)

Status	Name	Geography	Relevance	Housing Goal	Notes	Flags
Proposed	Acquisition and Preservation Fund	Local	Medium/ Can be introduced	Increasing Density and Supply	<p>Acquisition and preservation funds, sometimes referred to as housing trust funds, are municipal funds that can be used to acquire affordable or vacant lots and preserve existing affordable housing. Examples of activities that may be financed with these funds include:</p> <ul style="list-style-type: none"> - Acquisition (land & existing structures) - Demolition / site clearance - New construction - Renovation & adaptive reuse - Multifamily, townhomes, single family, or other housing type - Rental & owner-occupied housing - Permanent supportive housing - Infrastructure improvements - Other activities that will result in the creation or preservation of affordable housing 	Specific uses for funds will be restricted by the amount of available funding

Sources

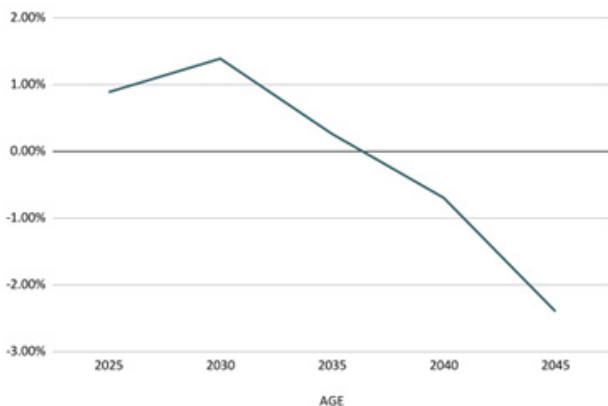
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- 8 The Impacts of Targeted Public and Nonprofit Investment in Neighborhood Development; Community Affairs Office of the Federal reserve Bank of Richmond, July 2005.

Appendix

APPENDIX A: EXISTING CONDITIONS - RAW DATA & ADDITIONAL CHARTS

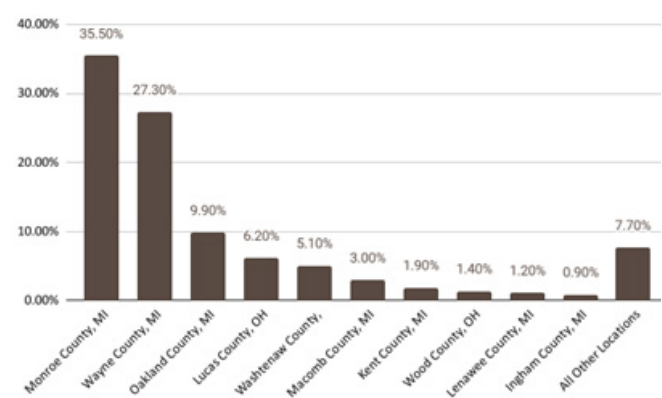
Variable	Monroe City	Monroe County	Detroit-Warren-Ann Arbor CSA	Michigan
Total Population	20,344	154,068	5,415,074	10,062,512
Change since 2018	+397	+4,369	+74,440	+105,024
Change since 2013	-283	+2,660	+98,326	+176,417
Race	White - 89% Black - 6% Other - 5%	White - 93% Black - 2% Other - 5%	White - 70% Black - 20% Other - 10%	White - 77% Black - 14% Other - 9%
Ethnicity - Hispanic/Latino Pop.	2.5%	3.8%	4.7%	5.4%
Median Age	37.9 years	42.8 years	39.7 years	39.8 years
Gender	54% Female 46% Male	50% Female 50% Male	51% Female 49% Male	50% Female 50% Male
Native-Born Pop.	98.3%	97.9%	90.6%	93.1%
Pop. Under Poverty Line	17.0%	11.3%	13.6%	13.3%
Educational Attainment	HS or Less - 42% College Degree - 31%	HS or Less - 42% College Degree - 34%	HS or Less - 35% College Degree - 42%	HS or Less - 37% College Degree - 40%
Top Industries	Educ./Healthcare Manufacturing Retail	Educ./Healthcare Manufacturing Retail	Educ./Healthcare Manufacturing Prof./Scientific/ Mgmt.	Educ./Healthcare Manufacturing Retail
Mean Commute Time	21.0	26.4	26.5	24.5
Median Household Income (All)	\$53,644	\$68,006	\$66,314	\$63,202
Median Household Income (Renters)	\$24,000	\$33,563	\$38,301	\$36,257
Median Household Income (Owners)	\$70,967	\$78,043	\$82,211	\$76,347
Homeownership Rate	67.1%	80.9%	70.0%	72.2%

Monroe County Projection of Total Population Growth 2025-2045



Source: Michigan Population Projections by County through 2045, September 2019 (Prepared by: Karp Strategies)

Monroe Resident Commuting Patterns as a Percent of Total Workers



Source: (Prepared by: Karp Strategies)

Monroe County Top 10 Industries by 2023 Q1 Employment

Ind. Code	Industry Name	2023 Avg. Weekly Wage	2023 Employment	Change 2013-2018	Change 2018-2023	% Change 2013-2018	% Change 2018-2023
722	Food Services and Drinking Places	\$181	3,887	20	331	1%	9%
611	Educational Services	\$798	3,690	-171	-71	-4%	-2%
621	Ambulatory Health Care Services	\$1,104	1,814	57	-1	3%	0%
561	Administrative and Support Services	\$371	1,675	374	113	31%	7%
445	Food and Beverage Retailers	\$520	1,213	54	2	5%	0%
238	Specialty Trade Contractors	\$1,462	1,183	193	124	22%	12%
921	Executive, Legislative, and Other General Government Support	\$540	1,107	64	78	7%	8%
336	Transportation Equipment Manufacturing	\$2,016	1,080	-295	121	-24%	13%
455	General Merchandise Retailers	\$588	923	0	923	N/A	N/A
623	Nursing and Residential Care Facilities	\$805	859	-269	-306	-19%	-26%

Source: Quarterly Census of Employment and Wages (QCEW), Bureau of Labor Statistics (Prepared by: Karp Strategies)

Michigan Top 10 Industries by 2023 Q1 Employment

Ind. Code	Industry Name	2023 Avg. Weekly Wage	2023 Employment	Change 2013-2018	Change 2018-2023	% Change 2013-2018	% Change 2018-2023
722	Food Services and Drinking Places	\$531	317,212	30,590	-12,247	10%	-4%
541	Professional, Scientific, and Technical Services	\$1,311	316,608	37,607	19,228	14%	7%
561	Administrative and Support Services	\$815	253,349	8,257	-24,942	3%	-9%
622	Hospitals	\$1,164	220,552	26,636	-9,313	13%	-5%
621	Ambulatory Health Care Services	\$1,471	216,848	13,407	7,962	7%	4%
336	Transportation Equipment Manufacturing	\$1,718	189,781	25,726	-1,373	16%	-1%
238	Specialty Trade Contractors	\$1,383	109,577	20,387	10,171	26%	13%
455	General Merchandise Retailers	\$582	109,580	0	109,580	N/A	N/A
423	Merchant Wholesalers, Durable Goods	\$952	108,019	13,338	4,372	15%	5%
921	Executive, Legislative, and Other General Government Support	\$1,575	104,282	892	1,807	N/A	2%

Source: Quarterly Census of Employment and Wages (QCEW), Bureau of Labor Statistics (Prepared by: Karp Strategies)

APPENDIX B: STAKEHOLDER INTERVIEWS - INTERVIEWEES, KEY TAKEAWAYS, & INTERVIEW PROTOCOLS

Karp Strategies conducted four interviews with stakeholders who have professional experience working with the housing market in Monroe to supplement data analysis with first-hand knowledge from people working in the area. Interviews included the following individuals, but their names are removed to protect their privacy.

1. October 30, 2023 - Residential multi-family property owner with knowledge of the rental market
2. November 2, 2023 - Investor with 5+ years of experience in the real estate industry and focused on strategies for growth Monroe
3. November 3, 2023 - A lending officer with experience providing residential mortgage loans
4. November 9, 2023 - Residential Real Estate Broker with a large percentage of sales in Monroe

Key takeaways:

- » Monroe's residential market is a seller's market; buyers are struggling to find homes in their price range and there is a clear lack of affordable housing.
- » High interest rates and low inventories are pushing Monroe residents to rent homes. However, an increased demand for rented homes coupled with low inventory has cost burdened renters.
- » Monroe's older housing stock requires rehabilitation; these homes are being bought by investors who fix up the property, but interviewee feels that it ultimately devalues the community as a whole.
- » There is a need to ramp up new construction and focus on redevelopment of properties at Monroe.
- » Monroe's cycle for building is shorter as Monroe builds last as compared to its neighboring townships. However, most development gets pulled towards the Detroit metro area as Monroe lags in housing in denser urban areas in comparison.
- » Covid had led to residents relying on rent-assistance from the government and low interest rates. This has changed post-Covid, and residents are struggling but also adapting to the increased interest rates.
- » In terms of housing, there has been an increase in residents looking to move into homes which also have a home office.
- » A big portion of Monroe's income is received from commuters as taxes in Wayne County are higher in comparison.
- » Downtown Monroe continues to be the cheapest area for development. The City is trying to push for development in the area as the younger population wants an active and revitalized downtown.

Questions for Mortgage Officers

1. What are the current trends in mortgage approval rates for homebuyers in Monroe, Michigan?
2. How have interest rates impacted the area's demand for mortgages and housing?
3. Do mortgage applicants in Monroe face any specific challenges or issues?
4. If you also work outside of Monroe, how does this compare to neighboring or similar towns/cities in which you work?
5. Are there any significant differences in mortgage trends between urban and rural areas in Monroe and Monroe County?
6. Are there specific neighborhoods or housing types where mortgage approval is more challenging?
7. What is the average down payment percentage for first-time homebuyers in Monroe?
8. How has the credit score of mortgage applicants changed over the past few years?

9. Are there any unique financial incentives or assistance programs for homebuyers in the area?
10. What impact has the local economy had on mortgage lending in Monroe?
11. How has the COVID-19 pandemic impacted the area's mortgage lending and payment deferrals?
12. Have there been changes in the foreclosure rates or mortgage delinquencies?
13. How do mortgage officers assess the overall risk in lending for different housing segments?
14. What role do factors like employment stability and income levels play in mortgage approvals?
15. How have recent regulatory changes affected the mortgage lending process in Monroe?
16. Are there any emerging mortgage-related issues, like predatory lending practices?
17. Can you share insights on the percentage of mortgages issued for investment properties?
18. Are there any notable opportunities for mortgage lenders in the current market?

Questions for Housing Developers

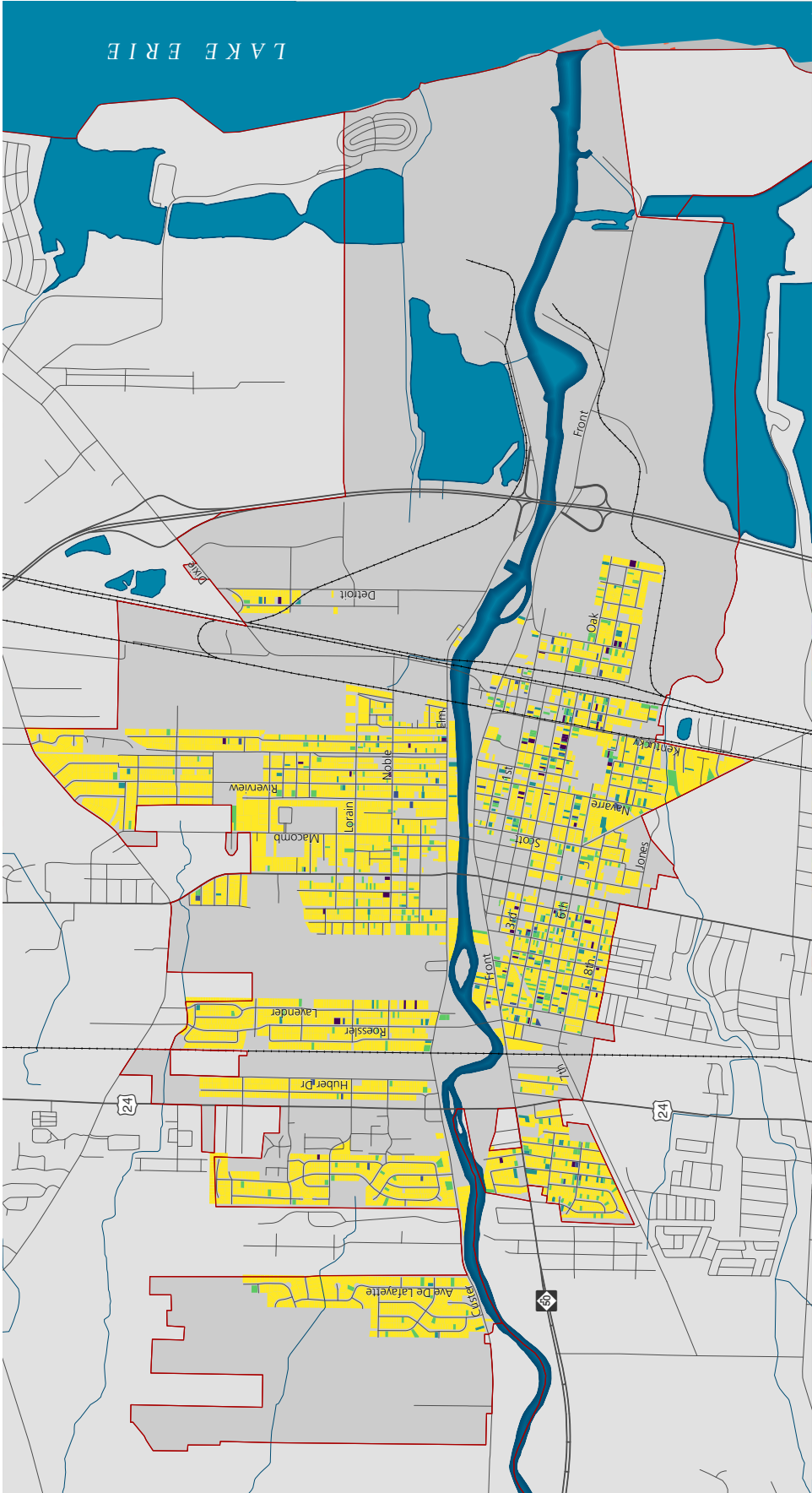
1. What types of housing developments are currently in demand in Monroe, Michigan?
2. How has the availability of land for development changed in recent years?
3. Are there any regulatory challenges or zoning issues for housing developers?
4. If you could identify the one major barrier, whether it be regulatory or financial, for developing in Monroe, what would it be?
5. Can you identify any specific areas in Monroe with high potential for new housing projects?
6. Can you provide insights on the market demand for mixed-use developments in Monroe?
7. How have construction costs and labor availability impacted housing development projects?
8. Are there any partnerships or collaborations with the local government for affordable housing initiatives?
9. Are sustainable or green building practices gaining popularity in Monroe?
10. Have there been any shifts in the size and layout preferences of homebuyers in Monroe?
11. What are the major challenges in obtaining construction permits and approvals?
12. Are there any specific demographic trends that influence housing development decisions?
13. Are there any opportunities for adaptive reuse of existing structures for residential purposes?
14. How has the pandemic affected housing development plans and priorities?
15. Are there incentives for affordable housing or inclusionary zoning in Monroe?
16. What financing options are available for housing developers in the area?
17. Can you share insights on recent success stories or notable challenges in housing development?

Questions for Realtors

1. What are the current trends in housing prices and inventory levels in Monroe, Michigan?
2. Can you identify any neighborhoods or areas experiencing rapid growth (or decline) in property value?
3. Are there any areas of Monroe where real estate is particularly competitive for buyers?
4. Similarly, can you identify areas with a surplus of available properties or declining demand?
5. How has the demand for specific housing types (e.g., single-family homes, condos) evolved?
6. Are there any unique selling points or features particularly appealing to Monroe buyers?
7. What is the average time a property spends on the market before being sold?

8. How has raising interest rates affected the local real estate market, and what is the current rate?
9. Are there specific challenges or obstacles in the home-buying process for clients?
10. What percentage of first-time homebuyers are in the market?
11. What role do local schools and education quality play in property values and demand?
12. How have remote work trends affected housing preferences and locations?
13. Are there any patterns in the demographics of homebuyers and sellers in Monroe?
14. Have there been any changes in negotiation dynamics between buyers and sellers?
15. How do property taxes and local government policies impact real estate transactions?
16. Are there any specific challenges related to selling or buying investment properties?
17. Do short-term rental platforms like Airbnb significantly impact the real estate market?
18. How do you see Monroe's real estate market evolving in the next 5-10 years?

APPENDIX C: MAPS

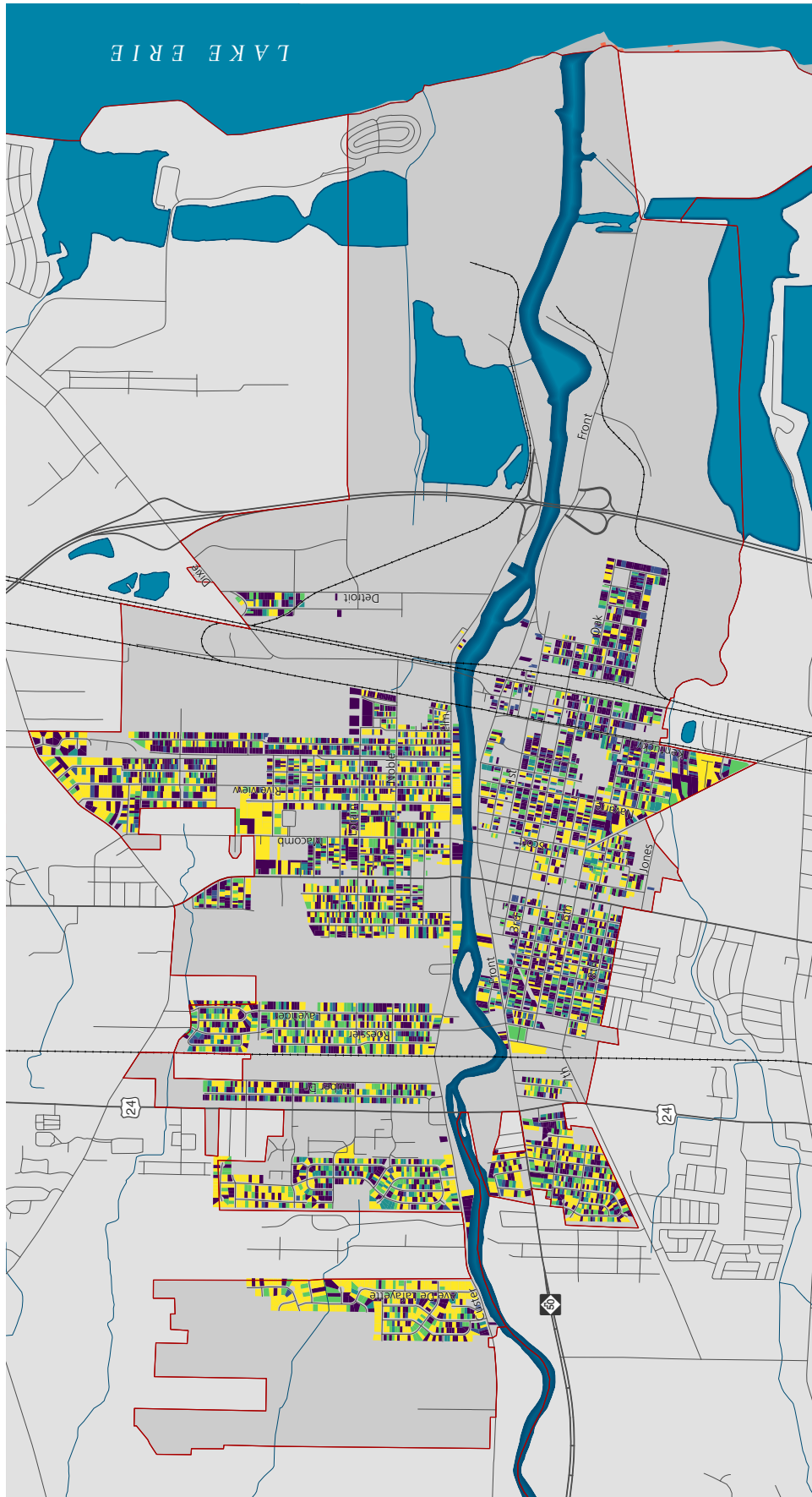


0.4 Miles
Beckett & Raeder, Inc.

Blight Citations

Sources: Michigan Open Data Portal, City of Monroe

- 0 Citations (4 points)
- 1 Citation (3 points)
- 2 Citations (2 points)
- 3 Citations (1 point)
- 4+ Citations (0 points)

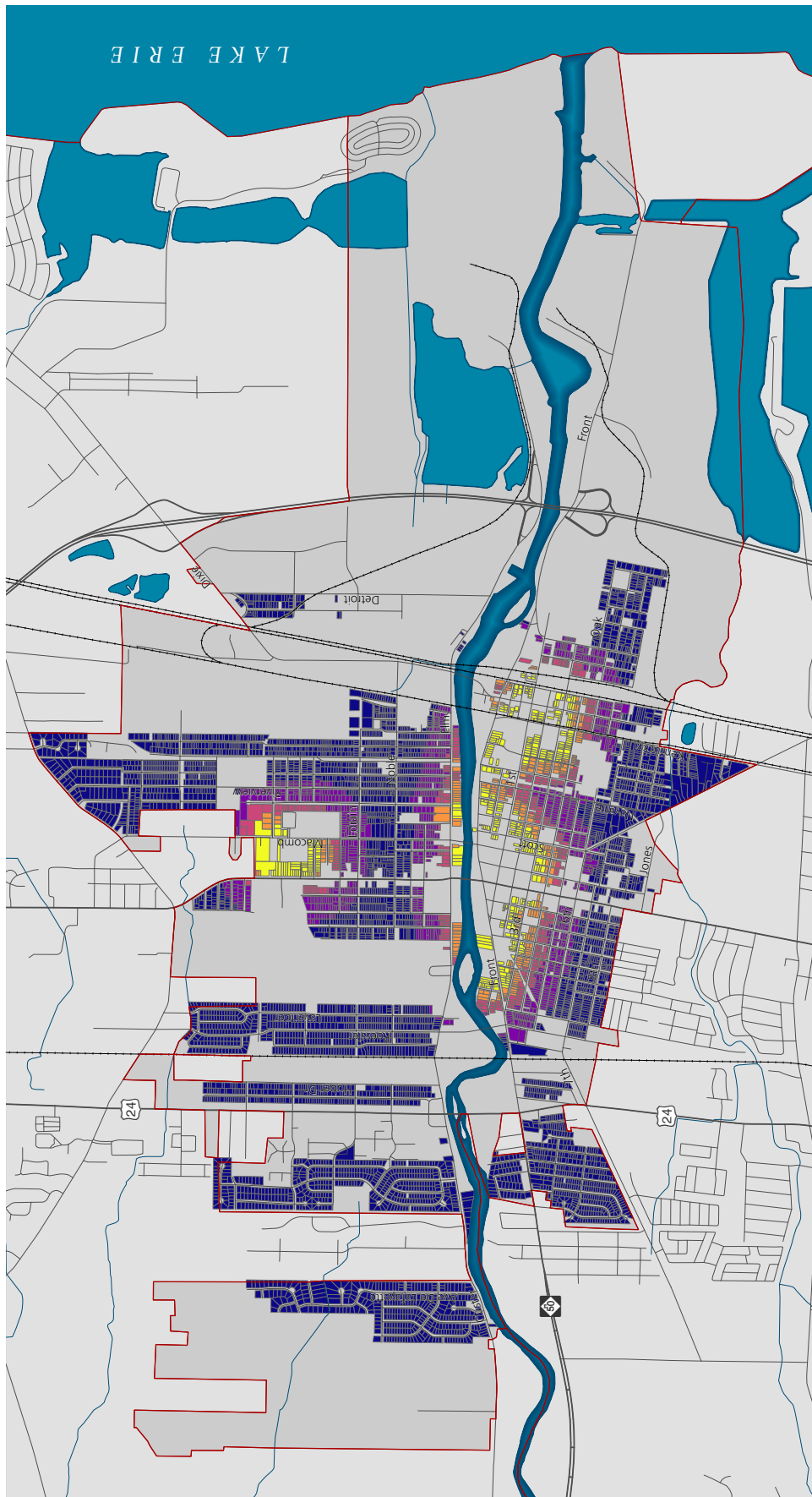


0.4 Miles
Beckett & Raeder, Inc.

Building Permit Value

Sources: Michigan Open Data Portal, City of Monroe

- Construction value \$10.1K+ (4 points)
- Construction value \$5.1K - \$10K (3 points)
- Construction value ≤\$2.5K (1 point)
- No building permit (0 points)
- Construction value \$2.6K - \$5K (2 points)

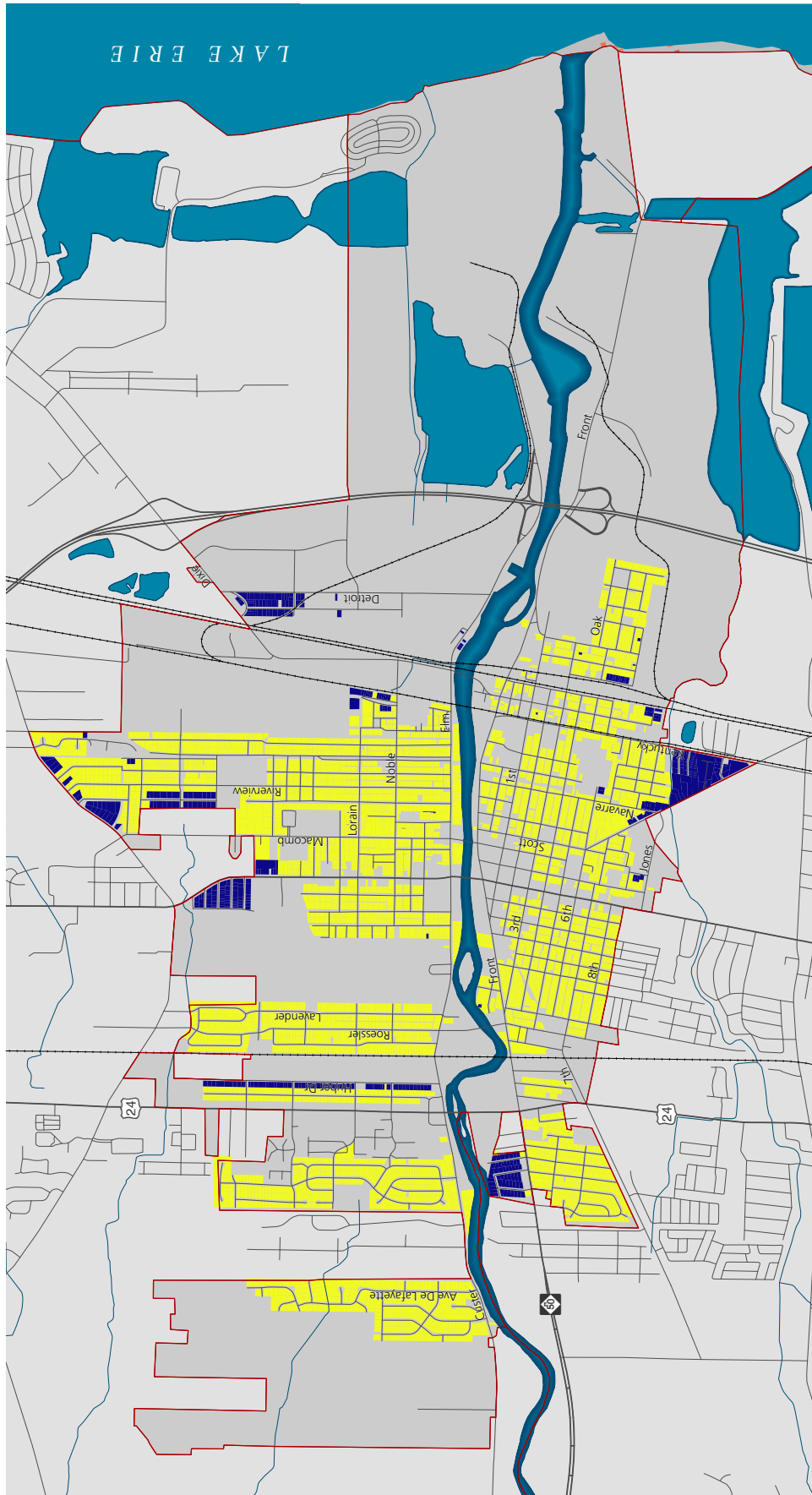


Proximity to Commercial Centers

Sources: Michigan Open Data Portal, City of Monroe

- Within 250ft (4 points)
- Within 500ft (3 points)
- Within 750ft (2 points)
- Within 1,320ft/0.25 miles (1 point)
- Not within 0.25 miles (0 points)





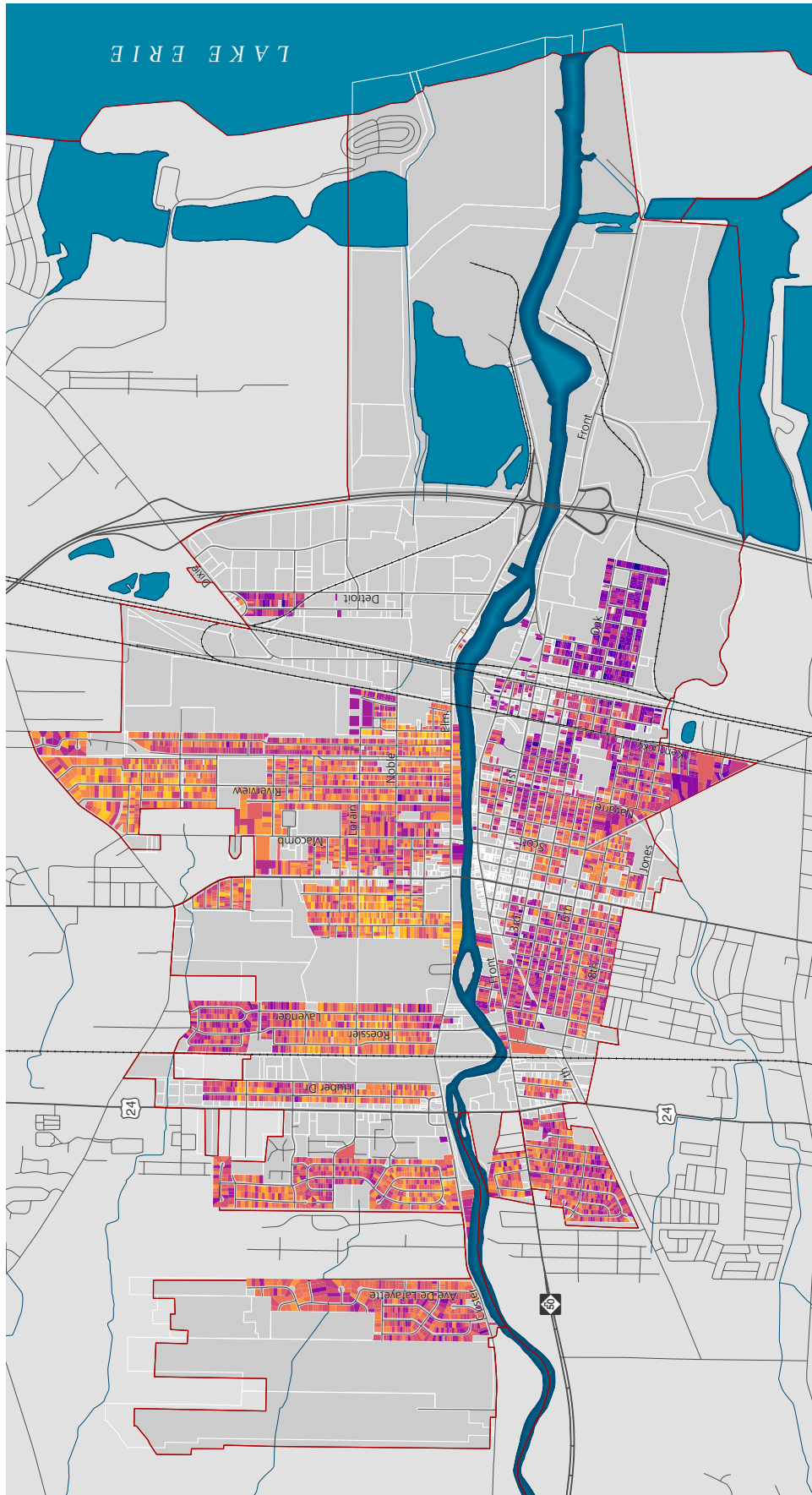
0.4 Miles
Beckett & Raeder, Inc.

Connectivity

Sources: Michigan Open Data Portal, City of Monroe

Connected to a sidewalk (4 points)

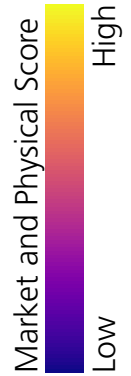
Not connected to a sidewalk (0 points)

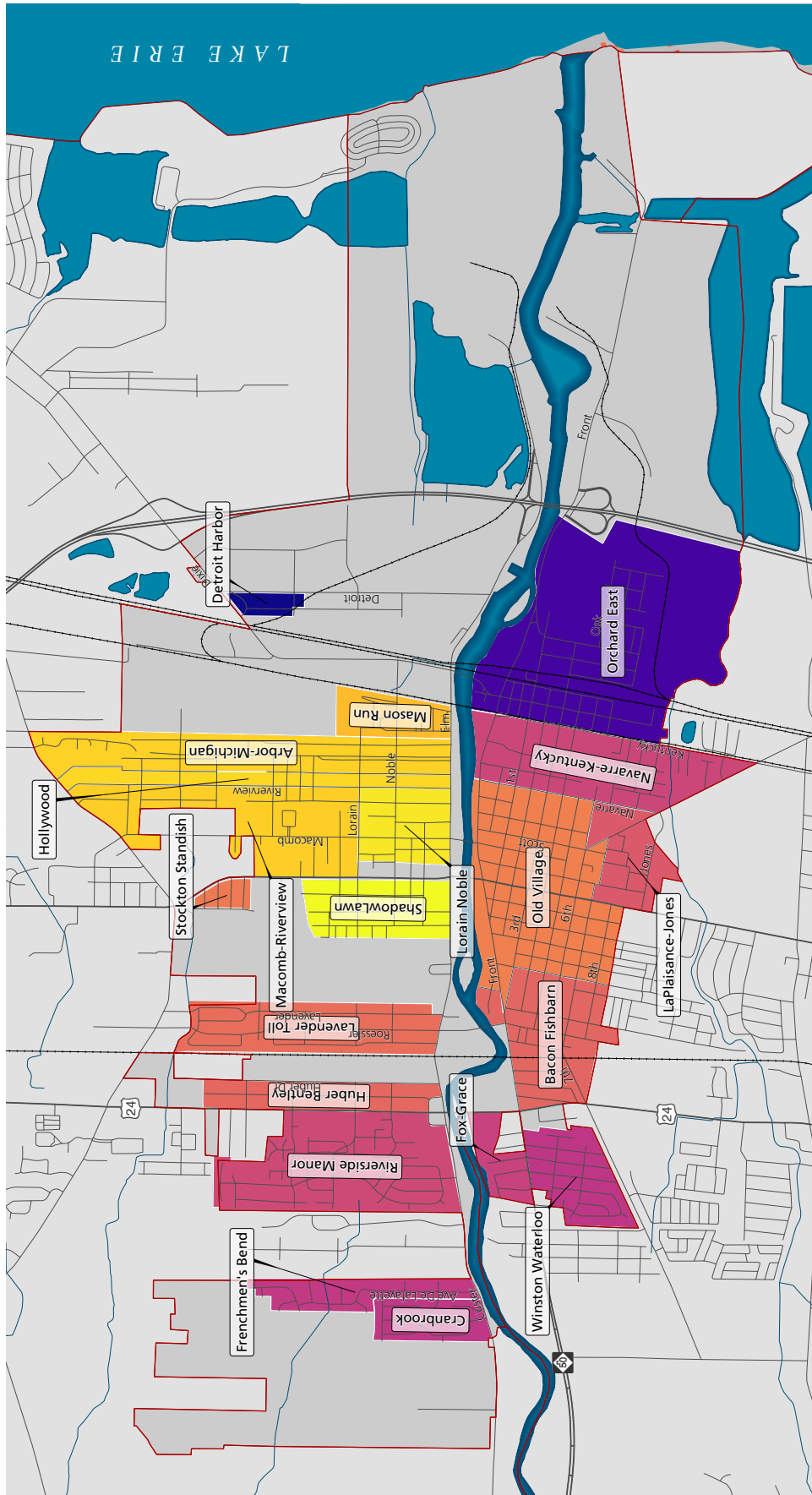


0.4 Miles
Beckett & Raeder, Inc.

Market and Physical Attributes

Sources: Michigan Open Data Portal, City of Monroe

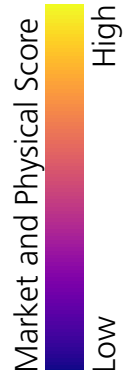


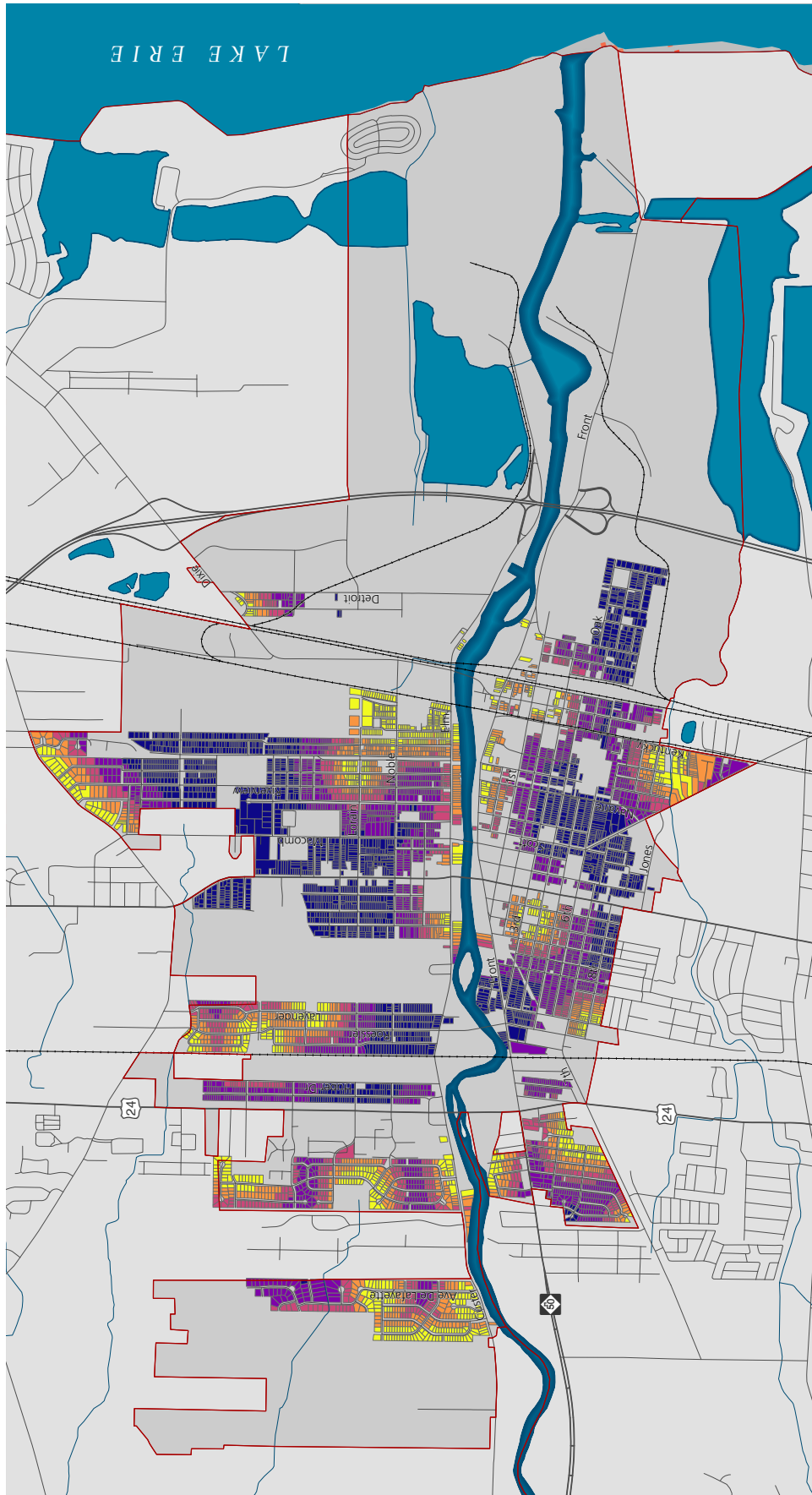


0.4 Miles
Beckett & Raeder, Inc.

Market and Physical Neighborhood Attributes

Sources: Michigan Open Data Portal, City of Monroe



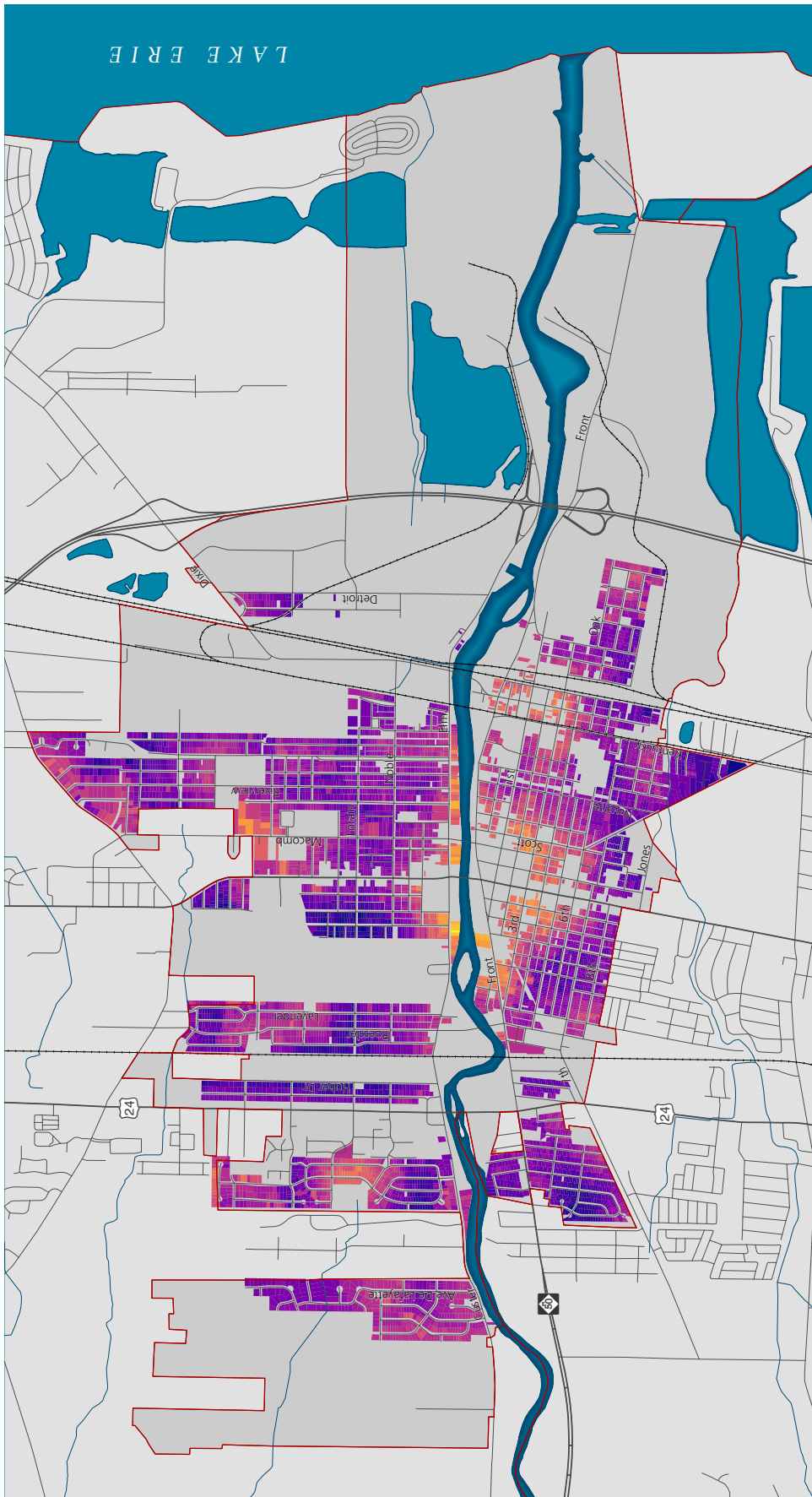


Proximity to Parks

Sources: Michigan Open Data Portal, City of Monroe

- Within 250ft (4 points)
- Within 500ft (3 points)
- Within 750ft (2 points)
- Within 1,320ft/0.25 miles (1 point)
- Not within 0.25 miles (0 points)

0.4 Miles
Beckett & Raeder, Inc.



Placemaking Attributes

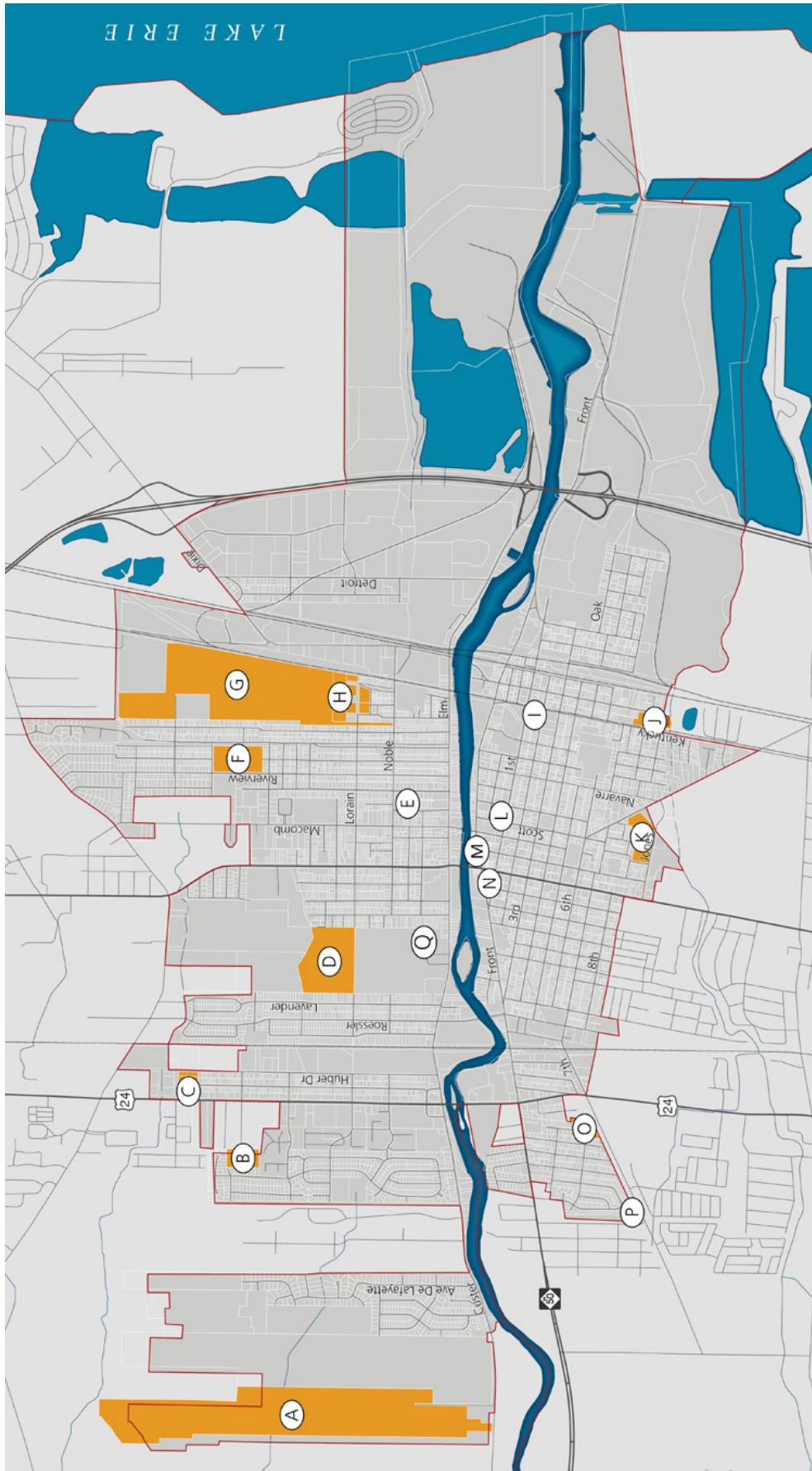
Sources: Michigan Open Data Portal, City of Monroe

Placemaking Score



0.4 Miles
Beckett & Raeder, Inc.



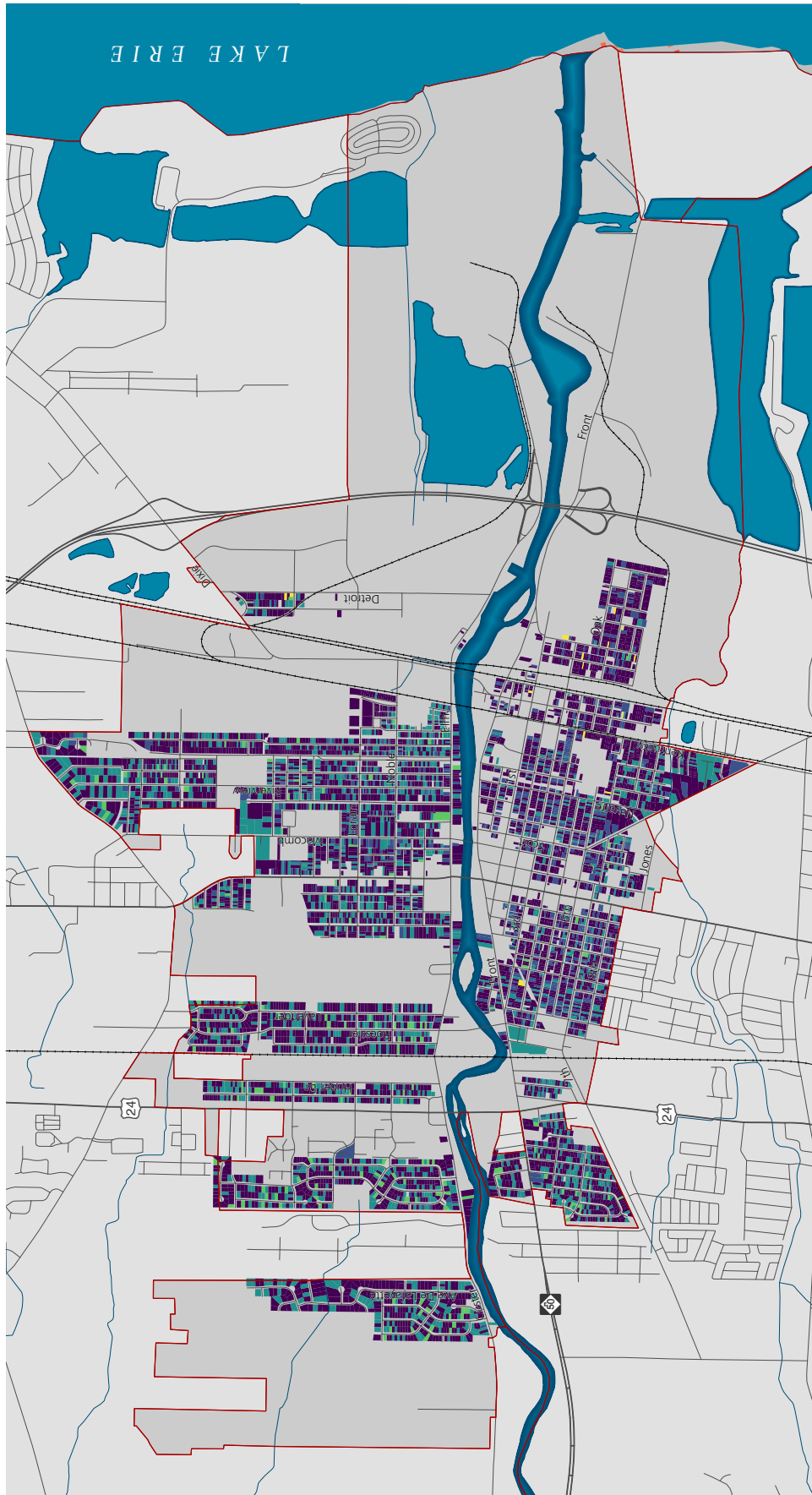


0.4 Miles
Beckett & Raeder, Inc.

Redevelopment Sites

Source: Michigan Open Data Portal, City of Monroe

- A: Monroe Custer Airport
- B: Oak Forest
- C: La-Z-Boy PUD
- D: IHM
- E: Former Custer School
- F: Arborwood School Athletic Fields
- G: Former Hi Industrial Property
- H: Mason Run
- I: Former MAECO Site
- J: Former Custer School
- K: Navarre Field
- L: Former Fire Station
- M: Downtown Monroe
- N: Amendt Milling
- O: Former Custer School
- P: Winston Ct Park
- Q: St. Mary Academy

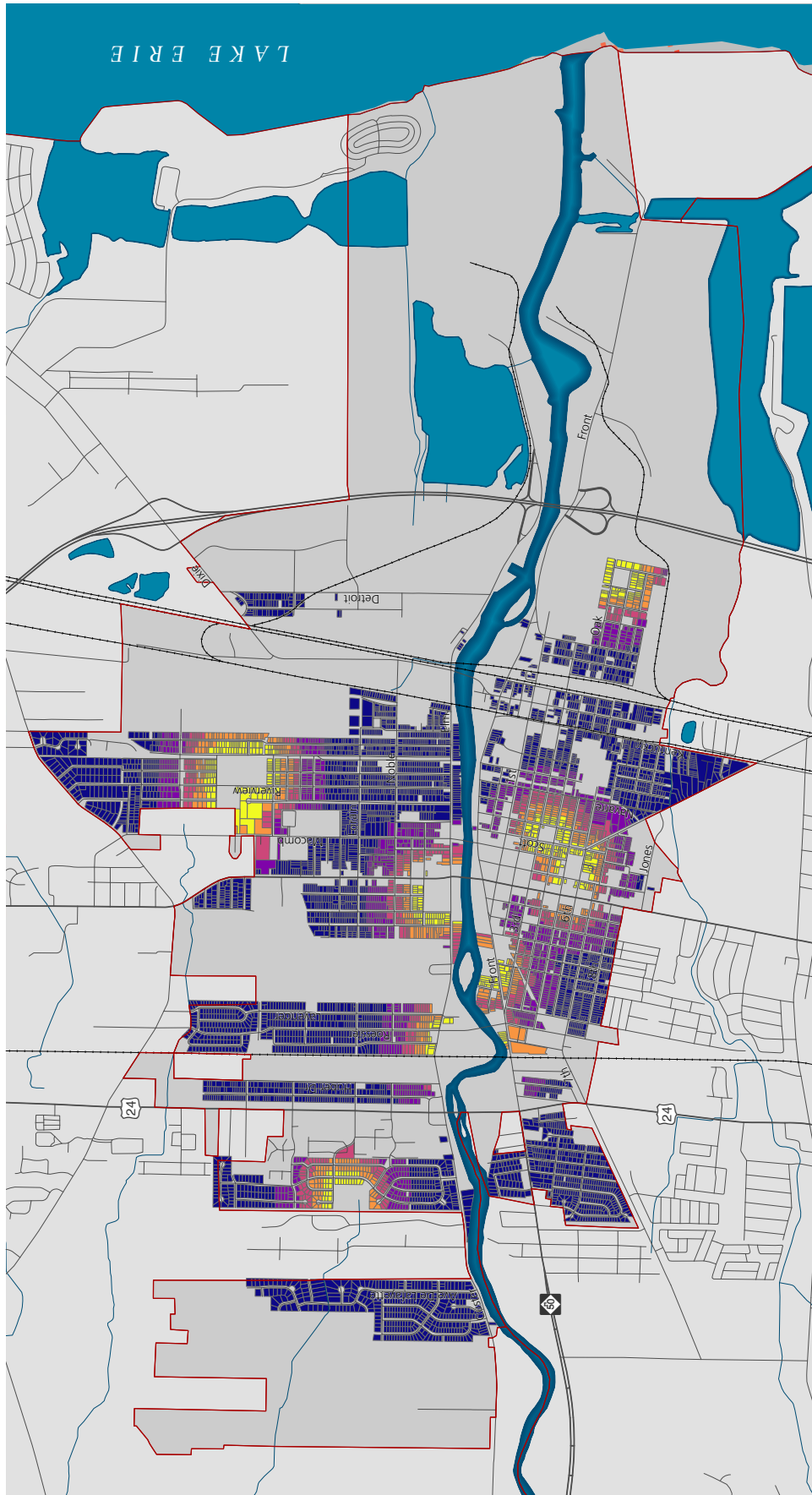


0.4 Miles
Beckett & Raeder, Inc.

Sale Price per Sq. Ft.

- \$301+ (4 points)
- \$151 - \$300 (3 points)
- \$76 - \$150 (2 points)
- ≤\$75 (1 point)
- No Sale (0 points)

Sources: Michigan Open Data Portal, City of Monroe

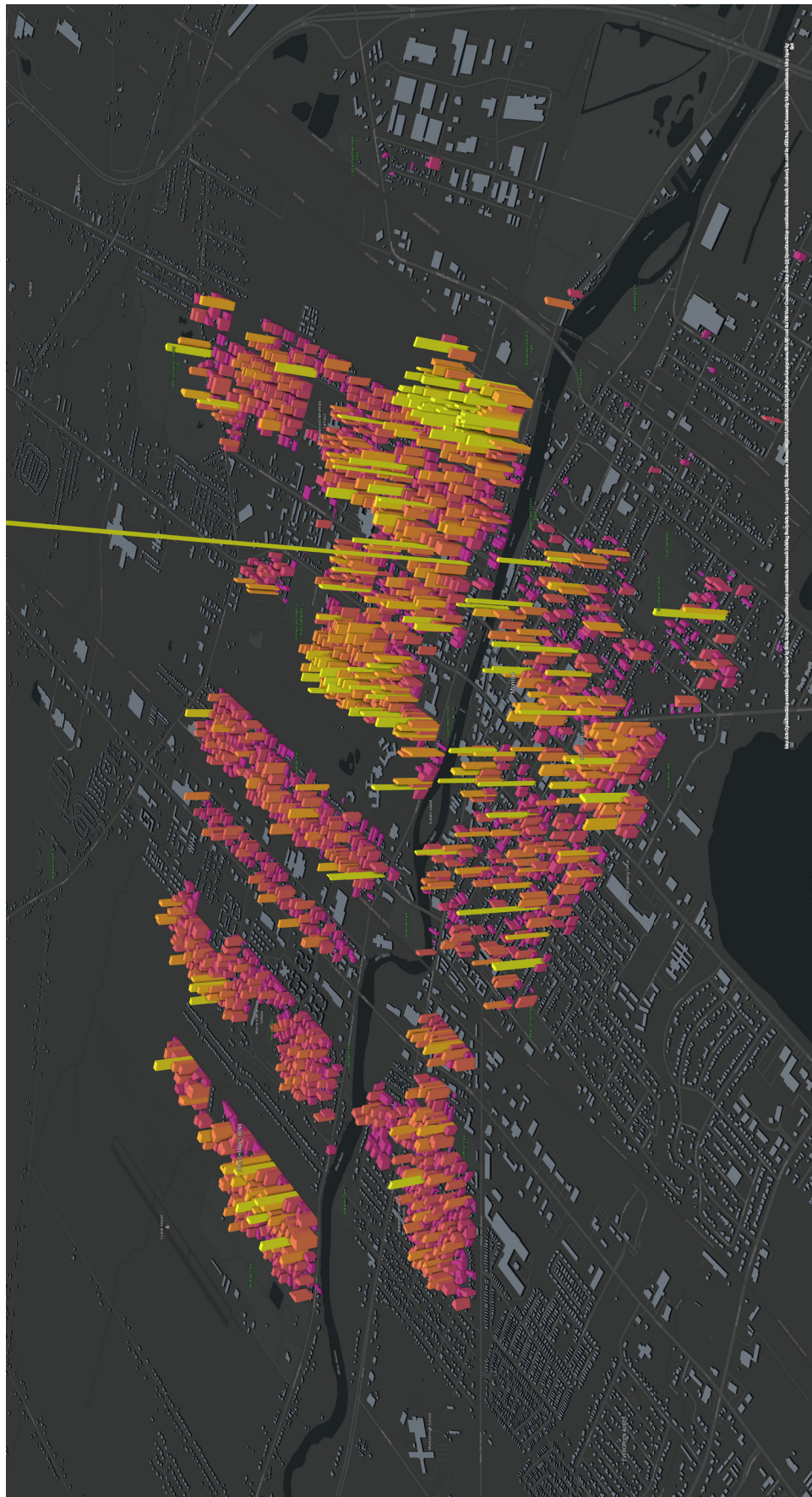


Proximity to Schools

Sources: Michigan Open Data Portal, City of Monroe

- Within 250ft (4 points)
- Within 500ft (3 points)
- Within 750ft (2 points)
- Within 1,320ft/0.25 miles (1 point)
- Not within 0.25 miles (0 points)

0.4 Miles
Beckett & Raeder, Inc.

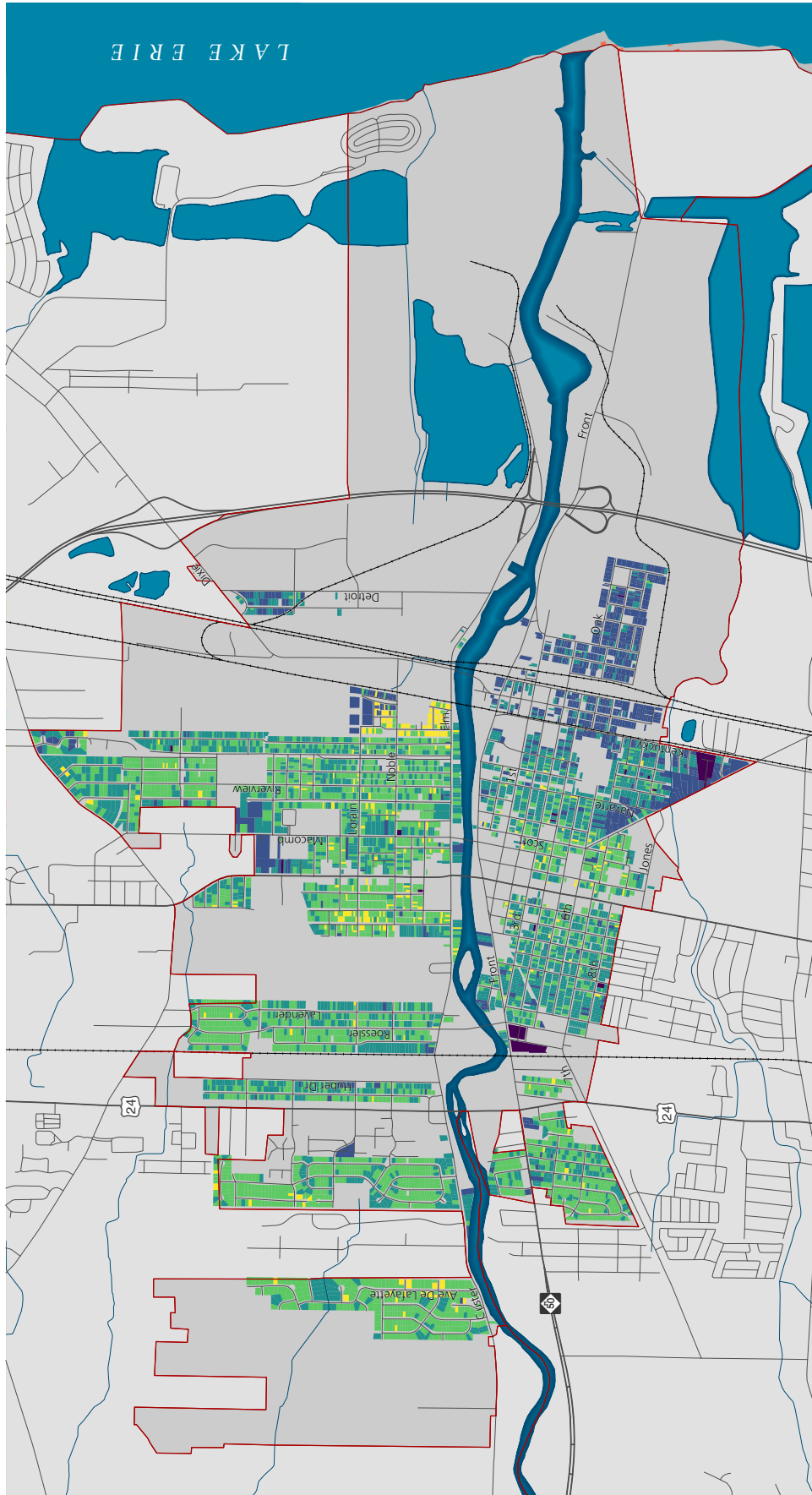


Taxable Value per Sq. Ft. of Residential Properties

Sources: Michigan Open Data Portal, City of Monroe



0.15 Miles
Beckett & Raeder, Inc.

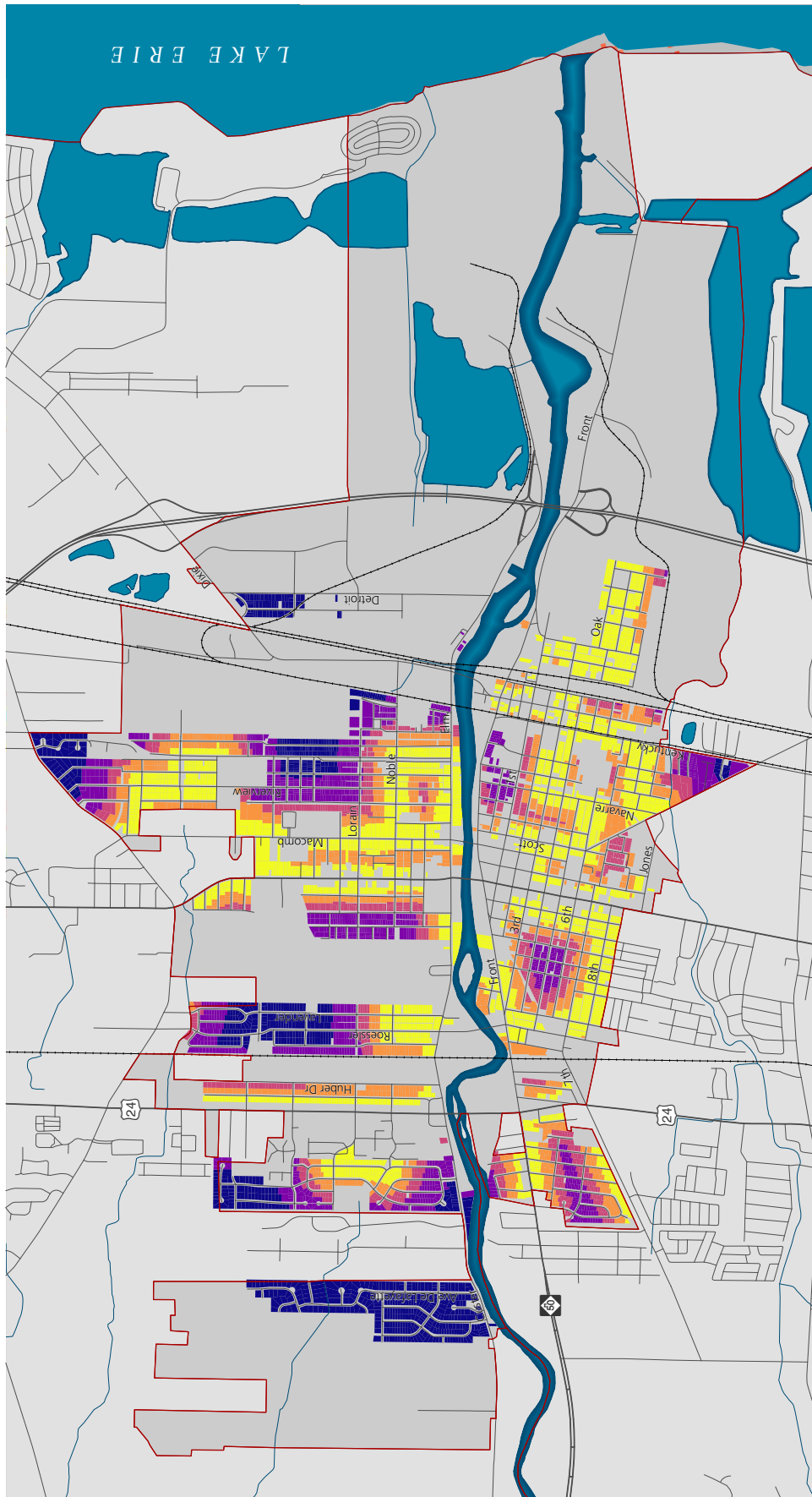


0.4 Miles
Beckett & Raeder, Inc.

Taxable Value per Sq. Ft.

Sources: Michigan Open Data Portal, City of Monroe

- \$500,001+ (4 points)
- \$250,001 - \$500,000 (3 points)
- \$100,001 - \$250,000 (2 points)
- \$1 - \$100,000 (1 point)
- \$0 (0 points)

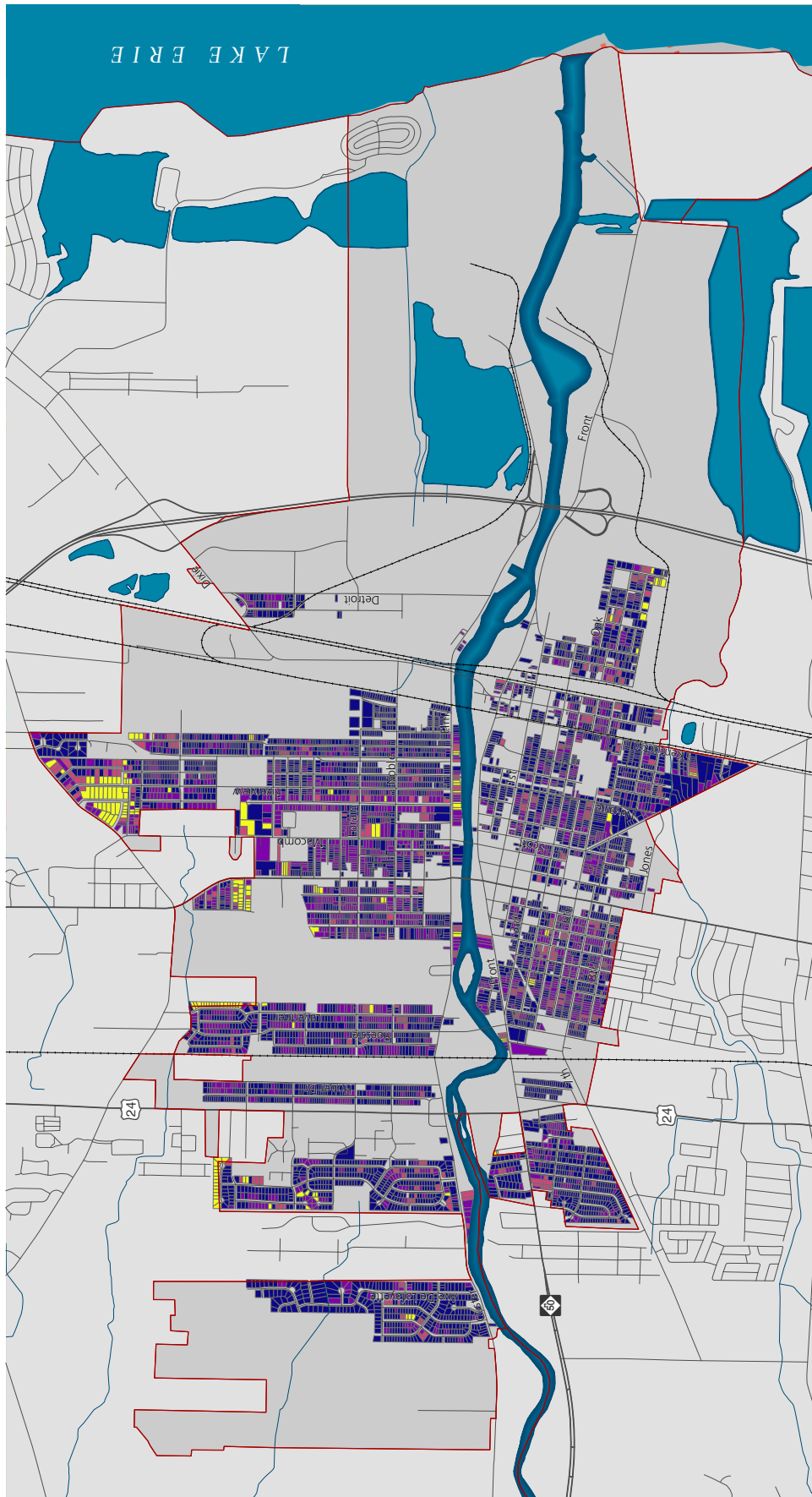


Proximity to a Transit Route

Sources: Michigan Open Data Portal, City of Monroe

- Within 250ft (4 points)
- Within 500ft (3 points)
- Within 1,320ft/0.25 miles (1 point)
- Not within 0.25 miles (0 points)

0.4 Miles
Beckett & Raeder, Inc.



0.4 Miles
Beckett & Raeder, Inc.

Tree Canopy Coverage

Sources: Michigan Open Data Portal, City of Monroe

- 46% coverage (4 points)
- 31 - 45% coverage (3 points)
- 16 - 30% coverage (2 points)
- 1% - 15% coverage (1 point)
- 0% coverage (0 points)

APPENDIX D: TAPESTRY SEGMENTATION



Tapestry Segmentation Area Profile

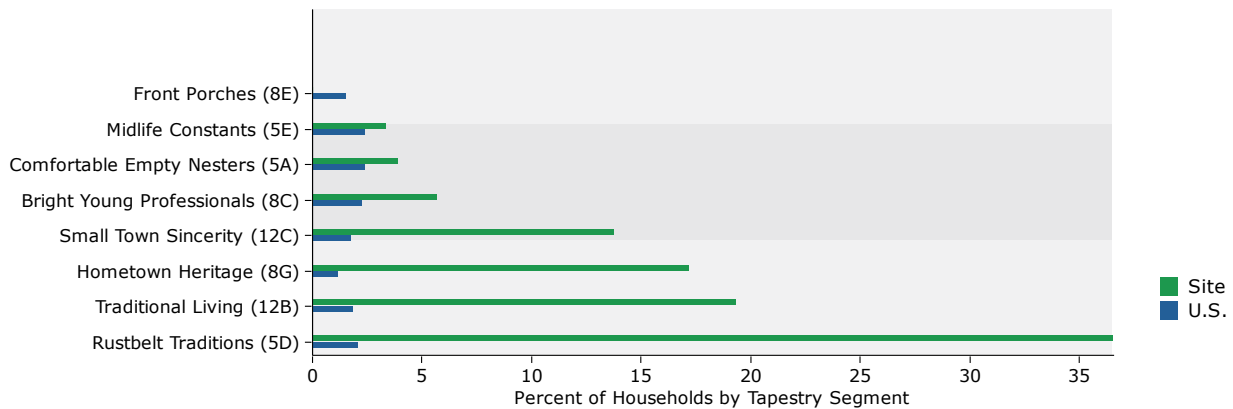
Monroe City, MI
 Monroe City, MI (2655020)
 Geography: Place

Prepared by Beckett & Raeder, Inc.

Top Twenty Tapestry Segments

Rank	Tapestry Segment	2023 Households		2023 U.S. Households		Index
		Percent	Cumulative Percent	Percent	Cumulative Percent	
1	Rustbelt Traditions (5D)	36.6%	36.6%	2.1%	2.1%	1712
2	Traditional Living (12B)	19.3%	55.9%	1.9%	4.0%	1,032
3	Hometown Heritage (8G)	17.2%	73.1%	1.2%	5.2%	1,471
4	Small Town Sincerity (12C)	13.8%	86.9%	1.8%	7.0%	775
5	Bright Young Professionals (8C)	5.7%	92.7%	2.3%	9.3%	248
Subtotal		92.6%		9.3%		
6	Comfortable Empty Nesters (5A)	4.0%	96.6%	2.4%	11.7%	164
7	Midlife Constants (5E)	3.4%	100.0%	2.4%	14.1%	140
8	Front Porches (8E)	0.0%	100.0%	1.6%	15.7%	1
Subtotal		7.4%		6.4%		
Total		100.0%		15.7%		638

Top Ten Tapestry Segments Site vs. U.S.



Data Note: This report identifies neighborhood segments in the area, and describes the socioeconomic quality of the immediate neighborhood. The index is a comparison of the percent of households or Total Population 18+ in the area, by Tapestry segment, to the percent of households or Total Population 18+ in the United States, by segment. An index of 100 is the US average.
Source: Esri

February 18, 2024



LifeMode Group: GenXurban

Rustbelt Traditions



Households: 2,716,800

Average Household Size: 2.47

Median Age: 39.0

Median Household Income: \$51,800

WHO ARE WE?

The backbone of older industrial cities in states surrounding the Great Lakes, *Rustbelt Traditions* residents are a mix of married-couple families and singles living in older developments of single-family homes. While varied, the workforce is primarily white collar, with a higher concentration of skilled workers in manufacturing, retail trade, and health care. *Rustbelt Traditions* represents a large market of stable, hardworking consumers with modest incomes but an average net worth of nearly \$400,000. Family oriented, they value time spent at home. Most have lived, worked, and played in the same area for years.



OUR NEIGHBORHOOD

- Almost half (46%) of the households are married-couple families, similar to the US (48%), most without children (also similar to the US); the slightly higher proportion of singles (Index 105) reflects the aging of the population.
- Average household size is slightly lower at 2.47.
- They are movers, slightly more mobile than the US population (Index 109), but over 70% of householders moved into their current homes before 2010.
- Most residents live in modest, single-family homes in older neighborhoods built in the 1950s (Index 224).
- Nearly three quarters own their homes; nearly half of households have mortgages.
- A large and growing market, *Rustbelt Traditions* residents are located in the dense urban fringe of metropolitan areas throughout the Midwest and South.
- Most households have one to two vehicles available.

SOCIOECONOMIC TRAITS

- Most have graduated from high school or spent some time at a college or university.
- Labor force participation slightly higher than the US at 67%.
- While most income is derived from wages and salaries, nearly 31% of households collect Social Security and nearly 20% draw income from retirement accounts.
- Family-oriented consumers who value time spent at home.
- Most have lived, worked, and played in the same area for years.
- Budget-aware shoppers that favor American-made products.
- Read newspapers, especially the Sunday editions.

Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.



LifeMode Group: Hometown

Traditional Living

12B

Households: 2,395,200

Average Household Size: 2.51

Median Age: 35.5

Median Household Income: \$39,300

WHO ARE WE?

Residents in this segment live primarily in low-density, settled neighborhoods in the Midwest. The households are a mix of married-couple families and singles. Many families encompass two generations who have lived and worked in the community; their children are likely to follow suit. The manufacturing, retail trade, and health-care sectors are the primary sources of employment for these residents. This is a younger market—beginning householders who are juggling the responsibilities of living on their own or a new marriage, while retaining their youthful interests in style and fun.

OUR NEIGHBORHOOD

- Married couples are the dominant household type, but fewer than expected from the younger age profile and fewer with children (Index 79); however, there are higher proportions of single-parent (Index 146) and single-person households (Index 112).
- Average household size is slightly lower at 2.51.
- Homes are primarily single family or duplexes in older neighborhoods, built before 1940 (Index 228).
- Most neighborhoods are located in lower-density urban clusters of metro areas throughout the Midwest and South.
- Average commuting time to work is very short (Index 22).
- Households have one or two vehicles.

SOCIOECONOMIC TRAITS

- Over 70% have completed high school or some college.
- Labor force participation is a bit higher than the national rate at 63.4%.
- Almost three-quarters of households derive income from wages and salaries, augmented by Supplemental Security Income (Index 139) and public assistance (Index 152).
- Cost-conscious consumers that are comfortable with brand loyalty, unless the price is too high.
- Connected and comfortable with the internet, more likely to participate in online gaming or posting pics on social media.
- TV is seen as the most trusted media.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.



LifeMode Group: Middle Ground

Hometown Heritage



Households: 1,507,700

Average Household Size: 2.66

Median Age: 32.4

Median Household Income: \$28,200

WHO ARE WE?

Hometown Heritage neighborhoods are in urbanized areas within central cities, with older housing, located mainly in the Midwest and South. This slightly smaller market is primarily a family market, married couples (with and without children) and single parents. They work mainly in service, manufacturing, and retail trade industries. 60% of householders are renters, living primarily in single-family homes, with a higher proportion of dwellings in 2-4 unit buildings.

OUR NEIGHBORHOOD

- Renters: About three-fifths of households.
- Primarily family households, married couples with or without children, single parents (Index 203), and multigenerational households (Index 137).
- Primarily single-family homes (61%), with a higher proportion of dwellings in 2-4 unit buildings (Index 225).
- Older housing, built before 1960 (59%), with a higher proportion built in the 1940s (Index 215) or earlier (Index 257).
- Higher percentage of vacant housing units at 18% (Index 155).
- Most households with one or two vehicles (71%), but 19% have no vehicle (Index 204).

SOCIOECONOMIC TRAITS

- Education completed: 38% with a high school diploma only (Index 137); 28% with some college or an associate's degree (Index 97).
- Higher rates of employment in manufacturing.
- Labor force participation rate is lower at 57.1%.
- Wages and salaries are the primary source of income for 70% of households, with contributions from Supplemental Security Income for 12% (Index 232) and public assistance for 7% (Index 254).
- These cost-conscious consumers purchase sale items in bulk and buy generic over name brands.
- They tend to save money for a specific purpose.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.



LifeMode Group: Hometown

Small Town Sincerity

12C

Households: 2,305,700

Average Household Size: 2.26

Median Age: 40.8

Median Household Income: \$31,500

WHO ARE WE?

Small Town Sincerity includes young families and senior householders that are bound by community ties. The lifestyle is down-to-earth and semirural, with television for entertainment and news, and emphasis on convenience for both young parents and senior citizens. Residents embark on pursuits including online computer games, renting movies, indoor gardening, and rural activities like hunting and fishing. Residents keep their finances simple—paying bills in person and avoiding debt.

OUR NEIGHBORHOOD

- Reside in small towns or semirural neighborhoods, mostly outside metropolitan areas.
- Homes are a mix of older single-family houses (61%), apartments, and mobile homes.
- Half of all homes are owner occupied (Index 79).
- Median home value of \$92,300 is about half the US median.
- Average rent is \$639 (Index 62).
- This is an older market, with half of the householders aged 55 years or older and predominantly single-person households (Index 139).

SOCIOECONOMIC TRAITS

- Education: 67% with high school diploma or some college.
- Labor force participation lower at 52% (Index 83), which could result from lack of jobs or retirement.
- Income from wages and salaries (Index 83), Social Security (Index 133) or retirement (Index 106), increased by Supplemental Security Income (Index 183).
- Price-conscious consumers that shop accordingly, with coupons at discount centers.
- Connected, but not to the latest or greatest gadgets; keep their landlines.
- Community-oriented residents; more conservative than middle of the road.
- Rely on television or newspapers to stay informed.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.



LifeMode Group: Middle Ground

Bright Young Professionals

8C

Households: 2,750,200

Average Household Size: 2.41

Median Age: 33.0

Median Household Income: \$54,000

WHO ARE WE?

Bright Young Professionals is a large market, primarily located in urban outskirts of large metropolitan areas. These communities are home to young, educated, working professionals. More than one out of three householders are under the age of 35. Slightly more diverse couples dominate this market, with more renters than homeowners. More than two-fifths of the households live in single-family homes; over a third live in 5+ unit buildings. Labor force participation is high, generally white-collar work, with a mix of food service and part-time jobs (among the college students). Median household income, median home value, and average rent are close to the US values. Residents of this segment are physically active and up on the latest technology.

OUR NEIGHBORHOOD

- Approximately 57% of the households rent; 43% own their homes.
- Household type is primarily couples, married (or unmarried), with above-average concentrations of both single-parent (Index 125) and single-person (Index 115) households.
- Multiunit buildings or row housing make up 56% of the housing stock (row housing [Index 178], buildings with 5–19 units [Index 275]); 43% built 1980–99.
- Average rent mirrors the US (Index 100).
- Lower vacancy rate is at 8.2%.

SOCIOECONOMIC TRAITS

- Education completed: 35% with some college or an associate's degree, 33% with a bachelor's degree or higher.
- Labor force participation rate of 72% is higher than the US rate.
- These consumers are up on the latest technology.
- They get most of their information from the internet.
- Concern about the environment impacts their purchasing decisions.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.



LifeMode Group: GenXurban

Comfortable Empty Nesters

5A

Households: 3,024,200

Average Household Size: 2.52

Median Age: 48.0

Median Household Income: \$75,000

WHO ARE WE?

Residents in this large, growing segment are older, with nearly half of all householders aged 55 or older; many still live in the suburbs where they grew up. Most are professionals working in government, health care, or manufacturing. These Baby Boomers are earning a comfortable living and benefitting from years of prudent investing and saving. Their net worth is well above average (Index 314). Many are enjoying the transition from child rearing to retirement. They value their health and financial well-being.

OUR NEIGHBORHOOD

- Married couples, some with children, but most without (Index 149).
- Average household size slightly higher at 2.52.
- Found throughout the suburbs and small towns of metropolitan areas, where most residents own and live in single-family detached homes (Index 142).
- Most homes built between 1950 and 1990 (Index 131).
- Households generally have one or two vehicles.

SOCIOECONOMIC TRAITS

- Education: 36% college graduates; nearly 68% with some college education.
- Average labor force participation at 61%.
- Most households' income from wages or salaries, but a third also draw income from investments (Index 150) and retirement (Index 159).
- Comfortable Empty Nesters residents physically and financially active.
- Prefer eating at home instead of dining out.
- Home maintenance a priority among these homeowners.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.



LifeMode Group: GenXurban

Midlife Constants

5E

Households: 3,068,400

Average Household Size: 2.31

Median Age: 47.0

Median Household Income: \$53,200

WHO ARE WE?

Midlife Constants residents are seniors, at or approaching retirement, with below-average labor force participation and below-average net worth. Although located in predominantly metropolitan areas, they live outside the central cities, in smaller communities. Their lifestyle is more country than urban. They are generous but not spendthrifts.

OUR NEIGHBORHOOD

- Older homes (most built before 1980) found in the suburban periphery of smaller metropolitan markets.
- Primarily married couples, with a growing share of singles.
- Settled neighborhoods with slow rates of change and residents that have lived in the same house for years.
- Single-family homes, less than half still mortgaged, with a median home value of \$154,100 (Index 74).

SOCIOECONOMIC TRAITS

- Education: 63% have a high school diploma or some college.
- At 31%, the labor force participation rate is low in this market (Index 91).
- Almost 42% of households are receiving Social Security (Index 141); 27% also receive retirement income (Index 149).
- Traditional, not trendy; opt for convenience and comfort not cutting edge. Technology has its uses, but the bells and whistles are a bother.
- Attentive to price, but not at the expense of quality, they prefer to buy American and natural products.
- Radio and newspapers are the media of choice (after television).



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.



LifeMode Group: Middle Ground
Front Porches

8E

Households: 1,960,300
Average Household Size: 2.57
Median Age: 34.9
Median Household Income: \$43,700

WHO ARE WE?

Front Porches is a blend of household types, with more young families with children and more single households than average. More than half of householders are renters, and many of the homes are older townhomes or duplexes. Friends and family are central to *Front Porches* residents and help to influence household buying decisions. Household holders tend to own just one vehicle, but it is used only when needed.

OUR NEIGHBORHOOD

- Nearly one in five homes is a duplex, triplex, or quad; half are older single-family dwellings.
- Just over half the homes are occupied by renters.
- Older, established neighborhoods; three quarters of all homes were built before 1980.
- Single-parent families or singles living alone make up almost half of the households.

SOCIOECONOMIC TRAITS

- Composed of a blue-collar workforce with a strong labor force participation rate.
- Price is more important than brand names or style to these consumers.
- With limited incomes, these are not adventurous shoppers.
- They would rather cook a meal at home than dine out.
- They seek adventure and strive to have fun.



Note: The index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.