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## Mt. Pleasant Confronts Shortage of Affordable Housing for Working Families

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As Mount Pleasant continues to confront a growing housing shortage, city planners are turning their attention to affordability and meeting the needs of residents across income levels. The city’s Director of Planning and Community Development, Manuela Powidayko, explained that the lack of affordable housing puts pressure on middle and lower-income families, with supply shortages pushing many out of the market.

# Housing Pressure Mounts

As defined by Powidayko, affordable housing refers to situations where individuals or families spend no more than 30% of their income on rent or mortgage payments, including utilities. This rule of thumb applies to all income brackets and is meant to leave room in household budgets for essentials like food, transportation, and healthcare. “We need housing options for everyone,” said Powidayko, noting that when higher earners snap up limited stock, it forces displacement down the line, often affecting those with the least flexibility.

One key issue is Mount Pleasant’s extremely tight housing market. The city’s availability rate for owner-occupied homes is currently at 1.2%, well below the 2% to 3% considered healthy. Additionally, inventory is hovering at just 2.5 months of supply, compared to the 4–6 months needed for a balanced market, according to data from Bowen National Research, which is working with the East Michigan Council of Governments to analyze regional housing gaps.

This limited supply is particularly challenging for families and individuals classified as ALICE: Asset Limited, Income Constrained, Employed. These working residents earn above the poverty line but still struggle to meet basic needs. Many in this group are being priced out by cash buyers and investors willing to pay far over the asking price.

Older housing stock presents another issue. Many homes in Mount Pleasant were built before 1970 and are in need of costly renovations. “Higher-income buyers can afford the repairs, but ALICE households often can’t,” said Powidayko, adding that this mismatch contributes to both property decline and increased risk of foreclosure.

Rental housing isn’t much better. While Isabella County’s overall multi-family rental vacancy rate sits at 3.6%, that’s still short of the 4% to 6% optimal range. The vacancy rate is just 0.6% for non-conventional rentals with four units or fewer. Permanent residents often seek this type of housing, but the availability simply isn’t there.

Looking ahead, Bowen’s regional projections show a housing gap of nearly 2,000 rental units and almost 3,000 homes for sale across Isabella County by 2029. Mount Pleasant’s share of that shortfall includes a 962-unit gap in rentals and 567 units in homes for sale.

Programs like Section 8, run by the U.S. Department of Housing and Urban Development (HUD), provide assistance for households earning below 60% of the Area Median Income (AMI). Still, limited inventory is making it harder to place voucher holders. Amanda Brake from the Mount Pleasant Housing Commission noted that some families are being forced into one-bedroom units due to a lack of options.

Local partnerships are key to tackling the shortage. Developers like Spire Development have proposed affordable housing projects, including 48 Mill and Walnut Streets units. While the project has yet to secure Low-Income Housing Tax Credits (LIHTC) through the Michigan State Housing Development Authority (MSHDA), Powidayko remains hopeful it will be selected in future rounds.

To increase supply, the city is exploring MI Neighborhood infrastructure grants from MSHDA and encouraging denser, more cost-efficient development such as “missing middle” housing. These designs, like duplexes or townhomes, are more affordable to build and can be sold or rented at prices attainable without subsidies.

Habitat for Humanity and other organizations are working to meet the needs of medium-income families earning between \$33,000 and \$50,000 annually. With housing costs needing to stay between \$825 and \$1,250 a month to be manageable, these efforts could make a real difference for residents struggling to find a stable, affordable home in Mount Pleasant.