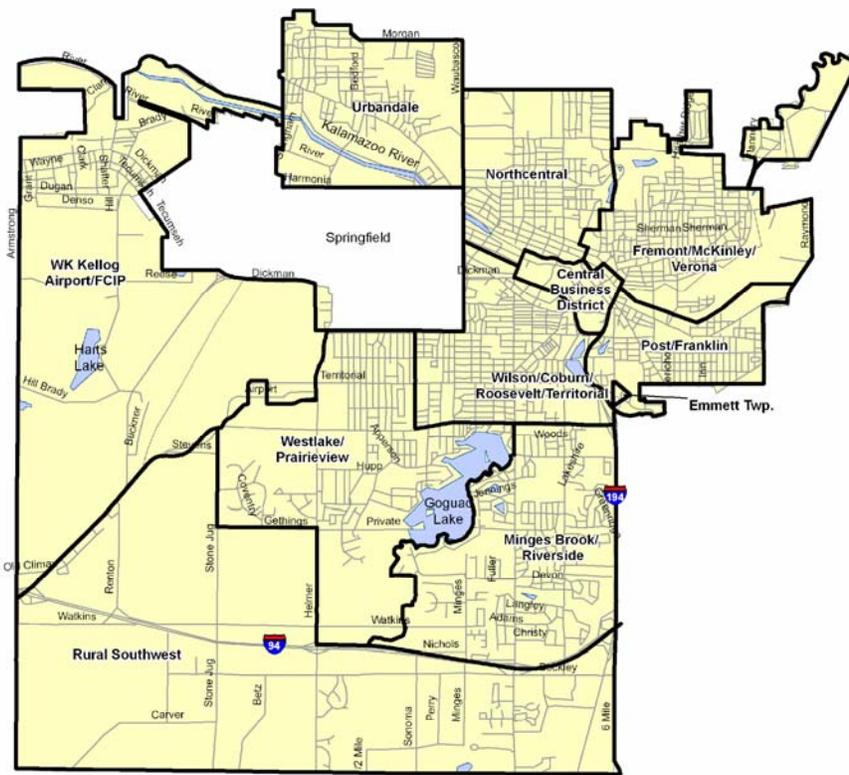


City of Battle Creek

Analysis of Impediments to Fair Housing Choice



Final Report November 2006

Prepared by:

J-QUAD & ASSOCIATES, LLC.



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Executive Summary

The City of Battle Creek, Michigan is a continuous participant in the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program since 1974. The City contracted J-QUAD & Associates, LLC. to conduct an Analysis of Impediments to Fair Housing Choice and the study was completed in December 2006. A research on history and current status of fair and affordable housing in Battle Creek were conducted from various data sources to generate a Socio Economic Profile section. This section outlines demographic, income, employment, and public transportation profiles. Housing Profile examined the age, type, and tenure of housing stock in the community. The assessment of fair housing in Battle Creek included documentation of fair housing complaints, litigations, and local government and housing advocates' responses to fair housing issues. Public perceptions on impediments to fair housing choice was gathered from two public participation processes, the focus group sessions conducted for the 2006 Battle Creek Housing Study and the 2006-2007 Consolidated Planning Workshops. These meetings included the representatives of City staff, the general community, and the housing industry. The Home Mortgage Disclosure Act data was analyzed and mapped to show concentrations of loan rejections. The Fair Housing Index was calculated by census tract to outline the areas where there is a higher likelihood of fair housing violations. From the above data and analysis various impediments to fair housing were identified and recommendations were suggested.

1. Socio Economic Profile

The data in this section show that one significant trend in Battle Creek has been the steady decline in population. This trend goes back to the 1950's and is not reflected in the county or state. Just as significant as the declining overall population trend, not all Neighborhood Planning Councils (NPCs) are declining in population. From 1990 to 2000, the southern NPCs experienced population gains. These two trends - the decline in overall population and population growth in southern Battle Creek - have had a significant impact on housing within the city.

On the whole, the City's population has become more racially and ethnically diverse, though there are areas of the city with concentrations of minority populations. Data show that Hispanic and African Americans are more likely to live in the NPCs closest to the CBD.

Battle Creek's residents are generally older than those of Jackson, Kalamazoo, and the state. Older households are typically smaller than younger ones, and the average household size in Battle Creek decreased from 1990 to 2000, as did the average household size for the county and the state.

Non-family, male-headed, and female-headed households all increased from 1990 to 2000. Households consisting of married couples are still the largest household group, although female-headed households are a significant group in the North Central, Post / Franklin, and CBD NPCs.

An older, more affluent, more diverse population will demand a different and varied set of housing options.

2. Housing Supply Characteristics

Data show that Battle Creek's housing growth is occurring in the southern portions of the city. As shown in the population section, Battle Creek's population losses are mainly in the central NPCs. Not surprisingly, these areas also have the largest number of vacant structures and dangerous buildings.

In terms of the age of the housing stock and home size, Battle Creek's housing is not significantly different than that of Jackson or Kalamazoo. Battle Creek's housing stock is younger than Jackson's, but older than Kalamazoo's. The city's newest housing stock is in the southern portion of the city, while in areas around the CBD more than 80 percent of the homes were built prior to 1960. This disparity in housing age, coupled with the location of new construction, is an issue facing Battle Creek.

Most of the City's housing is single-family. Over 70 percent of the total housing stock in Battle Creek in 1990 and 2000 was single-family, higher than Jackson or Kalamazoo. It is important to remember that the city's single-family homes include both homeowner occupied and rental units.

3. Housing Supply by Tenure

Battle Creek has a high homeownership rate at almost 66 percent. This is higher than Jackson or Kalamazoo. Homeownership rates are highest in areas of the city with newer

homes, despite the higher median housing values in those areas. The median home in the city in 2000, at \$70,800, was more affordable than the median home in the state, county, and Kalamazoo. Median housing values in Battle Creek vary among the NPCs, with the highest values to the south.

In 2000, for a family to afford the median home in Battle Creek the household's income had to be at least \$35,923. Households paying more than 30 percent of their income on housing (including utilities and insurance) are said to be cost burdened. Despite a general affordability, there are areas of the city with a high percentage of cost-burdened households. In 2000, the area with the greatest number of cost burdened renter households was the Fremont NPC with 660 households. Areas with higher rents typically also had higher numbers of cost burdened renter households.

In terms of rental housing, African Americans and Hispanics in Battle Creek are more likely to be renters than Whites. While it did not have the highest renter occupancy rate, the highest number of renters lived in the Fremont / McKinley / Verona area. A significant portion of rental housing is in single-family homes (30.4%), while less than half (about 46 percent) of rental housing is found in apartment buildings.

While the overall homeownership rate is high there is also a high number of rental single-family homes in the city. These rental homes, primarily located in areas with concentrations of low-income households, are a challenge and an opportunity for the city.

4. Housing Supply by Type

In 2000, Battle Creek had 16,604 single-family housing units. Of the 15,626 occupied single-family homes, more than 70 percent were built before 1960 and almost 29 percent were built before 1930. Census data show the majority of the city's single-family homes were owner-occupied, although a significant number, over 2,200, were renter-occupied. Most of the city's renter-occupied homes were in the Fremont / McKinley / Verona, Wilson / Coburn / Roosevelt / Territorial, and North Central NPCs. Renters in single-family homes typically occupied older housing stock. More than half of renter-occupied single-family homes were built before 1950.

Battle Creek had 4,030 multifamily units in 2000. Cost burdened households in

multifamily units were most common in the Wilson / Coburn / Roosevelt / Territorial, Northcentral, and Post / Franklin NPCs where about half of all households were cost burdened. In 2000, the average one-bedroom apartment would not be affordable to households earning less than \$15,000 in Battle Creek. Over 34 percent of all renter households in Battle Creek earned less than \$15,000 in 2000.

There were 359 manufactured and mobile home units in Battle Creek in 2000, an increase of 238 units from 1990. This number represents 1.5 percent of the all housing units in Battle Creek. Calhoun County had 3,838 manufactured and mobile home units at the end of 2000.

5. Fair Housing Law, Municipal Policies and Complaint Analysis

The State of Michigan has a fair housing ordinance that is substantially equivalent to the federal Fair Housing Act. The City of Battle Creek does not have a fair housing ordinance. Fair housing enforcement is provided through the Southwest Michigan Fair Housing Center in Kalamazoo, a Fair Housing Initiatives Program (FHIP) agency. A Fair Housing Center was opened in Battle Creek in 2003, but was closed in May 2006 due to lack of funding.

The City's zoning ordinance and public policies were examined to reveal any current ordinances or policies that impede fair housing. A review of zoning code revealed that a special permitting process is required to establish a group home in a residential district. This longer process could be a barrier to the establishment of group homes for disabled persons in residential districts.

The City of Battle Creek funds several housing programs through their CDBG and HOME program allocations. These programs work to expand homeownership opportunities for low and moderate-income homebuyers, provide rental assistance to low-income and disabled renters, and provide rehabilitation for single-family, owner-occupied housing.

According to the regional office of the U.S. Department of Housing and Urban Development in Chicago, three fair housing complaints were filed from January 2000 through July 20, 2006. Of the three complaints, two were closed with a no cause determination. One case was closed with conciliation or settlement. All the cases were based on race.

6. Focus Group Sessions

A summary of issues pointed out by the participants from the focus groups conducted for the 2006 Housing Study and 2006-2007 Consolidated Plan Workshops was provided in this section. The focus groups and workshops voiced many concerns relating to fair housing choice that they perceived as impediments. Discussion in the fair housing focus group sessions spanned numerous issues, but the following themes were touched on repeatedly; the concentration of poverty; poor credit; predatory lending; substandard condition of housing stock; and the need for new and alternative housing types for young couples, singles, students, and elderly.

7. Home Mortgage Disclosure Act Data Analysis

The HMDA data analysis indicates that there are issues of concern in mortgage lending. There is some evidence to suggest that there are characteristics consistent with redlining occurring in the Battle Creek. Overall, the number of loan applications and the percentage of loans originated among Whites were much higher than minorities. Lack of credit or poor credit showed up to be the reason for the highest number of denials. The least success in lending was found in the home improvement loan sector which may be an indication of the lack of repairs or improvements to the existing housing stock.

8. Fair Housing Index

The fair housing index highlights geographic areas indicating a concentration of attributes prevalent in fair housing issues. These attributes include high minority concentrations, older housing stock, reliance on public transportation, low income, low housing values and contract rents, a high percentage of female headed households with children, a high ratio of loans denied to loans originated, high unemployment rates, and high rates of high school dropouts. The collective concentration of these issues leads to neighborhood deterioration and market conditions that tend to impede fair housing choice. Analysis and confirmation received in the focus group sessions indicate that portions of northeastern-central Battle Creek, particularly the Northcentral, Central Business District, Franklin, Fremont, and Wilson Neighborhood Planning Council Districts, are most likely to have the highest risk to have problems with housing choice.

9. Fair Housing Impediments and Remedial Activities

9.A. Real Estate impediments

Impediment: Limited variety in housing suitable for different types of households.

Remedial Actions:

- The development of downtown housing could be one solution to cater to the housing needs of young professionals, singles, and empty nesters, and
- The development of cottage housing for elderly persons with a support service network.

Impediment: Possible Fair Housing violations in real estate advertising.

Remedial Actions:

- The City of Battle Creek should encourage local Board of Realtors participation in the Fair Housing Partnership with HUD, and
- The Southwest Michigan Fair Housing Center, in conjunction with Battle Creek Board of Realtors, should provide education / outreach to local newspapers and other publishers on fair housing and advertising in Calhoun County and Battle Creek.

9.B. Public Policy Impediments

Impediment: Lack of local fair housing enforcement agency in Battle Creek.

Remedial Actions:

- Consider on drafting a local fair housing ordinance,
- Attempt to become certified as a Fair Housing Assistance Program (FHAP) Agency or Fair Housing Initiatives Program (FHIP) Agency to receive funds for education, promoting fair housing, and investigating allegations, and
- Establish a Fair Housing Center in Battle Creek.

Impediment: A special permitting process is required to establish a State licensed residential facility. This longer process may discourage the development of group homes in residential districts.

Remedial Actions:

- An exemption or reasonable simplification of the special permit process for group homes may be allowed in the zoning ordinance.
- Eliminate development barriers to group homes, such as minimum lot size.

9.C. Neighborhood Conditions as Impediments

Impediment: Substandard rental housing units in minority census tracts.

Remedial Actions:

- Creation of a housing rehabilitation program focusing on rental units,
- Enhancing the City's existing rental registration program, and
- A strengthened citation process for repeat building code violators.

9.D. Banking, Finance, and Insurance Related Impediments

Impediment: Credit Issues that limit financing options and the ability to qualify for a loan.

Remedial Actions:

- The City of Battle Creek should work with the schools to address the importance of financial literacy,
- In conjunction with banking and real estate professionals, the City should devise a course that educates students on financial planning and credit management, and
- The City should work with housing advocates to continue homeownership counseling and down-payment assistance programs that address topics of credit worthiness, financing, and homeowner responsibilities.

Impediment: Characteristics of redlining.

Remedial Actions:

- The City should host a roundtable discussion with lending institutions to share data from HMDA analysis, specifically highlighting loan originations in low-income census tracts, and
- Efforts should be continued in improving lower income neighborhoods by various activities, such as rehabilitation of existing housing units, construction of infill housing units on vacant lots, and support to community-based economic development projects.

9.E. Socio Economic Impediments

Impediment: Concentration of various socio-economic problems and poverty.

Remedial Actions: Policies such as incentives for:

- Mixed-income infill development,
- Voluntary inclusionary zoning, and
- Allowing for a variety of lot sizes and zoning categories to create mixed-income areas.

1. Socio Economic Profile

Battle Creek is located in Southwest Michigan, 70 miles east of Lake Michigan along the I-94 corridor. Founded as a village for mill workers in 1831, it was named Milton in the 1840s, was incorporated as a town and changed its name to Battle Creek in 1850. Battle Creek and Battle Creek Township merged in 1983 doubling the city's size. Cities within a 50 mile radius include Kalamazoo and Jackson.

The Socio-Economic Overview provides a look at the demographics of the community and identifies major trends in Battle Creek including:

Population: Looks at the basic structure of the community in terms of population growth, family structure, and racial diversity.

Income: Analyzes income sources, the distribution of households across income class, and poverty.

Employment and Education: Examines unemployment rates, major employers, and educational status.

Public Transportation: Focuses on the population using public transportation in their trip to work.

Throughout this section, Battle Creek is compared to Michigan, Calhoun County, and the cities of Kalamazoo and Jackson. Data were gathered for this analysis from the 1990 and 2000 U.S. Census and several other sources. Detailed analyses will concentrate on the ten Neighborhood Planning Council Districts (NPC): Urbandale, North Central, Central Business District, Fremont/McKinley/Verona, Post/Franklin, Wilson/Coburn/Roosevelt/Territorial, Minges Brook/Riverside, Rural Southwest, Westlake/Prairieview, and WK Kellogg Airport/Fort Custer Industrial Park. The analysis includes three major racial and ethnic groups in Battle Creek: White, African-American, and Hispanic. All other groups are relatively small in number and percentage and, therefore, will not be examined in detail.

About the Data

Throughout the report maps present data for Battle Creek by census tract with an overlay of the boundaries of the city and the NPCs. Data reported by the US Bureau of the Census at the Census tract level is combined to the NPC level. It is important to note that not all data is collected at the NPC level and the boundaries of Census tracts and block groups do not match exactly with those of the NPCs. Further, the Census Bureau block groups along the city limits extend beyond the outer NPC boundaries, and outside of the city. Because many estimates for NPCs were generated from Census block group data they are approximations for those NPCs. Comparisons with 1990 Census data at the NPC level poses another challenge: changes in Census boundaries between 1990 and 2000. This is particularly significant in the Central Business District NPC where the US Bureau of the Census which from 1990 to 2000 joined previously separate tracts into new, larger tracts which extend further outside of the CBD area boundary. To minimize confusion and data discrepancies caused by these boundary changes, two conventions will be used within the report. In examining population and housing units for 2000 the report will use the smallest Census geography available, the Census block, to best match the CBD boundary. Most Census data are not available at the block level. In comparisons using data not available at the block level, the 2000 Census block group boundaries will be used. One implication of this second convention is that data reported for 1990 for the CBD will not match reports for 2000.

Population

The population of Battle Creek in 2000 was 53,364, representing 38.7 percent of the population of Calhoun County and 0.5 percent of the population of the state. Battle Creek experienced a population decline of 12,942 (-26.6%) between 1950 and 1980. During the period between 1980 and 1990, the City of Battle Creek was merged with Battle Creek township increasing the population by 17,816 (49.9%). But, the combined population of Battle Creek city and township dropped by 2,799 (-5.0%) between 1980 and 1990. The population of Battle Creek dropped by 176 (-0.3%) between 1990 and 2000. The population of Calhoun County increased by 21,150 (17.5%) between 1950 and 1970 and increased by 2,003 residents (1.5%) between 1990 and 2000. Calhoun County did, however, experience a drop in population for the period between 1980 and 1990, though a smaller population loss than Battle Creek (township and city). Michigan's population increased by 3,566,678 (56.0%) between 1950 and 2000.

Table 1.1: Population (1950-2000)

	1950	1960	1950-1960 % Change	1970	1960-1970 % Change	1980	1970-1980 % Change	1990	1980-1990 % Change	2000	1990-2000 % Change
Battle Creek City	48,666	44,169	-10.2%	38,931	-11.9%	35,724	-8.2%	53,540	49.9%	53,364	-0.3%
Battle Creek Township	15,015	19,010	21.0%	21,782	14.6%	20,615	-5.4%	0*	0.0%	0*	0.0%
Calhoun County	120,813	138,858	13.0%	141,963	2.2%	141,557	-0.3%	135,982	-3.9%	137,985	1.5%
Michigan	6,371,766	7,823,194	18.6%	8,875,083	13.4%	9,262,078	4.4%	9,295,297	0.4%	9,938,444	6.9%

Source: U.S. Census

*Battle Creek Township incorporated in to Battle Creek City

Race/Ethnicity

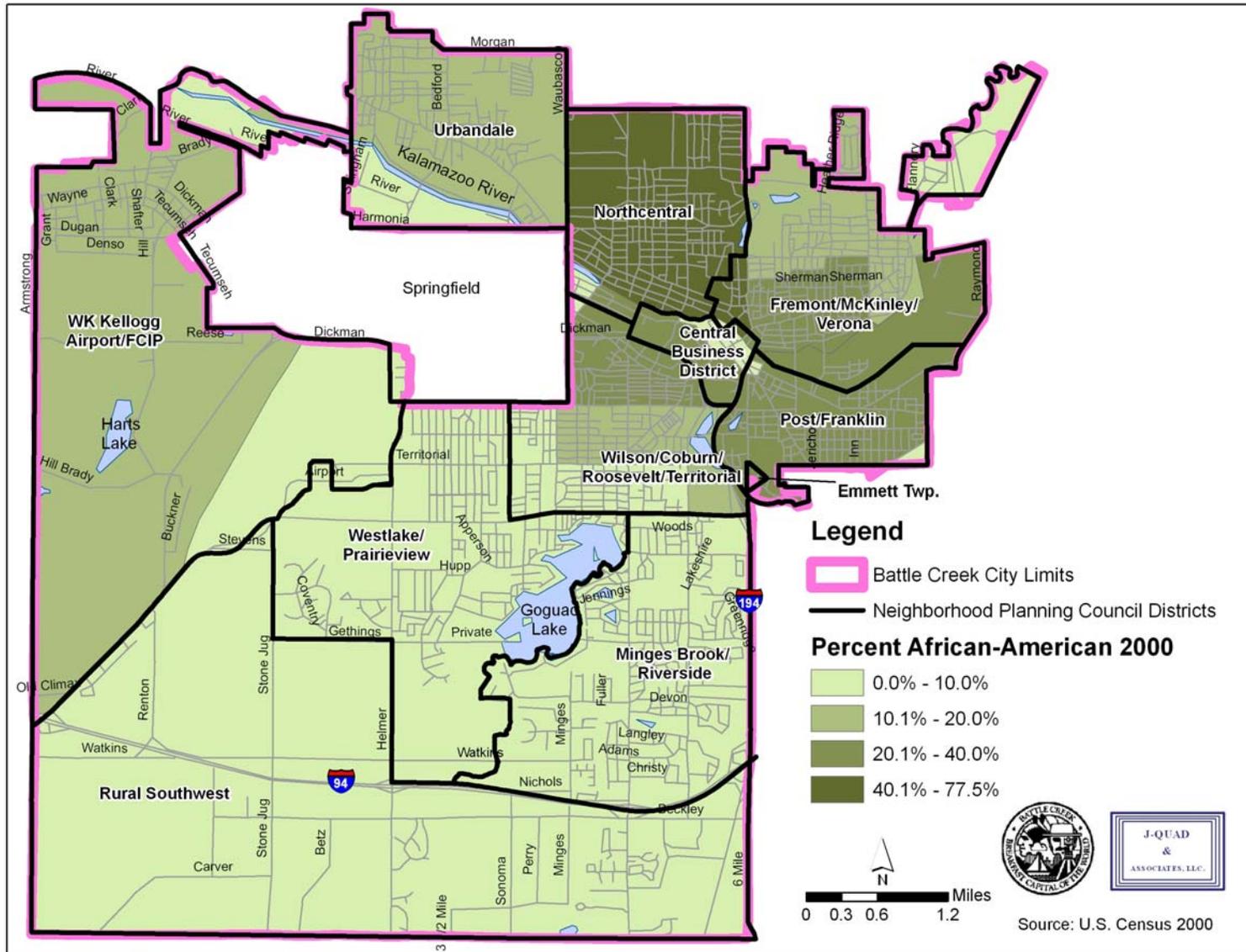
According to the 2000 Census, Hispanics constituted 4.6 percent of the city's population. The African-American population of Battle Creek increased by 1.3 percentage points between 1990 and 2000 to 17.8 percent of the total population in 2000. It should be noted in comparing the racial distribution between 1990 and 2000 that the Census changed the way it considered racial categories and ethnicities for the 2000 Census. The category 'Hawaiian and Pacific Islander' was split from the Asian category from 1990. Additionally, the 2000 Census allowed respondents to identify more than one racial category. The 'Two or More' category groups all respondents that indicated more than one racial group. Also, Hispanic is not considered a race, but rather an ethnicity and is counted separately from the race population totals.

Table 1.2: Population by Race, 1990 and 2000

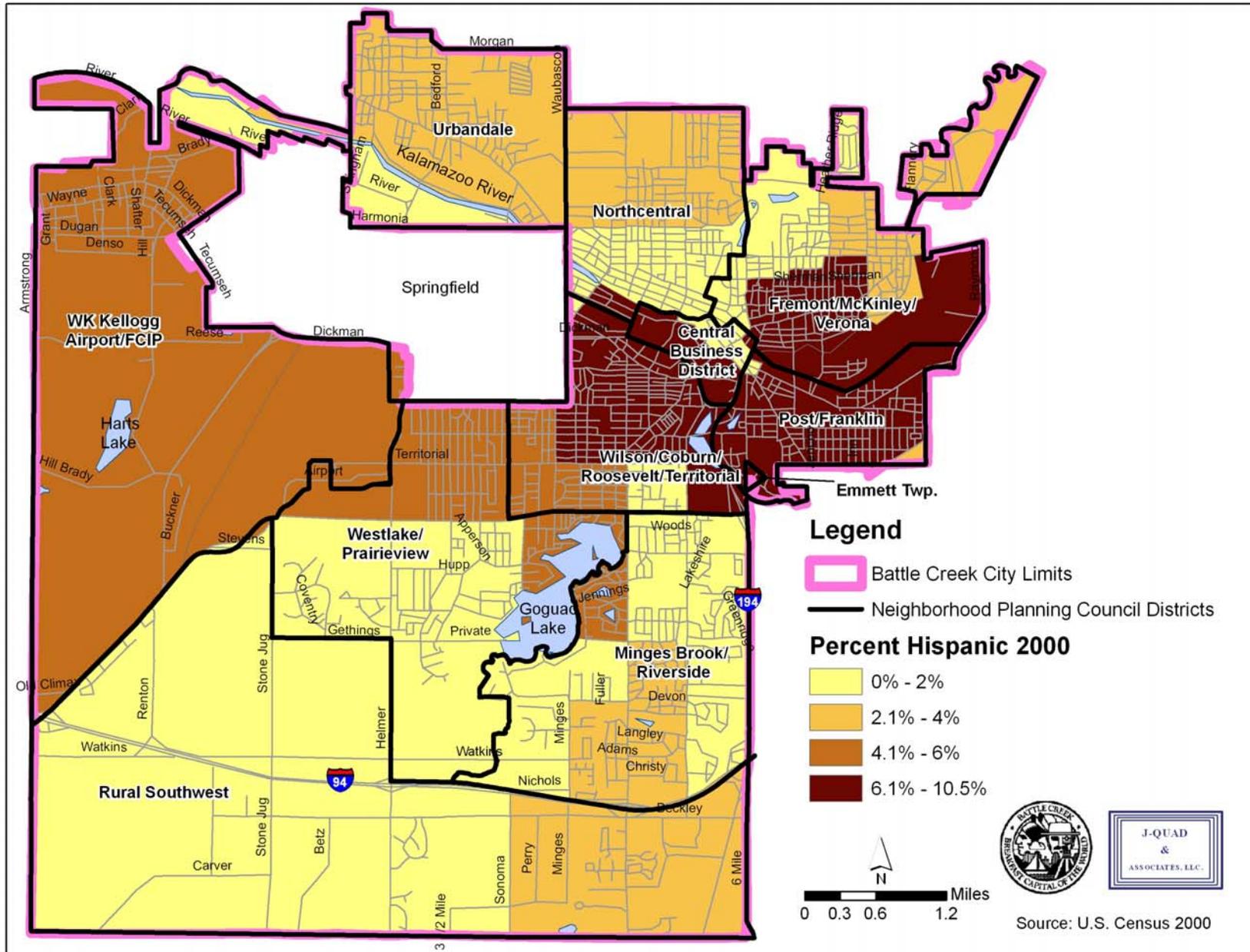
	1990		2000	
	#	%	#	%
White	43,226	80.74%	39,838	74.65%
African-American	8,854	16.54%	9,501	17.80%
American Indian	342	0.64%	411	0.77%
Asian	670	1.25%	1,033	1.94%
Hawaiian	-	-	6	0.01%
Other	448	0.84%	1,126	2.11%
Two or More	-	-	1,449	2.72%
Total	53,540	100.00%	53,364	100.00%
Hispanic	978	1.83%	2,475	4.64%

Source: 1990 & 2000 U.S. Census

Map 1.1: Percent African-American, 2000



Map 1.2: Percent Hispanic, 2000



Maps 1.1 and 1.2, on the preceding pages, provide a graphic depiction of concentrations of African-Americans and Hispanics by census tract within the city. The maps show a higher concentration of minorities in the NPCs around the CBD. The North Central NPC has the highest concentration of African-Americans (68.2%). The highest concentrations of Hispanics are in the CBD (19.3%), Franklin (8.2%), and Wilson (7.5%) NPCs. This information is presented in Table 1.4 on page 8.

Table 1.3: Population by Race, 2000

		Michigan	Calhoun County	Battle Creek	Jackson	Kalamazoo
White	#	7,966,053	115,804	39,838	26,825	54,593
	%	80.2%	83.9%	74.7%	73.9%	70.8%
African-American	#	1,412,742	15,033	9,501	7,154	15,924
	%	14.2%	10.9%	17.8%	19.7%	20.6%
American Indian	#	58,479	865	411	203	445
	%	0.6%	0.6%	0.8%	0.6%	0.6%
Asian	#	176,510	1,530	1,033	186	1,847
	%	1.8%	1.1%	1.9%	0.5%	2.4%
Hawaiian	#	2,692	32	6	14	50
	%	0.0%	0.0%	0.0%	0.0%	0.1%
Other	#	129,552	1,779	1,126	601	1,836
	%	1.3%	1.3%	2.1%	1.7%	2.4%
Two or More	#	192,416	2,942	1,449	1,333	2,450
	%	1.9%	2.1%	2.7%	3.7%	3.2%
Total	#	9,938,444	137,985	53,364	36,316	77,145
	%	100.0%	100.0%	100.0%	100.0%	100.0%
Hispanic	#	323,877	4,351	2,475	1,469	3,304
	%	3.3%	3.2%	4.6%	4.1%	4.3%

Source: U.S. Census 2000

About 20 percent of the population of Jackson and nearly 21 percent of the population in Kalamazoo were African-Americans, compared to about 18 percent of the total population in Battle Creek. Over four percent of the Kalamazoo, Jackson, and Battle Creek populations were reported to be Hispanic, above the state and county figures of 3.3 and 3.2 percent, respectively. Table 1.3, above, compares the populations of each race and the total population of Battle Creek with Michigan, Calhoun County, Jackson, and Kalamazoo.

Table 1.4, on page 8, describes changes in the City's population, by race, in the ten NPCs in Battle Creek from 1990 to 2000. The populations of the Urbandale, North Central, Post-Franklin, and Wilson NPCs were observed to be decreasing. The other NPCs increased during the 10-year period. This points out an overall trend of decreasing population in the northern part of the city and increasing population in the southern part of the city.

The greatest population increases occurred in the Rural SW and Minges Brook / Riverside NPCs, an increase of 1,385 and 1,336 persons respectively. The highest percentage increase occurred in the Rural SW NPC, 45.6 percent, compared to 18.9 percent in the Riverside NPC. The Post/Franklin NPC experienced a 18.7 percent population decrease, compared to 17.8 percent, 5.8 percent, and 2.1 percent decreases in the North Central, Wilson, and Urbandale NPCs respectively.

The city's African-American population ranged from two percent in the Westlake NPC to 68.2 percent in the North Central NPC in 2000. The African-American population in the Post / Franklin NPC increased by 7.7 percentage points between 1990 and 2000. The city's Hispanic population ranges from 1.3 percent in the Riverside NPC to 27.8 percent (only 5 Hispanic persons) in the CBD NPC. The highest number of Hispanics were in the Fremont NPC, 608 persons in 2000. The Hispanic population showed an increase of 4.7 percentage points in the Franklin NPC, compared to a decrease of 0.5 percentage points in Hispanic population in the Rural SW NPC. Overall, there was an increase in Hispanic residents in almost every NPC except in the Rural South West, between 1990 and 2000.

Table 1.4: Population by NPC, 1990 and 2000*

			NPCs									
			Urbandale	North Central	CBD**	Fremont	Post/Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg**
White	1990	#	5,963	2,002	-	12,215	5,563	5,841	6,728	2,785	5,683	-
		%	87.1%	27.3%	-	90.0%	81.0%	78.7%	95.4%	91.7%	94.1%	-
	2000	#	5,597	1,525	10	12,335	3,589	5,077	7,572	3,879	5,957	89
		%	83.5%	25.3%	55.6%	80.7%	64.3%	72.6%	90.2%	87.7%	92.0%	91.8%
African-American	1990	#	784	5,240	-	1,109	1,044	1,316	95	81	149	-
		%	11.4%	71.4%	-	8.2%	15.2%	17.7%	1.3%	2.7%	2.5%	-
	2000	#	771	4,117	6	2,060	1,279	1,190	271	248	129	1
		%	11.5%	68.2%	33.3%	13.5%	22.9%	17.0%	3.2%	5.6%	2.0%	1.0%
American-Indian	1990	#	27	41	-	79	93	86	15	17	21	-
		%	0.4%	0.6%	-	0.6%	1.4%	1.2%	0.2%	0.6%	0.3%	-
	2000	#	19	12	0	177	160	66	41	0	17	2
		%	0.3%	0.2%	0.0%	1.2%	2.9%	0.9%	0.5%	0.0%	0.3%	2.1%
Asian	1990	#	42	14	-	66	45	41	206	131	160	-
		%	0.6%	0.2%	-	0.5%	0.7%	0.6%	2.9%	4.3%	2.6%	-
	2000	#	44	19	0	62	4	55	347	265	186	3
		%	0.7%	0.3%	0.0%	0.4%	0.1%	0.8%	4.1%	6.0%	2.9%	3.1%
Hawaiian	1990	#	-	-	-	-	-	-	-	-	-	-
		%	-	-	-	-	-	-	-	-	-	-
	2000	#	0	0	0	0	0	0	0	0	0	0
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	1990	#	32	44	-	103	122	137	12	23	25	-
		%	0.5%	0.6%	-	0.8%	1.8%	1.8%	0.2%	0.8%	0.4%	-
	2000	#	26	33	1	221	302	256	54	11	122	1
		%	0.4%	0.5%	5.6%	1.4%	5.4%	3.7%	0.6%	0.2%	1.9%	1.0%
Two or More	1990	#	-	-	-	-	-	-	-	-	-	-
		%	-	-	-	-	-	-	-	-	-	-
	2000	#	241	330	1	438	249	346	107	19	61	1
		%	3.6%	5.5%	5.6%	2.9%	4.5%	4.9%	1.3%	0.4%	0.9%	1.0%
Total Population	1990	#	6,848	7,341	-	13,572	6,867	7,421	7,056	3,037	6,038	-
		%	100.0%	100.0%	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-
	2000	#	6,706	6,036	18	15,293	5,583	6,990	8,392	4,422	6,472	97
		%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Percent Change (1990-2000)			-2.1%	-17.8%	-	12.7%	-18.7%	-5.8%	18.9%	45.6%	7.2%	-
Hispanic	1990	#	79	71	-	238	239	240	77	53	95	-
		%	1.2%	1.0%	-	1.8%	3.5%	3.2%	1.1%	1.7%	1.6%	-
	2000	#	203	139	5	608	456	525	111	51	263	1
		%	3.0%	2.3%	27.8%	4.0%	8.2%	7.5%	1.3%	1.2%	4.1%	1.0%

Source: US Census 1990 and 2000

* NPC totals sum to more than the total for the city because block groups do not coincide with the city limits.

Age Groups

Residents of Battle Creek, on the whole, are older than those of Kalamazoo, Jackson, and the state. The percentage of the population over 30 years of age in Battle Creek was higher than in the cities of Kalamazoo and Jackson. Elderly persons, those over the age of 65, accounted for 13.5 percent of the population of Battle Creek, compared to 11.9 percent in Jackson and 10.1 percent in Kalamazoo. While higher than it's surrounding communities, the elderly population in Battle Creek decreased between 1990 and 2000. The elderly population in Battle Creek was 12.6 percent in 1980, 14.4 percent in 1990 and 13.5 percent in 2000.

The 18 to 24 age group, students or young adults just entering into labor force, was significantly larger in Kalamazoo, than in Jackson or Battle Creek, in large part due to the presence of Western Michigan University with an undergraduate enrollment of over 22,700 students. The age group was 27.6 percent of the population in Kalamazoo, compared to 9.8 percent in Jackson and 8.7 percent in Battle Creek. Table 1.5, below, shows the population by age group for Michigan, Calhoun County, Kalamazoo, Jackson, and Battle Creek in 2000.

Table 1.5: Population by Age Group, 2000

Age		Michigan	Calhoun County	Battle Creek	Jackson	Kalamazoo
<5	#	672,005	9,002	3,892	3,289	4,786
	%	6.8%	6.5%	7.3%	9.1%	6.2%
5-14	#	1,492,193	20,585	8,281	5,976	8,651
	%	15.0%	14.9%	15.5%	16.5%	11.2%
15-17	#	431,569	6,267	2,362	1,507	2,218
	%	4.3%	4.5%	4.4%	4.1%	2.9%
18-24	#	932,137	12,311	4,654	3,550	21,276
	%	9.4%	8.9%	8.7%	9.8%	27.6%
25-29	#	654,629	8,626	3,917	3,052	6,607
	%	6.6%	6.3%	7.3%	8.4%	8.6%
30-64	#	4,536,893	62,337	23,036	14,609	25,810
	%	45.7%	45.2%	43.2%	40.2%	33.5%
>64	#	1,219,018	18,857	7,222	4,333	7,797
	%	12.3%	13.7%	13.5%	11.9%	10.1%
Total	#	9,938,444	137,985	53,364	36,316	77,145

Source: US Census 2000

The city's population of those below the age of 18 decreased from 28.9 percent in 1990 to 27.2 percent in 2000. Despite this decrease, the population cohort was larger in Battle Creek as compared to the state, county, and Kalamazoo.

Table 1.6, below, illustrates Battle Creek's population by age group by NPC. It can be observed from the table that Battle Creek's elderly population was the highest in the WK Kellogg, Westlake, and the Urbandale NPCs (18.6%, 16.6% and 16.2%). The percentage of young children (age 5 and younger) was highest in the CBD (with only 5 children), Post/Franklin, and Wilson NPCs (27.8%, 8.7%, and 8.0%).

Table 1.6: Population by Age Group by NPC, 2000*

Age Group		NPCs									
		Urbandale	North Central	CBD**	Fremont	Post/Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg**
<5	#	521	442	5	1,042	484	562	483	316	462	0
	%	7.8%	7.3%	27.8%	6.8%	8.7%	8.0%	5.8%	7.2%	7.1%	0.0%
5-14	#	966	1,120	0	2,217	1,014	1,117	1,132	607	1,011	1
	%	14.4%	18.6%	0.0%	14.5%	18.2%	16.0%	13.5%	13.7%	15.6%	1.0%
15-17	#	262	284	0	748	272	292	415	129	253	1
	%	3.9%	4.7%	0.0%	4.9%	4.9%	4.2%	4.9%	2.9%	3.9%	1.0%
18-24	#	538	463	3	1,331	575	656	455	491	461	1
	%	8.0%	7.7%	16.7%	8.7%	10.3%	9.4%	5.4%	11.1%	7.1%	1.0%
25-29	#	484	353	0	1,105	549	652	402	434	362	3
	%	7.2%	5.8%	0.0%	7.2%	9.8%	9.3%	4.8%	9.8%	5.6%	3.1%
30-64	#	2846	2,417	9	6,893	2,272	2,807	4,170	1899	2,850	73
	%	42.4%	40.0%	50.0%	45.1%	40.7%	40.2%	49.7%	42.9%	44.0%	75.3%
65 and above	#	1089	957	1	1,957	417	904	1335	546	1073	18
	%	16.2%	15.9%	5.6%	12.8%	7.5%	12.9%	15.9%	12.3%	16.6%	18.6%
Total Population	#	6,706	6,036	18	15,293	5,583	6,990	8,392	4422	6,472	97

Source: US Census 2000

* NPC totals sum to more than the total for the city because block groups do not coincide with the city limits.

** US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information. Census Block information has been used for these NPCs.

Household Type

The total number of households in Battle Creek decreased marginally from 21,457 in 1990 to 21,348 in 2000. The percentage of households consisting of married couples decreased and other types (male-headed and female-headed households) increased from 1990 to 2000. The percentage of married couple households dropped from 46.1 percent in 1990 to 41.9 percent in 2000. The percentage of households consisting of married couples and married couples with children was higher in Battle Creek than in Kalamazoo and Jackson, but was lower than the state and county percentages. Table 1.7, below, shows the type of households in the state, county, and the three cities, including Battle Creek, in 2000.

The percentage of male-headed, female-headed, and non-family households in Battle Creek was higher than state and county percentages, but lower than those of Kalamazoo and Jackson. The percentage of other types of households increased from 19.4 percent in 1990 to 20.1 percent in 2000. The percentage of non-family households increased from 34.4 percent in 1990 to 37.4 percent in 2000.

Table 1.7: Type of Households, 2000

Type of Household		Michigan	Calhoun County	Battle Creek	Jackson	Kalamazoo
Married couple family	#	1,947,710	26,840	8,947	5,084	8,996
	%	51.4%	49.6%	41.9%	35.8%	30.6%
Married couple with children	#	913,257	11,882	4,194	2,516	3,960
	%	24.1%	22.0%	19.6%	17.7%	13.5%
Male householder, no wife present	#	154,187	2,376	984	750	1,051
	%	4.1%	4.4%	4.6%	5.3%	3.6%
Male householder with children	#	91,323	1,613	657	521	587
	%	2.4%	3.0%	3.1%	3.7%	2.0%
Female householder, no husband present	#	473,802	7,033	3,429	2,832	4,311
	%	12.5%	13.0%	16.1%	19.9%	14.7%
Female householder with children	#	326,486	5,133	2,621	2,212	3,350
	%	8.6%	9.5%	12.3%	15.6%	11.4%
Non-family* Households	#	1,209,962	17,851	7,988	5,544	15,055
	%	32.0%	33.0%	37.4%	39.0%	51.2%
Total Households	#	3,785,661	54,100	21,348	14,210	29,413

Source: US Census 2000

*The US Bureau of the Census distinguishes two types of households: that of a family householder and that of a non-family householder. A family householder is a householder living with one or more people related to him or her by birth, marriage, or adoption. The householder and all people in the household related to him are family members. A non-family householder is a householder living alone or with non-relatives only

Table 1.8, below, illustrates household type by NPC. In 2000, the percentage of married couple households was highest in the Riverside NPC, at 65.3 percent, and the Westlake NPC, at 53.9 percent. The percentage of female-headed households was highest in the North Central (26.4%) and Franklin (24.3%) NPCs. The percentage of female-headed households with children was highest in the Franklin and North Central NPCs, at 17.1 and 15.7 percent, respectively. Non-family households were most prevalent in the Rural SW (41.8%) and Wilson (41.0%) NPCs.

Table 1.8: Type of Households by NPC, 2000*

Type of Household		NPCs									
		Urbandale	North Central	CBD**	Fremont	Post/Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg*
Married Couple	#	1,206	793	0	2,475	606	957	2,196	922	1,418	2
	%	41.7%	32.4%	0.0%	41.3%	29.8%	34.3%	65.3%	46.6%	53.9%	33.3%
Married Couple w/Children	#	523	335	0	1,141	286	487	950	413	620	2
	%	18.1%	13.7%	0.0%	19.0%	14.1%	17.4%	28.3%	20.9%	23.6%	33.3%
Male Householder, no wife	#	85	97	0	222	142	162	109	60	114	2
	%	2.9%	4.0%	0.0%	3.7%	7.0%	5.8%	3.2%	3.0%	4.3%	33.3%
Male Householder w/ Children	#	64	52	0	154	82	85	56	38	91	2
	%	2.2%	2.1%	0.0%	2.6%	4.0%	3.0%	1.7%	1.9%	3.5%	33.3%
Female Householder, no husband	#	479	647	0	963	495	529	230	170	286	0
	%	16.6%	26.4%	0.0%	16.1%	24.3%	18.9%	6.8%	8.6%	10.9%	0.0%
Female Headed Householder w/Children	#	343	384	0	655	348	374	130	138	198	0
	%	11.9%	15.7%	0.0%	10.9%	17.1%	13.4%	3.9%	7.0%	7.5%	0.0%
Non-family Households	#	1,124	912	6	2,336	792	1144	826	826	813	3
	%	38.8%	37.2%	100.0%	39.0%	38.9%	41.0%	24.6%	41.8%	30.9%	50.0%
Total Households	#	2894	2449	6	5,996	2035	2792	3361	1978	2631	6***

Source: US Census 2000

* NPC totals sum to more than the total for the city because block groups do not coincide with the city limits.

**US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information. Census Block information has been used for these NPCs.

***Though U.S Bureau of Census reports a population of 97, only six households are reported within the blocks in the WK Kellogg NPC. In particular, for census tract 26, block group 1, block 1010 is reported to have a population of 85 and zero households in 2000.

Household Size

The average household size decreased slightly in Battle Creek from 2.49 persons in 1990 to 2.43 in 2000. This decrease in average household size was consistent with the county and state. The average household size for Battle Creek is lower than those of Michigan (2.6), Calhoun County (2.5), and Jackson (2.5), but higher than Kalamazoo (2.3).

Income

Household Income

The most significant factor facing households, when considering housing affordability and availability, is income. Higher income households have a wider range of housing options in the marketplace than do those with relatively low incomes. The median household income (MHI) in Battle Creek, as reported in the 2000 U.S. Census, was \$35,491. The MHI increased by \$10,185 from 1990 figure of \$25,306. The data in Table 1.9, below, show the distribution of households across income class in Battle Creek compared to Jackson, Kalamazoo, the county, and the state. The percentage of the population earning \$75,000 and above was highest in Battle Creek, compared to Kalamazoo and Jackson. When examining the lowest income group, as compared to Calhoun County and the state, this group represents a larger percent of those living in Battle Creek, Jackson and Kalamazoo.

Table 1.9: Income Class and Median Household Income, 2000

Income Group		Michigan	Calhoun County	Battle Creek	Jackson	Kalamazoo
Less than \$10,000	#	313,905	4,851	2,494	2,107	4,527
	%	8.3%	9.0%	11.7%	14.8%	15.4%
\$10,000 to \$14,999	#	219,133	3,906	1,658	1,293	2,757
	%	5.8%	7.2%	7.8%	9.1%	9.4%
\$15,000 to \$24,999	#	469,100	7,611	3,212	2,433	4,932
	%	12.4%	14.1%	15.0%	17.1%	16.8%
\$25,000 to \$34,999	#	470,419	7,829	3,174	1,877	3,790
	%	12.4%	14.5%	14.9%	13.2%	12.9%
\$35,000 to \$49,999	#	624,326	9,529	3,517	2,622	4,801
	%	16.5%	17.6%	16.5%	18.4%	16.3%
\$50,000 to \$74,999	#	778,755	11,300	3,996	2,407	4,733
	%	20.6%	20.9%	18.7%	16.9%	16.1%
\$75,000 to \$99,999	#	432,681	4,973	1,806	910	1,880
	%	11.4%	9.2%	8.5%	6.4%	6.4%
\$100,000 or more	#	480,461	4,162	1,515	566	1,995
	%	12.7%	7.7%	7.1%	4.0%	6.8%
Total	#	3,788,780	54,161	21,372	14,215	29,415
Median Household Income		\$44,667	\$38,918	\$35,491	\$31,294	\$31,189

Source: US Census 2000

Table 1.10, below, shows median household income by NPCs. The highest median household incomes were reported in the Minges Brook / Riverside NPC at \$61,002, the Rural SW NPC at \$50,774, and in the Westlake NPC with \$40,020. The districts with the lowest median income were North Central at \$26,961 and Franklin at \$27,009. Map 1.3, on the following page, presents median household income by census tract.

Table 1.10: Median Household Income by NPC, 2000

	NPCs									
	Urbandale	North Central	CBD*	Fremont	Post/Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg*
Median Household Income	\$32,697	\$26,961	-	\$36,126	\$27,009	\$29,423	\$61,002	\$50,774	\$40,020	-

Source: U.S. Census 2000

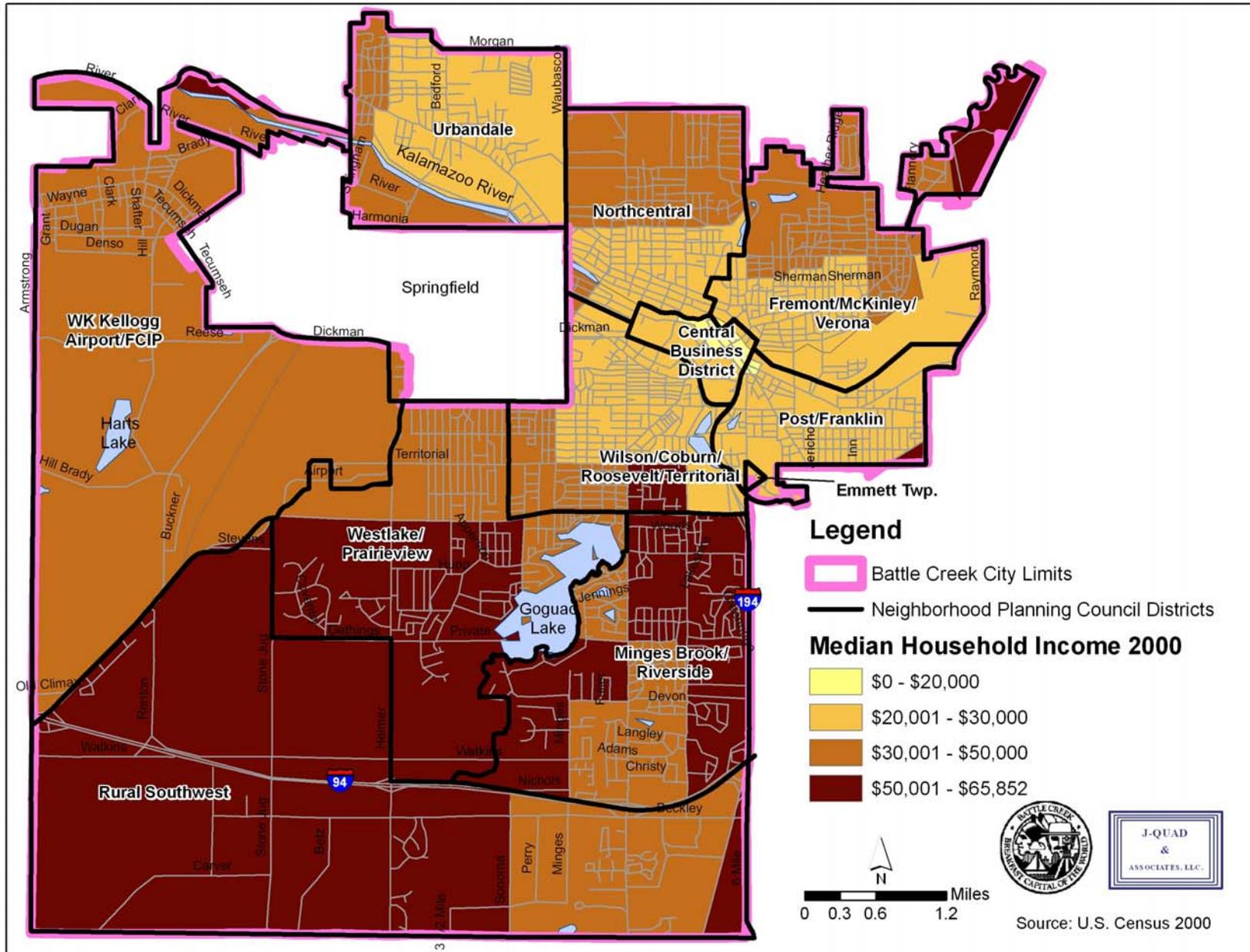
* US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

Map 1.4, on page 16, shows the percentage of households living on public assistance in Battle Creek. As may be expected, there is a large similarity between the areas with low median household incomes and the areas with high percentages of households on public assistance. The census tracts around the CBD have the highest concentration of these households, while the percentages are the lowest in the Rural Southwest, Minges Brook/Riverside, and Westlake/Prairieview NPCs.

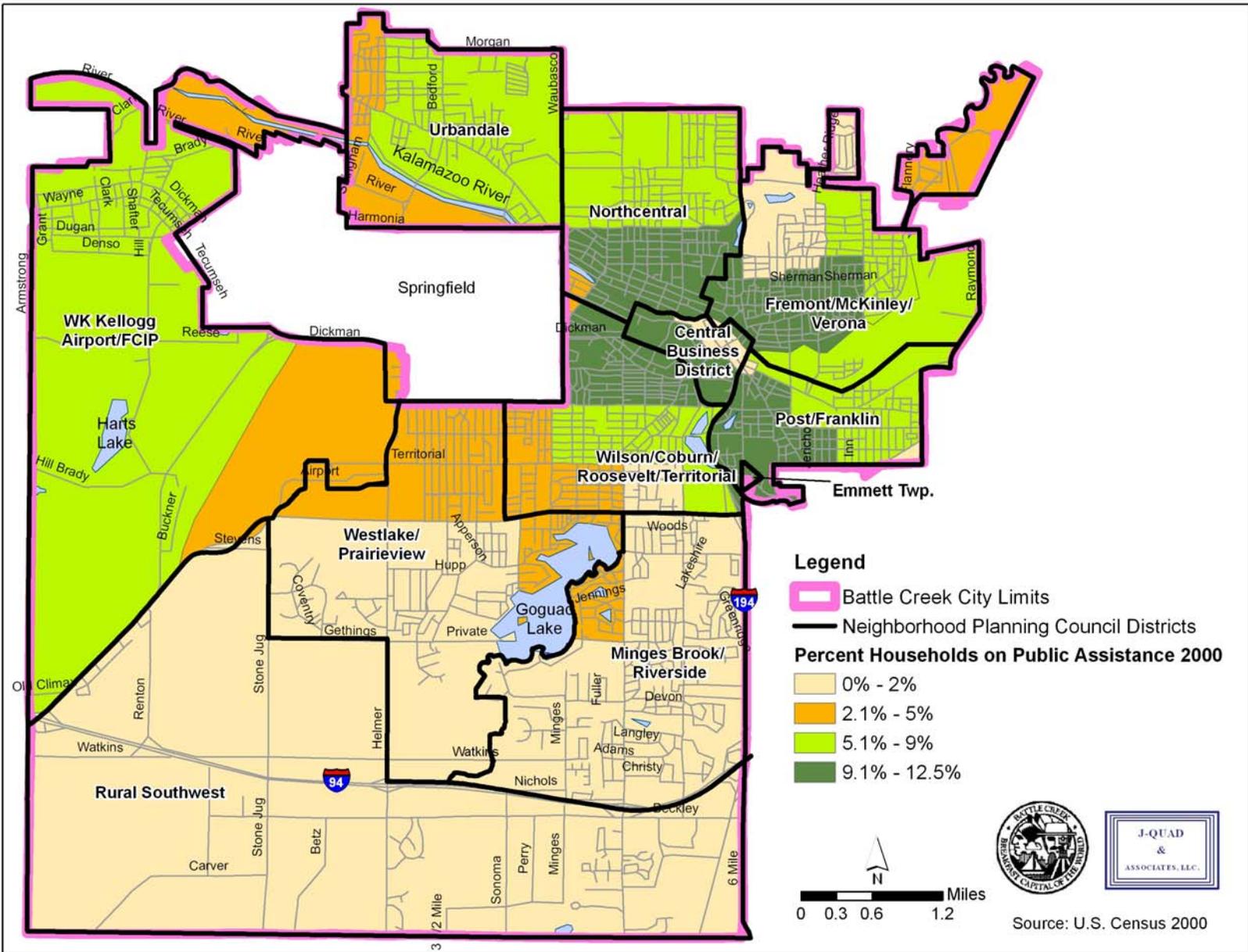
Income by Age of Householder

According to the 2000 U.S. Census, out of the 1,315 households that had a householder younger than 25 years of age, 52.1 percent earned less than \$25,000, 31.2 percent earned between \$25,000 and \$50,000, and 16.7 percent earned between \$50,000 and \$100,000. Out of the 15,002 households that had a householder within the age group 25 to 64 years, 27.0 earned less than \$25,000. In the same category, 31.6 percent of the households earned between \$25,000 to \$50,000, 32.6 percent earned between \$50,000 to \$100,000, and 8.8 percent earned more than \$100,000. About 52 percent of the elderly households earned less than \$25,000, 30.4 percent earned between \$25,000 to \$50,000, 13.6 percent earned between \$50,000 to \$100,000, and 4.0 percent earned more than \$100,000.

Map 1.3: Median Household Income, 2000



Map 1.4: Percent of Households on Public Assistance, 2000



Poverty

In 1999, a family of four (two adults and two children) with an income of less than \$16,895 was considered to be in poverty. Attachment C in the Appendix shows the U.S. Census poverty thresholds for different household sizes. As shown in Table 1.11, below, the overall poverty rate in 2000 was 14.4 percent in Battle Creek, which was higher than state and county poverty rates, but lower than Kalamazoo and Jackson. The poverty rate in Battle Creek decreased by 3.9 percentage points from 18.3 percent in 1990.

Table 1.12, below, provides a look at the poverty rate within Battle Creek by NPC for 2000. The highest poverty rates can be noted in the Wilson (24.2%) and Franklin (22.2%) NPCs. The areas within Battle Creek with the highest poverty rate had a lower rate of poverty than the city of Kalamazoo. Map 1.5, on the following page, illustrates the poverty rate in Battle Creek by tract.

Table 1.11: Poverty, 2000

		Michigan	Calhoun County	Battle Creek	Jackson	Kalamazoo
Below Poverty Level	#	1,021,605	15,094	7,446	6,944	16,641
	%	10.5%	11.3%	14.4%	19.6%	24.3%
Above Poverty Level	#	8,679,017	119,022	44,430	28,403	51,747
	%	89.5%	88.7%	85.6%	80.4%	75.7%
Total:	#	9,700,622	134,116	51,876	35,347	68,388

Source: U.S. Census 2000

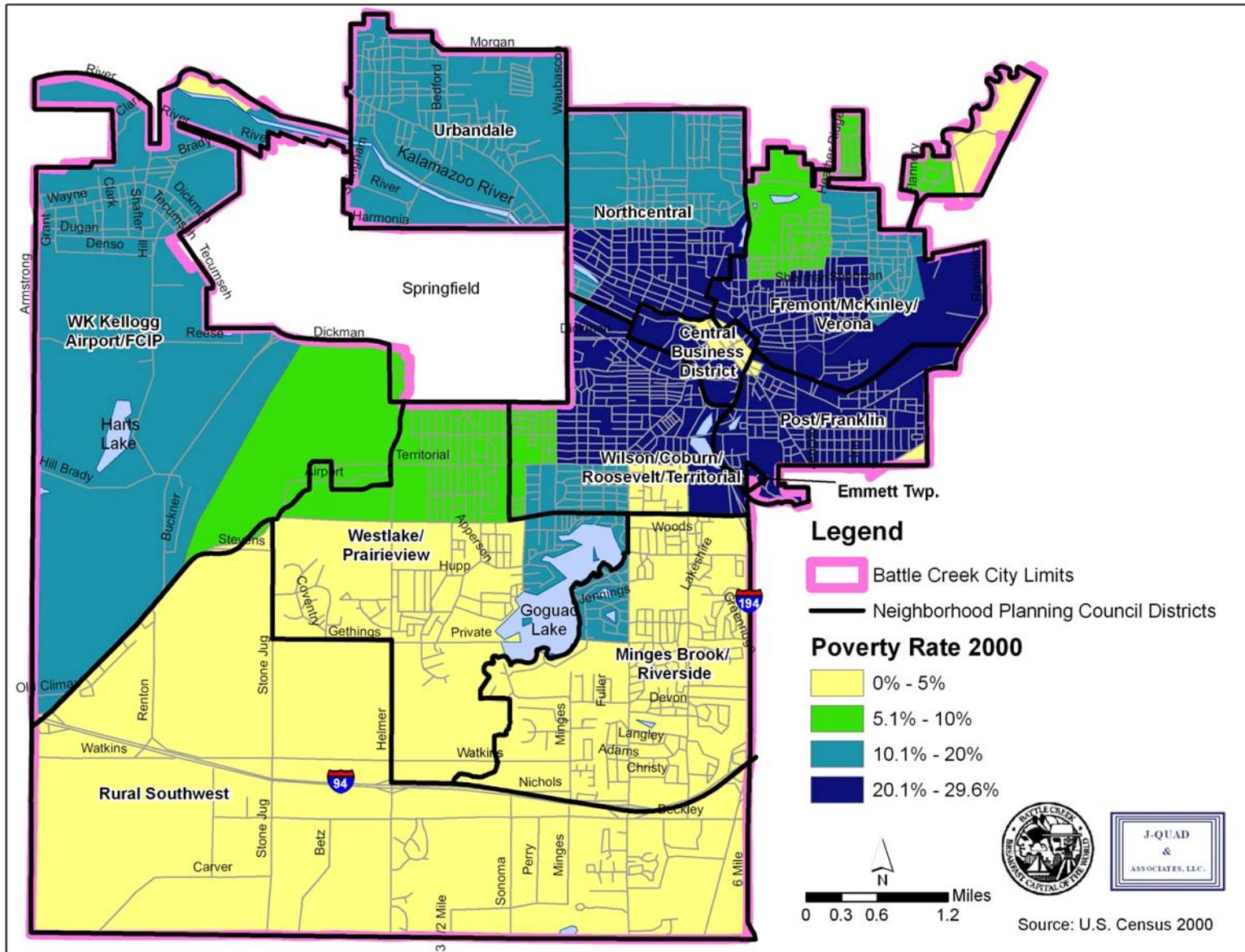
Table 1.12: Poverty Rate by NPCs, 2000

	NPCs									
	Urbandale	North Central	CBD*	Fremont	Post/Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg*
# Below Poverty	796	1,119	-	2,232	1,224	1,667	186	280	544	-
Poverty Rate	12.1%	18.8%	-	15.5%	22.2%	24.2%	2.2%	6.4%	8.5%	-

Source: US Census 2000

* US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

Map 1.5: Poverty Rate, 2000



Employment and Education

According to the Census, the unemployment rate in Battle Creek dropped from 10.2 percent in 1990 to 6.6 percent in 2000. The unemployment rate in Battle Creek was slightly higher than the state and county rates, but lower than Kalamazoo and Jackson. According to the Bureau of Labor Statistics, the unemployment rate for the Battle Creek MSA was 6.5 percent in 2005. As a comparison, during the first quarter of 2006, the unemployment rate in the MSA was 6.9 percent, with a total of 68,433 employees. Table 1.14, below, shows the unemployment rate by NPC in 2000. The highest unemployment rate was observed in the Franklin NPC 10.9 percent. The NPC with the highest number of unemployed persons was the Fremont NPC at 528 persons

Table 1.13: Unemployment Rate, 2000

	Michigan	Calhoun County	Battle Creek	Jackson	Kalamazoo
Unemployed	284,992	3,870	1,623	1,371	5,287
Unemployment Rate	5.8%	5.8%	6.6%	8.1%	12.4%

Source: US Census 2000

Table 1.14: Unemployment Rate by NPCs, 2000

	NPCs									
	Urbandale	North Central	CBD*	Fremont	Post/Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg*
# Unemployed	198	236	-	528	262	270	117	96	127	-
Unemployment Rate	6.6%	9.1%	-	7.7%	10.9%	8.3%	2.6%	3.8%	6.1%	-

Source: US Census 2000

* US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

Table 1.15, to the right, contains the list of major employers, as reported by Battle Creek Unlimited, Inc. in 2003. The largest employer in Battle Creek was Denso Manufacturing Michigan, Inc. with approximately 3,000 employees. The next largest was the Federal Center with approximately 1,900 employees. Kellogg Company employed more than 1,800. Battle Creek Health System employed around 1,500 employees. The Battle Creek Public Schools had 1,300 employees and the VA Medical Center had 1,150 employees. These six businesses, with over 1,000 employees each, represent about 5 percent of the labor force in the MSA.

Educational attainment is an important factor in employment. Table 1.16, on the following page, provides a comparison of educational attainment of the Battle Creek population with the state, county, and the cities of Kalamazoo and Jackson. The percentage of high school dropouts in Battle Creek (17.6%) was higher than the state and the county figures and Kalamazoo, but was lower than Jackson (22.7%).

Table1.15: Major Employers, 2003

Employer	Employees
Denso Manufacturing Michigan, Inc.	3,000
Federal Center	1,900
Kellogg Company	1,800
Battle Creek Health System	1,554
Battle Creek Public Schools	1,300
VA Medical Center	1,150
Kraft Foods, Inc. Post Division	760
I I Stanley Company, Inc.	780
Felpausch Food Centers	700
Meijer, Inc.	600
City of Battle Creek	650
Duncan Aviation	550
Calhoun County Government	520
Canadian National	500
Kellogg Community College	500
TRMI, Inc.	550
Lakeview Public Schools	485
EPI Printers/ARM	460
Koyo Corporation	400
Hi-Lex Corporation	380
Musashi Auto Parts, Inc.	430
Asmo Manufacturing	330
McDonald's Restaurants	280
Flex-N-Gate	275
Michigan Air National Guard	300
Harper Creek Community Schools	264
United Steel & Wire	220
Michigan Paperboard Company	250
Johnson Controls	240
Yorozu Automotive North America	250
Marshall Fields	230
W.K. Kellogg Foundation	225
Pennfield Schools	220
Battle Creek Enquirer	213
Cello-Foil Products, Inc.	200
David Brown Union Pumps	170
Kmart	200
Rock-Tenn Co.	200
Lifespan	195
McCamly Plaza Hotel	180
Wal Mart	180
Systemx Products Corp.	195

Source: Battle Creek Unlimited

(<http://www.bcunlimited.org/demographics.taf?function=employers>)

Table 1.16: Percent of Educational Attainment, 2000

		Michigan	Calhoun County	Battle Creek	Jackson	Kalamazoo
<9th grade	#	299,014	3,935	1,395	1,250	2,055
	%	4.7%	4.4%	4.1%	5.7%	5.2%
9th to 12th grade	#	765,119	11,177	4,637	3,735	4,263
	%	11.9%	12.4%	13.5%	17.0%	10.7%
High School Graduate	#	2,010,861	32,083	11,239	6,772	9,391
	%	31.3%	35.6%	32.8%	30.9%	23.5%
College	#	1,496,576	21,514	8,353	5,707	8,732
	%	23.3%	23.9%	24.4%	26.0%	21.9%
Associate Degree	#	448,112	6,989	2,751	1,613	2,392
	%	7.0%	7.8%	8.0%	7.4%	6.0%
Bachelors Degree	#	878,680	9,424	3,931	2,026	7,314
	%	13.7%	10.5%	11.5%	9.2%	18.3%
Graduate Degree	#	467,771	4,579	1,809	755	4,786
	%	7.3%	5.1%	5.3%	3.4%	12.0%
Doctoral	#	49,808	436	159	84	951
	%	0.8%	0.5%	0.5%	0.4%	2.4%
Total	#	6,415,941	90,137	34,274	21,942	39,884

Source: US Census 2000

According to Table 1.17, below, the high school dropout rate in the some NPCs was significantly higher than the city average of 17.6 percent. The dropout rate in the Post-Franklin NPC was 28.3 percent and the Northcentral NPC was 27.3 percent. The areas with the lowest dropout rates are the Minges Brook / Riverside (6.2%), Rural Southwest (9.3%) and Westlake / Prairieview (12.5%) NPCs, which are generally within the Lakeview School District. A large number of individuals with lower educational attainment creates a pool of workers who typically can only fill low-skill, low-wage jobs.

Table 1.17: Percent of Population With Less than High School Education by NPC, 2000

	NPCs									
	Urbandale	North Central	CBD*	Fremont	Post/Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg*
# Less than High School Educated	902	1,016	-	1,921	915	884	367	268	537	-
% Less than High School Educated	20.4%	27.3%	-	19.3%	28.3%	20.3%	6.2%	9.3%	12.5%	-

Source: US Census 2000

*US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

Public Transportation

The Battle Creek Transit system provides nine bus routes within the city, Monday through Saturday. An intermodal station is located downtown serving as a central transfer point for all routes. A demand responsive service is available to serve disabled and elderly persons in the city. Table 1.18, below, reveals that Battle Creek has a lower percentage of workers (1.7%) taking public transportation to work compared to Kalamazoo (3.2%) and a higher percentage of public transportation users than Jackson (1.5%). Map 1.6, on the following page, shows that the transit ridership is higher in lower-income neighborhoods (refer to Map 1.3, on page 15, for the distributions of income). As shown in Table 1.19, below, and Map 1.6, the Franklin NPC had the highest percentages of workers taking public transportation to work at 7.6 percent.

Table 1.18: Percent Taking Public Transportation to Work, 2000

	Workers 16 years and over	Workers Taking Public transportation to Work	% Workers Taking Public transportation to Work
Michigan	4,540,372	60,537	1.3%
Calhoun County	61,649	586	1.0%
Battle Creek	22,482	378	1.7%
Jackson	15,204	229	1.5%
Kalamazoo	36,122	1,138	3.2%

Source: US Census 2000

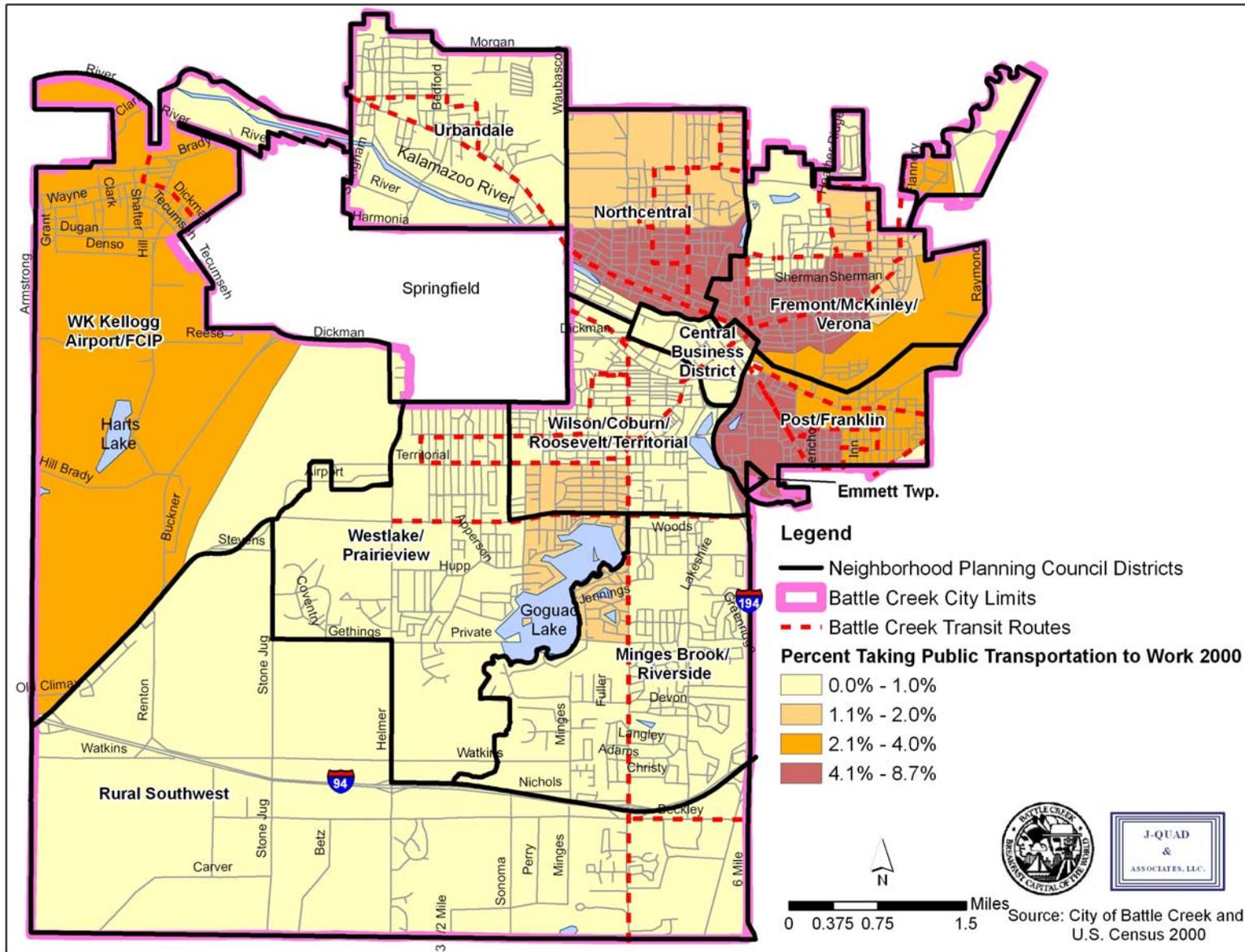
Table 1.19: Percent Taking Public Transportation to Work by NPC, 2000

	NPC									
	Urbandale	Northcentral	CBD*	Fremont	Post/Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg*
# of Workers using public transportation	0	74	-	184	158	16	5	7	13	-
% of Workers using public transportation	0.00%	3.30%	-	3.00%	7.60%	0.60%	0.10%	0.30%	0.50%	-

Source: US Census 2000

* US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

Map 1.6: Battle Creek Transit Routes and Percent Taking Public Transportation to Work



Synopsis

The data in this section show that one significant trend in Battle Creek has been the steady decline in population. This trend goes back to the 1950's and is not reflected in the county or state. Just as significant as the declining overall population trend, not all NPCs are declining in population. From 1990 to 2000, the southern NPCs experienced population gains. These two trends - the decline in overall population and population growth in southern Battle Creek - have had a significant impact on housing within the city.

On the whole, the City's population has become more racially and ethnically diverse, though there are areas of the city with concentrations of minority populations. Data show that Hispanic and African Americans are more likely to live in the NPCs closest to the CBD.

Battle Creek's residents are generally older than those of Jackson, Kalamazoo, and the state. Older households are typically smaller than younger ones, and the average household size in Battle Creek decreased from 1990 to 2000, as did the average household size for the county and the state.

Non-family, male-headed, and female-headed households all increased from 1990 to 2000. Households consisting of married couples are still the largest household group, although female-headed households are a significant group in the North Central, and Post / Franklin NPCs.

An older, more affluent, more diverse population will demand a different and varied set of housing options. The following section, Housing Supply, examines what choices are available in the city.

2. Housing Supply Characteristics

The housing supply in Battle Creek was analyzed under three frameworks. First, the analysis examines the characteristics of the overall housing supply. Second, the housing supply was analyzed by tenure (owner-occupied and renter-occupied housing). Third, the housing supply was analyzed by housing type, including single-family, duplex, multifamily, mobile, manufactured, group quarters, and special needs housing. At each level of the analysis, Battle Creek's housing supply is compared to Michigan, Calhoun County, and the cities of Jackson and Kalamazoo. The analysis also compares the housing data among the city's ten Neighborhood Planning Council Districts (NPCs).

2.A. Characteristics of Housing Stock by Type and Value

According to the 1990 and 2000 Census data, the number of housing units available in Battle Creek has remained relatively stable over that 10-year span. The number of housing units in the city was 23,252 in 1990 and 23,525* in 2000. Table 2.1, on the following page, presents data that indicate the building activity in the city over the past six years. During that period, a total number of 544 permits were issued for 903 housing units added to the city's housing stock. The total valuation of the additional housing stock was over \$79 million. During the six years shown in the data, the most activity was in 2000 with 109 permits issued and 214 units built. The second most permits were issued in 2003, resulting in 108 units. A higher number of units were built in 2001 (173 units), despite fewer permits than 2003 at 90. There was no multifamily construction in 2004 and only six units were built in 2003. The lowest year for single-family construction was 2002 with 68 units. Map 2.1, on page 27, shows the building permit activity in Battle Creek between 2003 and 2005. Most of the building permits issued over the past three years are concentrated in Westlake/ Prairie View NPC around Goguac Lake.

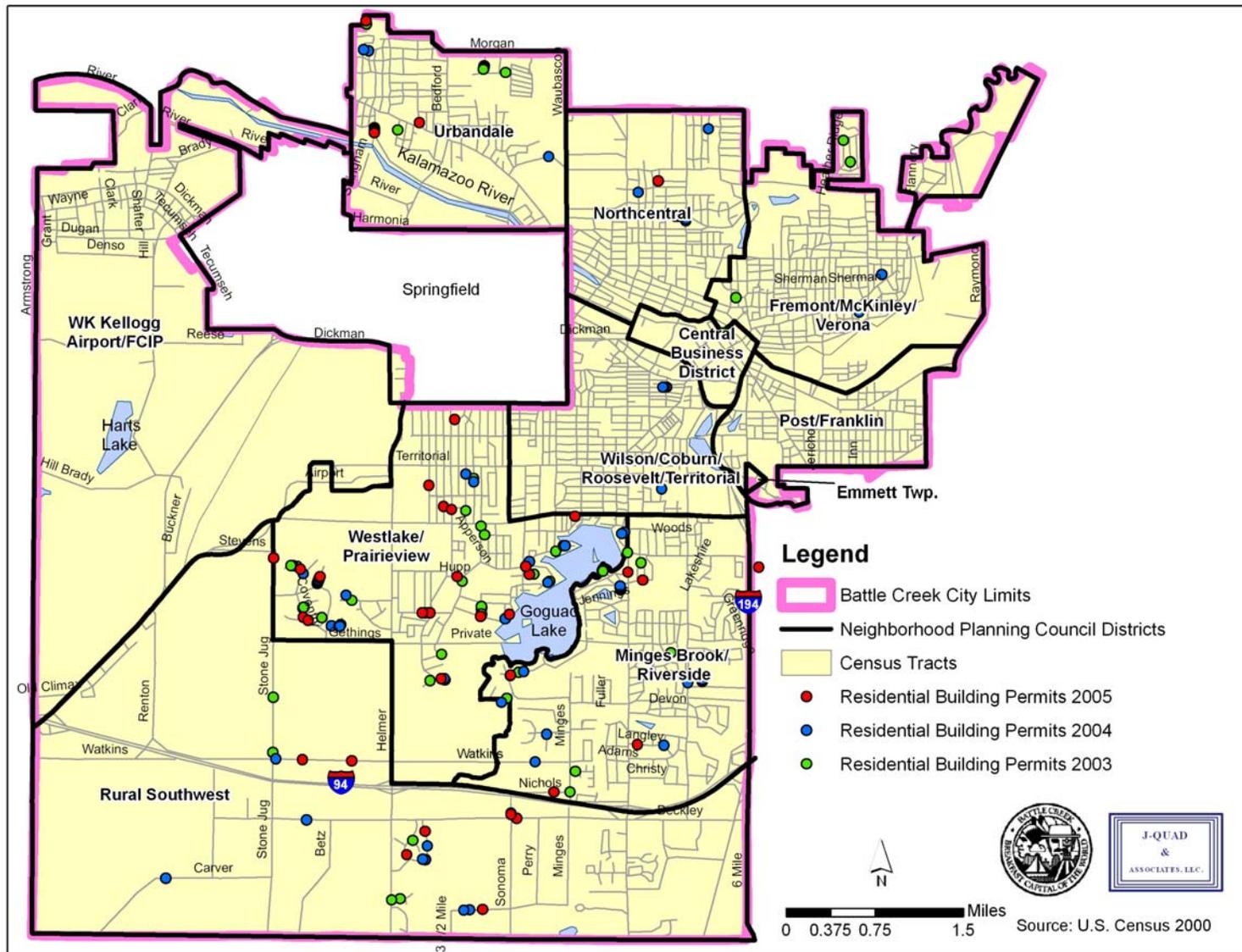
It is important to note that while a consistent amount of construction of both single-family and multifamily units adds housing to Battle Creek, particularly to the south of Columbia Avenue, the city's overall population has remained stable. This has resulted in gradual shifting of population to southwest Battle Creek, a discussion item brought up in the focus group sessions as an issue facing the city.

Table 2.1: Building Permits (2000-2005)

Type of Housing	Buildings	Units	Value
2000			
Single-Family	99	99	\$13,174,374
Two-Family	0	0	\$0
Three- and Four-Family	0	0	\$0
Multifamily	10	115	\$2,869,640
Total	109	214	\$16,044,014
2001			
Single-Family	77	77	\$6,696,369
Two-Family	0	0	\$0
Three- and Four-Family	0	0	\$0
Multifamily	13	96	\$3,289,990
Total	90	173	\$9,986,359
2002			
Single-Family	68	68	\$8,621,919
Two-Family	0	0	\$0
Three- and Four-Family	0	0	\$0
Multifamily	2	96	\$1,300,000
Total	70	164	\$9,921,919
2003			
Single-Family	102	102	\$14,831,908
Two-Family	0	0	\$0
Three- and Four-Family	0	0	\$0
Multifamily	1	6	\$190,465
Total	103	108	\$15,022,373
2004			
Single-Family	78	78	\$13,087,618
Two-Family	0	0	\$0
Three- and Four-Family	0	0	\$0
Multifamily	0	0	\$0
Total	78	78	\$13,087,618
2005			
Single-Family	90	90	\$12,065,273
Two-Family	0	0	\$0
Three- and Four-Family	0	0	\$0
Multifamily	4	76	\$3,462,448
Total	94	166	\$15,527,721

Source: City of Battle Creek

Map 2.1: Residential Building Permits (2003-2005)



Housing Types

Table 2.2, below, compares the type of housing in Battle Creek with the state, county, Jackson, and Kalamazoo. The percentage of single-family housing in Battle Creek was higher than Jackson and Kalamazoo, but lower than the state and county figures. Over 70 percent of the total housing stock in Battle Creek in 1990 and 2000 was single-family. Multifamily housing in Kalamazoo was higher (30.3%) than in Battle Creek (17.1%) and Jackson (13.9%). The percentage of multifamily housing in Battle Creek was higher than the state (12.5%) and county (12.7%) figures. Mobile homes in Battle Creek made up 1.5 percent of the total housing stock in 2000, compared to 0.4 percent in Jackson and 2.5 percent in Kalamazoo.

Table 2.2: Type of Housing, 1990 and 2000

Type of Housing			Michigan	Calhoun County	Battle Creek	Jackson	Kalamazoo
Single-Family, detached	1990	#	2,668,437	40,236	16,124	9,736	15,684
		%	69.3%	72.3%	69.3%	62.1%	49.8%
	2000	#	2,988,818	42,185	16,155	9,946	15,938
		%	70.6%	71.9%	68.6%	65.3%	50.1%
Single-Family, attached	1990	#	131,302	698	271	293	895
		%	3.4%	1.3%	1.2%	1.9%	2.8%
	2000	#	164,910	930	449	286	933
		%	3.9%	1.6%	1.9%	1.9%	2.9%
2 to 4	1990	#	269,452	4,959	3,227	3,522	4,956
		%	7.0%	8.9%	13.9%	22.4%	15.7%
	2000	#	264,481	4,256	2,559	2,825	4,489
		%	6.2%	7.3%	10.9%	18.5%	14.1%
Multifamily	1990	#	491,960	6,116	3,371	2,035	8,906
		%	12.8%	11.0%	14.5%	13.0%	28.3%
	2000	#	531,367	7,472	4,030	2,117	9,630
		%	12.5%	12.7%	17.1%	13.9%	30.3%
Mobile home	1990	#	246,243	3,196	121	0	836
		%	6.4%	5.7%	0.5%	0.0%	2.7%
	2000	#	277,158	3,838	359	61	781
		%	6.5%	6.5%	1.5%	0.4%	2.5%
Boat, RV, van, etc.	1990	#	40,532	414	138	103	211
		%	1.1%	0.7%	0.6%	0.7%	0.7%
	2000	#	7,545	10	0	6	11
		%	0.2%	0.0%	0.0%	0.0%	0.0%
Total*	1990	#	3,847,926	55,619	23,252	15,689	31,488
	2000	#	4,234,279	58,691	23,552	15,241	31,782

Source: U.S. Census 1990 & 2000

* Total number of housing units represent the sample data (SF3 tables) in the Census and may not match 100% (SF1 tables) counts for housing units.

Table 2.3, below, describes the quantity of each housing type by NPC in 1990 and 2000. The highest percentage increase in total housing units occurred in the Rural SW (50.7%) and Fremont (48.9%) NPCs between 1990 and 2000. The highest percentage decrease in housing units occurred in the Franklin (26.6%) and Wilson (17.6%) NPCs during this period. The highest percentage of single-family housing in the total housing stock in the NPCs, was in the Riverside NPC (92.7%). The percentage of multifamily housing ranged from 55.6 percent in the Rural SW NPC to 3.9 percent in the Westlake NPC.

Table 2.3: Type of Housing by NPCs, 1990 and 2000*

Type of Housing	Year		NPCs									
			Urbandale	North Central	CBD**	Fremont	Post /Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg**
Single-Family, detached	1990	#	1,716	2,289	-	2,950	1,864	3,082	2,379	647	2,428	-
		%	68.3%	67.7%	-	68.1%	59.9%	73.6%	96.0%	41.9%	83.7%	-
	2000	#	1,660	2,055	-	4,522	1,433	2,214	3,213	779	2,331	-
		%	61.0%	72.6%	-	70.1%	62.7%	76.1%	92.3%	33.5%	83.2%	-
Single-Family, attached	1990	#	11	57	-	44	32	46	0	48	19	-
		%	0.4%	1.7%	-	1.0%	1.0%	1.1%	0.0%	3.1%	0.7%	-
	2000	#	59	59	-	101	23	51	13	106	54	-
		%	2.2%	2.1%	-	1.6%	1.0%	1.8%	0.4%	4.6%	1.9%	-
2 to 4	1990	#	110	548	-	851	677	640	14	35	354	-
		%	4.4%	16.2%	-	19.6%	21.8%	15.3%	0.6%	2.3%	12.2%	-
	2000	#	136	313	-	926	396	262	80	141	297	-
		%	5.0%	11.1%	-	14.3%	17.3%	9.0%	2.3%	6.1%	10.6%	-
Multifamily	1990	#	555	470	-	454	449	370	78	805	78	-
		%	22.1%	13.9%	-	10.5%	14.4%	8.8%	3.1%	52.1%	2.7%	-
	2000	#	566	397	-	815	432	376	168	1294	109	108***
		%	20.8%	14.0%	-	12.6%	18.9%	12.9%	4.8%	55.6%	3.9%	100.0%***
Mobile home	1990	#	113	0	-	14	78	0	0	0	0	-
		%	4.5%	0.0%	-	0.3%	2.5%	0.0%	0.0%	0.0%	0.0%	-
	2000	#	302	8	-	82	0	5	6	7	12	-
		%	11.1%	0.3%	-	1.3%	0.0%	0.2%	0.2%	0.3%	0.4%	-
Boat, RV, van, etc.	1990	#	7	17	-	22	12	48	6	9	21	-
		%	0.3%	0.5%	-	0.5%	0.4%	1.1%	0.2%	0.6%	0.7%	-
	2000	#	0	0	-	7	0	0	0	0	0	-
		%	0.0%	0.0%	-	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	-
Total	1990	#	2,512	3,381	-	4,335	3,112	4,186	2,477	1,544	2,900	-
	2000	#	2,723	2,832	39	6,453	2,284	2,908	3,480	2,327	2,803	108***
%Change (1990-2000)		%	8.4%	-16.2%	-	48.9%	-26.6%	-30.5%	40.5%	50.7%	-3.3%	-

Source: US Census 1990 & 2000

*NPC totals sum to more than the total for the city because block groups do not coincide with the city limits.

**US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

***Source: Planning and Community Development Department.

The highest number of multifamily housing units was in the Rural SW NPC at 1,294. Over 11 percent of the housing stock in the Urbandale NPC was mobile homes. The number of mobile homes in the Urbandale NPC (302) was more than three times that of the Fremont / McKinley / Verona NPC with 82 units. The highest number of housing units containing two to four units were in the Fremont / McKinley / Verona NPC (926 units).

Housing Size

Table 2.4, below, shows the size of housing units (number of rooms*) in the city. Battle Creek had 1,025 housing units classified as very small with 1 or 2 rooms. This was almost half (48.4%) of the 2,118 very small housing units of Calhoun County. Very Small housing units in Battle Creek represent 4.4 percent of all housing units, compared to 3.6 percent in Calhoun County, 4.9 percent in Jackson, and 9.2 percent in Kalamazoo. There were 6,088 housing units considered to be small (3 or 4 rooms) in 2000. Small units in Battle Creek represented 25.8 percent of the city's units. The percentage of Small housing units in Jackson was 23.8 percent and 31.6 percent in Kalamazoo. The Very Large (7+ room homes) category comprises 27.3 percent of homes in Battle Creek. This percentage is marginally higher than Kalamazoo (24.0%) and almost equal to Jackson (27.7%).

Table 2.4: Number of Rooms*, 2000

Size of Housing Unit	Number	Percent
Very Small (1-2 rooms)	1,025	4.4%
Small (3-4 rooms)	6,088	25.8%
Large (5-6 rooms)	10,014	42.5%
Very Large (7+ rooms)	6,425	27.3%
Total	23,552	100.0%

Source: U.S. Census 2000

* The US Bureau of the Census uses a count of "rooms" used for living purposes. Rooms include living rooms, dining rooms, kitchens, bedrooms, finished recreation rooms, enclosed porches suitable for year-round use, and lodger's rooms. Excluded from the Census definition are strip or Pullman kitchens, bathrooms, open porches, balconies, halls or foyers, half-rooms, utility rooms, unfinished attics or basements, or other unfinished space used for storage. A partially divided room is a separate room only if there is a partition from floor to ceiling, but not if the partition consists solely of shelves or cabinets.

2.B. Age of Housing Stock

Battle Creek's housing stock is younger than Jackson's but moderately older than Kalamazoo's. As shown in Table 2.5, below, the percentage of housing built before 1960 was 62.6 percent in Battle Creek, compared to 76.8 percent in Jackson and 55.6 percent in Kalamazoo. In Battle Creek, 8.8 percent of the housing stock was built in the 1990s, 6.0 percent in the 1980s, and 9.6 percent in the 1970s. About 76 percent of the housing stock was more than 30 years old and about 63 percent was more than 40 years old. This housing stock is more apt to be in poor condition, given its age, than newer housing stock. While age does not indicate housing condition, correlations exist.

Table 2.5: Year Structure Built

Year Structure Built		Michigan	Calhoun County	Battle Creek	Jackson	Kalamazoo
1939 or earlier	#	715,459	14,997	6,567	7,783	9,182
	%	16.9%	25.6%	27.9%	51.1%	28.9%
1940 to 1949	#	416,500	6,366	3,401	2,267	3,523
	%	9.8%	10.8%	14.4%	14.9%	11.1%
1950 to 1959	#	706,799	10,410	4,776	1,652	4,950
	%	16.7%	17.7%	20.3%	10.8%	15.6%
1960 to 1969	#	602,670	8,334	3,053	1,406	4,345
	%	14.2%	14.2%	13.0%	9.2%	13.7%
1970 to 1979	#	722,799	7,824	2,251	1,257	4,874
	%	17.1%	13.3%	9.6%	8.2%	15.3%
1980 to 1989	#	446,197	4,205	1,420	513	2,931
	%	10.5%	7.2%	6.0%	3.4%	9.2%
1990 to 1994	#	259,389	2,611	711	251	965
	%	6.1%	4.4%	3.0%	1.6%	3.0%
1995 to 1998	#	272,594	2,884	916	85	814
	%	6.4%	4.9%	3.9%	0.6%	2.6%
1999 to March 2000	#	91,872	1,060	457	27	198
	%	2.2%	1.8%	1.9%	0.2%	0.6%
Total:	#	4,234,279	58,691	23,552	15,241	31,782

Source: US Census 2000

Battle Creek and Kalamazoo have similar age profiles, while Jackson's housing stock was older, with over 51 percent built prior to 1940. The housing stock in both the county and the state is younger than Battle Creek's.

Table 2.6, below, shows the age of the housing stock in Battle Creek by NPC. The NPCs around the CBD NPC had a high percentage of older housing stock. The percentage of pre-1960 housing stock was over 77 percent in the Wilson NPC, over 74 percent in the Franklin and Fremont NPCs, and over 71 percent in the North Central NPC. Over 42 percent of the housing stock in the Rural SW NPC was relatively new, built after 1990. Map 2.2, on page 33, provides a look at the geographic concentrations of older housing units.

Table 2.6: Year Structure Built by NPCs, 2000*

Year Housing Built		NPCs										
		Urbandale	North Central	CBD**	Fremont	Post /Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg**	
Pre 1939	#	413	879	-	2,538	879	1,134	256	88	359	-	
	%	15.2%	31.0%	-	39.3%	38.5%	39.0%	7.4%	3.8%	12.8%	-	
1940 to 1949	#	363	468	-	914	411	590	292	97	590	-	
	%	13.3%	16.5%	-	14.2%	18.0%	20.3%	8.4%	4.2%	21.0%	-	
1950 to 1959	#	810	678	-	1,346	408	515	1,050	95	786	-	
	%	29.7%	23.9%	-	20.9%	17.9%	17.7%	30.2%	4.1%	28.0%	-	
1960 to 1969	#	214	379	-	655	156	251	1,132	196	557	-	
	%	7.9%	13.4%	-	10.2%	6.8%	8.6%	32.5%	8.4%	19.9%	-	
1970 to 1979	#	196	238	-	598	274	162	375	347	310	-	
	%	7.2%	8.4%	-	9.3%	12.0%	5.6%	10.8%	14.9%	11.1%	-	
1980 to 1989	#	381	45	-	295	136	40	137	522	100	-	
	%	14.0%	1.6%	-	4.6%	6.0%	1.4%	3.9%	22.4%	3.6%	-	
1990 to 1994	#	96	55	-	38	7	85	60	350	43	-	
	%	3.5%	1.9%	-	0.6%	0.3%	2.9%	1.7%	15.0%	1.5%	-	
1995 to 1998	#	154	64	-	69	7	131	125	383	31	-	
	%	5.7%	2.3%	-	1.1%	0.3%	4.5%	3.6%	16.5%	1.1%	-	
1999 to March 2000	#	96	26	-	0	6	0	53	249	27	-	
	%	3.5%	0.9%	-	0.0%	0.3%	0.0%	1.5%	10.7%	1.0%	-	
Total		#	2,723	2,832	39	6,453	2,284	2,908	3,480	2,327	2,803	108***

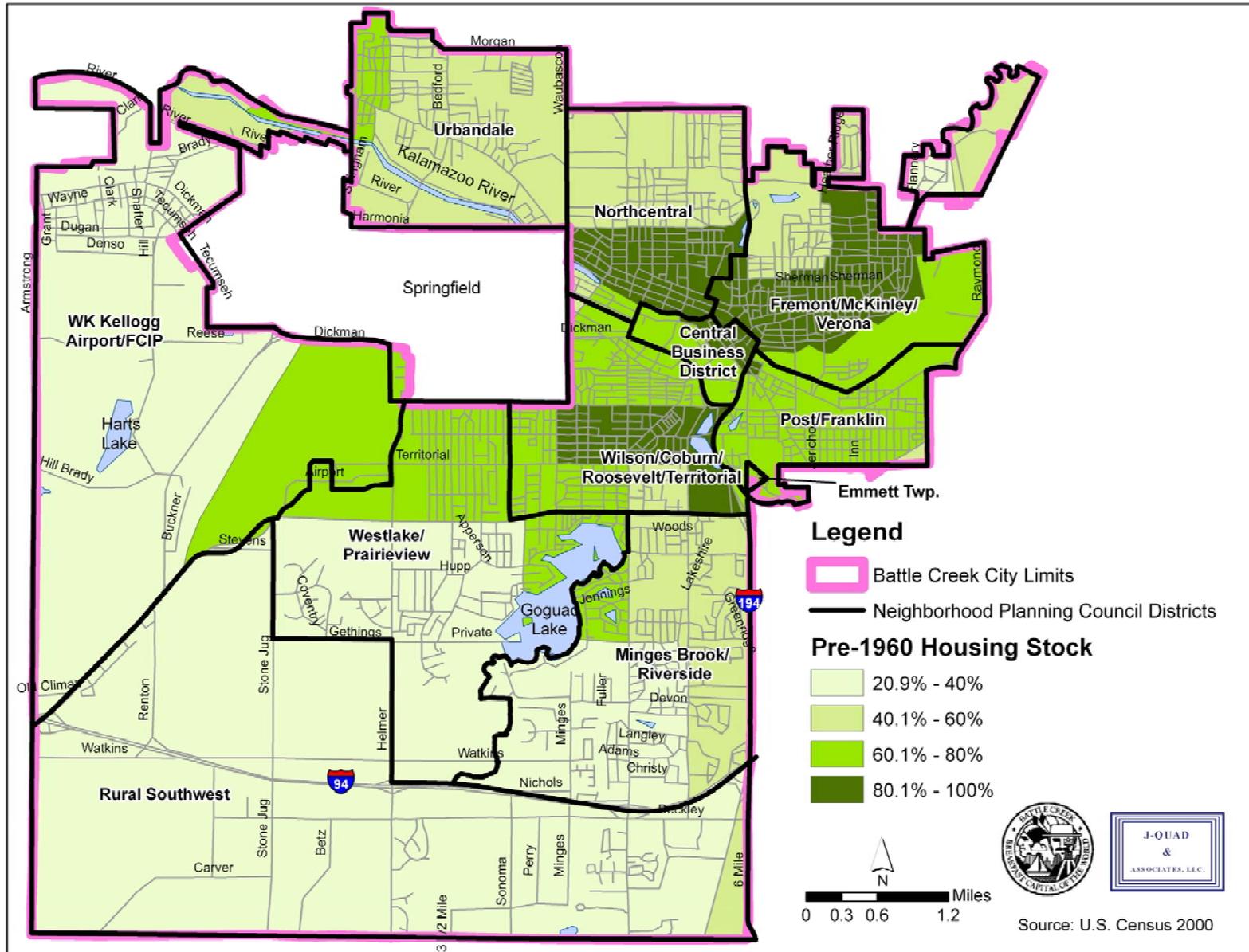
Source: US Census 2000

*NPC totals sum to more than the total for the city because block groups do not coincide with the city limits.

**US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

***Reported by the Planning and Community Development Department.

Map 2.2: Pre-1960 Housing Stock



2.C. Housing Conditions

Housing conditions can be examined in a variety of ways. The following section examines housing conditions in Battle Creek through the use of census data and data provided by the City.

One data item available from the U.S. Bureau of the Census which speaks directly to housing conditions is the number of homes with incomplete plumbing facilities shown in Table 2.7, below, and compared to the state, county, Jackson, and Kalamazoo. While Battle Creek has a higher incidence of problems due to incomplete plumbing than Jackson and Kalamazoo, the percentage is less than one percent of the total housing stock. According to Census 2000 data, provided in the Table 2.8, below, less than one percent of housing units had incomplete plumbing in all the NPCs except the North Central NPC (1.7%).

Table 2.7: Incomplete Plumbing in Housing Units, 2000

	Michigan	Calhoun County	Battle Creek	Jackson	Kalamazoo
Lacking complete plumbing facilities	54,808	423	196	53	159
%	1.3%	0.7%	0.8%	0.3%	0.5%
Total:	4,234,279	58,691	23,552	15,241	31,782

Source: US Census 2000

Table 2.8: Incomplete Plumbing in Housing Units by NPCs, 2000

		NPCs									
		Urbandale	North Central	CBD*	Fremont	Post /Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg*
Incomplete Plumbing	#	0	47	-	38	11	22	0	17	9	-
	%	0	1.7%	-	0.6%	0.5%	0.8%	0.0%	0.7%	0.3%	-
Total Housing Units	#	2,723	2,832	39	6,453	2,284	2,908	3,480	2,327	2,803	108**

Source: US Census 2000

* US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

**Reported by the Planning and Community Development Department.

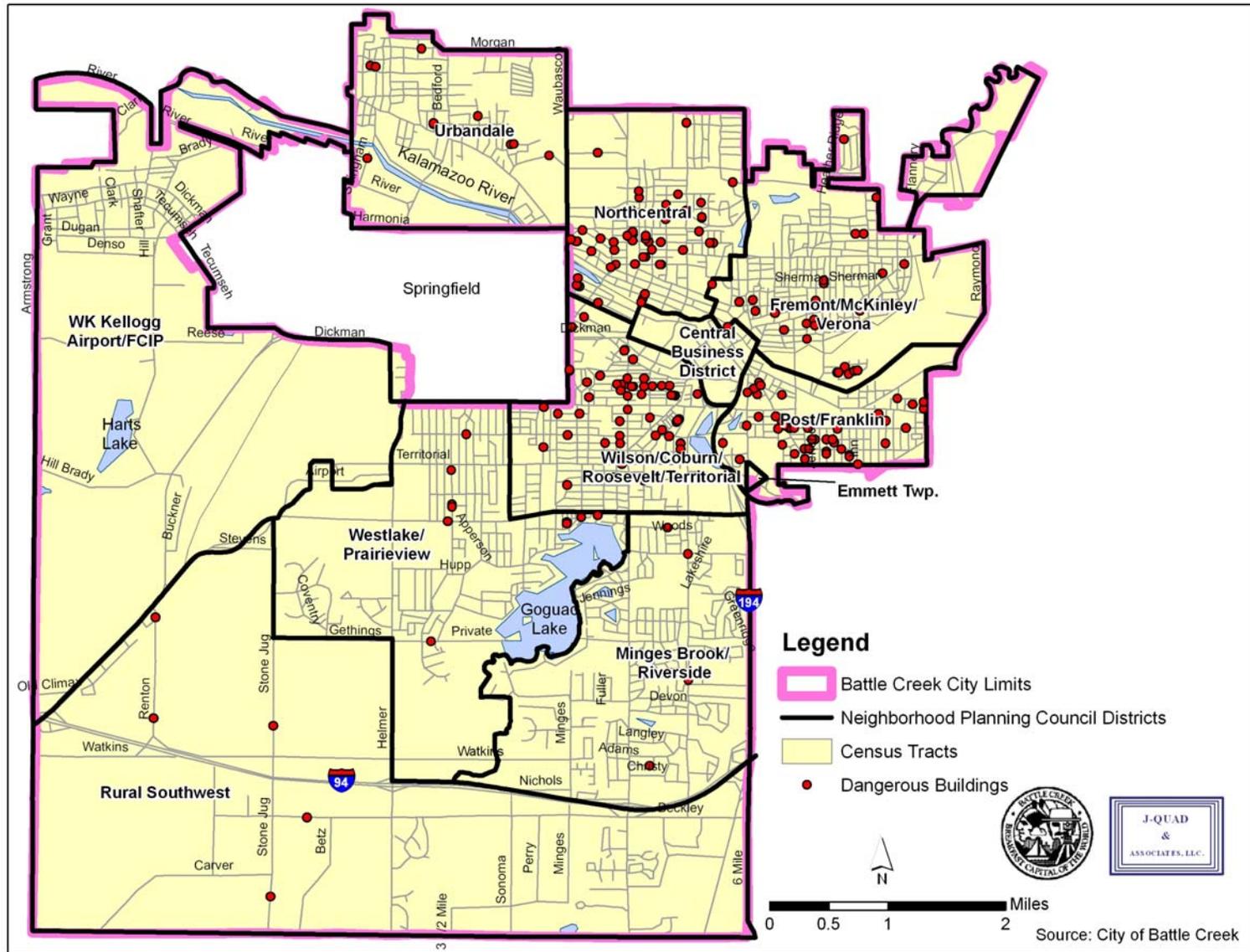
Dangerous Buildings

The Code Compliance Department of the City of Battle Creek conducts building inspections on a reactive basis as complaints are filed. To ensure the safety, security, and the quality of housing stock, buildings with extremely deteriorated conditions or that are abandoned for a significant length of time are labeled as “Dangerous Buildings” by the Code Compliance officer. The criteria to categorize a building as a Dangerous Building include vacancy in excess of 180 days and structural deterioration. A hearing is held to determine whether a building meets the criteria and the Hearing Officer makes a decision. These cases are reviewed by the Housing Board of Appeals and the City Commission to make the final decision for demolition or actions needed to maintain the property. The property owner is notified during each stage of the determination process. The City will be reimbursed by the property owner for any cost associated with demolition or rehabilitation if a building is determined to be dangerous and is scheduled for demolition or repairs. Absent voluntary reimbursement, a lien is placed against the property. Map 2.3, on the following page, shows the location of the 309 “Dangerous Buildings” listed in Battle Creek. The map shows concentrations of dangerous buildings in the Northcentral, Post / Franklin, Fremont, and Wilson NPCs.

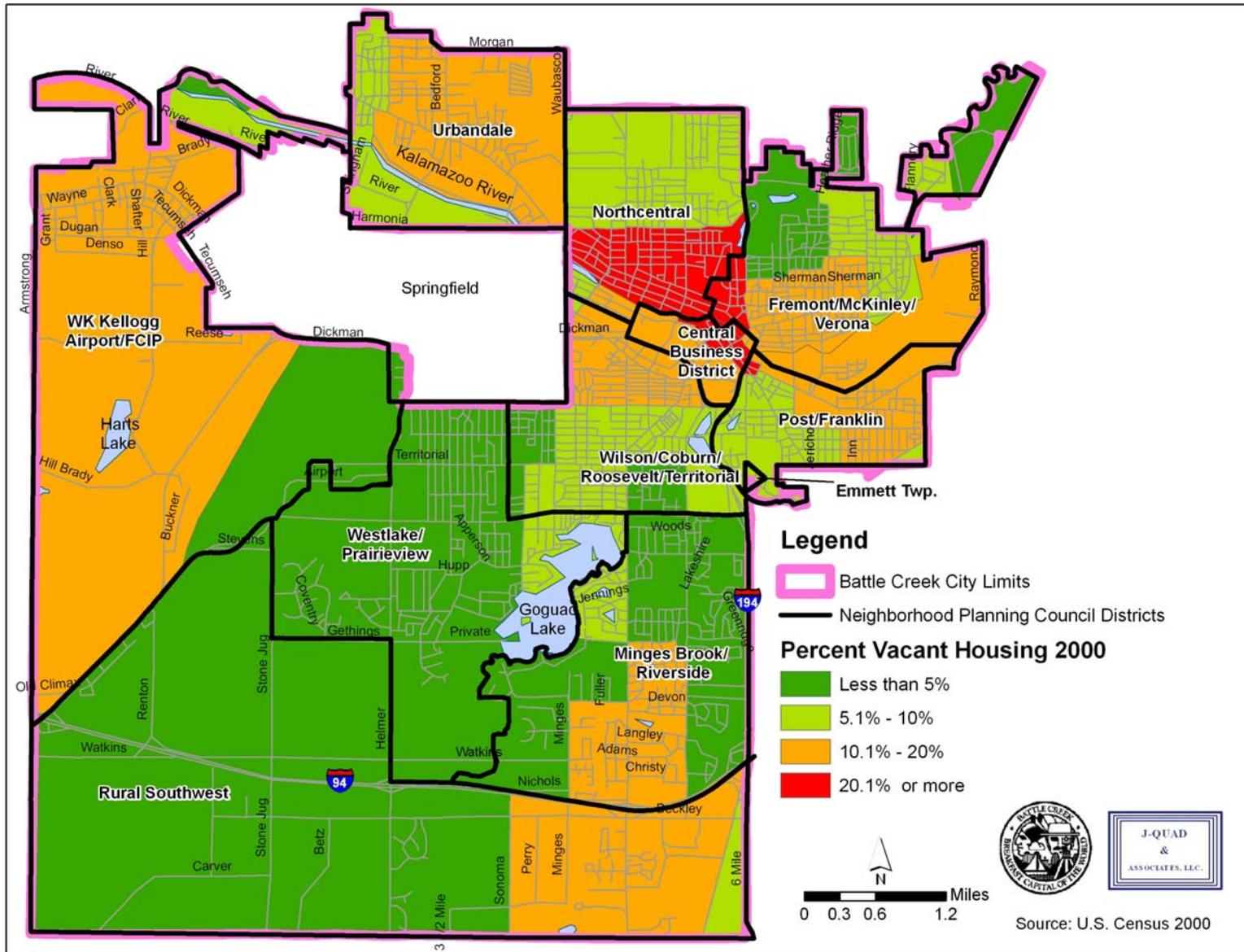
Vacant Housing

Map 2.4 on page 37, shows the percent of vacant housing within the city. Vacant home data from the U.S. Bureau of Census includes homes vacant for any reason, including those vacant pending a sale. The area with the highest percentage of vacant housing, at over 20 percent in 2000, was just north of the Central Business District, in the southern portion of the Northcentral NPC and western portion of the Fremont / McKinley / Verona NPC. Other areas with high housing vacancy rates include much of the Urbandale NPC, northeastern portions of the Post / Franklin NPC, the southern portions of the Fremont / McKinley / Verona NPC, the southeastern portions of the Minges Brook / Riverside and Rural SW NPCs, and much of the WK Kellogg NPC. It should be noted that there is little housing in the WK Kellogg NPC. High levels of vacant housing are a cause for concern in a neighborhood. Vacant homes can bring unwanted activities into a neighborhood. Not surprisingly, there is a high degree of correlation between the location of dangerous buildings shown on Map 2.3 and areas with a high percentage of vacant housing shown on Map 2.4.

Map 2.3: Location of Dangerous Building



Map 2.4: Percent Vacant Housing



Synopsis

Data show that Battle Creek's housing growth is occurring in the southern portions of the city. As shown in the population section, Battle Creek's population losses are mainly in the central portions of the city. Not surprisingly, these areas also have the largest number of vacant structures and dangerous buildings. Addressing these issues will be of importance in a comprehensive housing policy.

In terms of the age of the housing stock and home size, Battle Creek's housing is not significantly different than that of Jackson or Kalamazoo. Battle Creek's housing stock is younger than Jackson's but older than Kalamazoo's. The city's newest housing stock is in the southern portion of the city, while in areas around the CBD more than 80 percent of the homes were built prior to 1960. This disparity in housing age, coupled with the location of new construction, is an issue facing Battle Creek.

Most of the city's housing is single-family. Over 70 percent of the total housing stock in Battle Creek in 1990 and 2000 was single-family, higher than Jackson or Kalamazoo. It is important to remember that the city's single-family homes include both homeowner occupied and rental units. The following section, 'Housing Supply by Tenure', examines the city's rental and homeowner housing stock.

3. Housing Supply by Tenure

The analysis of housing supply by tenure includes the following sections:

3.A. Owner-Occupied Housing: In this section, the homeownership rate is described by race and by NPC. Examples of the income requirements to qualify for mortgages on homes of various values, based on current market conditions and some basic assumptions concerning insurance and utility costs, are described. Housing value and sales price are analyzed by NPC. The affordability of these homes by income group is analyzed. Foreclosure data for the city is also included.

3.B. Renter-Occupied Housing: This section looks at the rental housing inventory and changes in renter-occupied housing by year in the ten NPCs. The current rental housing characteristics are described by the prevailing market rents and by the number of bedrooms. The affordability of rents by income group is analyzed.

3.A. Owner-Occupied Housing

Table 3.1, on the following page, illustrates the tenure status in Battle Creek in comparison with Michigan, Calhoun County, Jackson, and Kalamazoo among all available housing. According to the 2000 U.S. Census, 65.8 percent of Battle Creek residents owned the home in which they reside. This compares favorably to Jackson and Kalamazoo, at 57.8 percent and 47.7 percent, respectively. Ownership rates in the county and state were higher than Battle Creek, at 73.0 percent and 73.8 percent, respectively.

It can be noted from the table that the vacancy rates in Battle Creek were higher compared to Jackson and Kalamazoo. The vacancy rate in Battle Creek was 9.3 percent in 2000, compared to 6.8 percent in Jackson and 7.5 percent in Kalamazoo. Owner occupancy rates and vacancy rates each increased by about 1.5 percentage points in Battle Creek between 1990 and 2000.

Table 3.1: Tenure, 1990 and 2000

Tenure*	Year		Michigan	Calhoun County	Battle Creek	Jackson	Kalamazoo
Owner-occupied	1990	#	2,427,643	36,806	13,494	8,217	13,928
		%	71.0%	71.0%	62.9%	55.8%	47.4%
	2000	#	2,793,124	39,476	14,044	8,181	14,027
		%	73.8%	73.0%	65.8%	57.6%	47.7%
Renter-occupied	1990	#	991,688	15,006	7,963	6,506	15,481
		%	29.0%	29.0%	37.1%	44.2%	52.6%
	2000	#	992,537	14,624	7,304	6,029	15,386
		%	26.2%	27.0%	34.2%	42.4%	52.3%
Total Occupied Units	1990	#	3,419,331	51,812	21,457	14,723	29,409
	2000	#	3,785,661	54,100	21,348	14,210	29,413
Vacant	1990	#	428,595	3,807	1,795	966	2,079
		% of Total Units	11.1%	6.8%	7.7%	6.2%	6.6%
	2000	#	448,618	4,591	2,177	1,031	2,385
		% of Total Units	10.6%	7.8%	9.3%	6.8%	7.5%
Total Units**	1990	#	3,847,926	55,619	23,252	15,689	31,488
	2000	#	4,234,279	58,691	23,525	15,241	31,798

Source: U.S. Census 1990 and 2000

* Tenure of all occupied units

** Total number of housing units represents the U.S. Census 100 percent (SF1 table) counts which include vacant units. This 100 percent count also differs from sample data (23,552 units for Battle Creek) used in other tables.

Table 3.2, below, provides a comparison of homeownership rates among the three major ethnic groups in Battle Creek and the citywide average. Disparities exist when comparing homeownership by race. The White homeownership rate stood at 71.1 percent. African-American homeowners represented 50.7 percent of all African-American households in 2000. Hispanic owner-occupied households were 44.0 percent of all Hispanic households.

Table 3.2: Tenure by Race in Occupied Units

Tenure	White-Non Hispanic		African-American		Hispanic		City	
Owner-occupied	11,646	71.1%	1,819	50.7%	243	44.0%	14,044	65.8%
Renter-occupied	4,733	28.9%	1,766	49.3%	309	56.0%	7,304	34.2%
Total:	16,379	100.0%	3,585	100.0%	552	100.0%	21,348	100.0%

Source: U.S. Census 2000

Map 3.1 on page 44, provides a graphic representation of homeownership rates by census tract. The southern census tracts of the Westlake NPC and the western census tracts of the Rural Southwest NPC had the highest homeownership rates, at over 80 percent. Maps 3.2 and 3.3, on pages 45 and 46, provide a graphic representation of African-American and Hispanic homeownership rates by census tract. The Northcentral NPC had the highest African-American ownership rates. The western census tracts of the Post / Franklin NPC, the northern census tracts of the Wilson / Coburn / Roosevelt / Territorial NPC, and the southwestern tracts of the CBD NPC had the highest Hispanic homeownership rates.

Table 3.3, below, describes tenure in Battle Creek by NPC for 1990 and 2000. The highest homeownership rate was in Minges Brook / Riverside NPC for both 1990 and 2000, at 91.4 percent and 84.1 percent, respectively. Despite the decrease in the homeownership rate, there were more owner-occupied units in 2000 than in 1990. Both the number of owner-occupied units and the homeownership rate increased in the Fremont / McKinley / Verona NPC from 1990 to 2000. The homeownership rate in the Post / Franklin NPC and Rural SW remained stable but low. Areas with high homeownership rates generally have better sustainability and stability because

Table 3.3: Tenure by NPCs, All Housing Units, 1990 and 2000*

Tenure	Year		NPCs									
			Urbandale	North Central	CBD**	Fremont	Post /Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg**
Owner-occupied	1990	#	1,483	1,712	-	2,498	1,459	2,141	2,265	575	2,246	-
		%	59.0%	50.6%	-	57.6%	46.9%	60.7%	91.4%	37.2%	77.4%	-
	2000	#	1,673	1,539	1	4,001	1,035	1,712	2,928	828	2,180	-
		%	61.4%	54.3%	2.6%	62.0%	45.3%	58.9%	84.1%	35.6%	77.8%	-
	% Change		12.8%	-10.1%	-	60.2%	-29.1%	-20.0%	29.3%	44.0%	-2.9%	-
Renter-occupied	1990	#	883	1,293	-	1,481	1,309	1,197	147	858	527	-
		%	35.2%	38.2%	-	34.2%	42.1%	33.9%	5.9%	55.6%	18.2%	-
	2000	#	761	879	5	1,931	1,047	1,018	398	1192	488	108***
		%	27.9%	31.0%	12.8%	29.9%	45.8%	35.0%	11.4%	51.2%	17.4%	100.0%
	% Change		-13.8%	-32.0%	-	30.4%	-20.0%	-15.0%	170.7%	38.9%	-7.4%	-
Total	1990	#	2,512	3,381	-	4,335	3,112	3,530	2,477	1,544	2,900	-
	2000	#	2,723	2,832	39	6,453	2,284	2,908	3,480	2,327	2,803	108***
	% Change		8.4%	-16.2%	-	48.9%	-26.6%	-17.6%	40.5%	50.7%	-3.3%	-

Source: US Census 1990 & 2000

*NPC totals sum to more than the total for the city because block groups do not coincide with the city limits.

**US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

***Reported by the Planning and Community Development Department.

homeowners have a vested interest in the maintenance and improvement of their area. High homeownership rates in Battle Creek are an asset.

Table 3.4, below, shows housing types within owner-occupied housing by NPC. The percentage of owner-occupied housing that was single-family ranged from 99.4 percent in the Minges Brook / Riverside NPC to 84.6 percent in Urbandale NPC. Over 14 percent of the owner-occupied units in the Urbandale NPC were mobile homes (243 units). About three percent of the owner-occupied units in the Westlake NPC were multifamily (60 units).

Table 3.4: Type of Owner-Occupied Housing by NPCs, 2000

Type of Housing in Owner-Occupied	NPCs									
	Urbandale	North Central	CBD*	Fremont	Post/Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg**
Single-Family, detached	1,409	1,454	-	3,795	981	1,667	2,906	692	2,075	-
	84.2%	94.5%	-	94.9%	94.8%	97.4%	99.2%	83.6%	95.2%	-
Single-Family, attached	7	26	-	57	7	20	5	77	19	-
	0.4%	1.7%	-	1.4%	0.7%	1.2%	0.2%	9.3%	0.9%	-
2 to 4	14	46	-	97	38	20	11	46	20	-
	0.8%	3.0%	-	2.4%	3.7%	1.2%	0.4%	5.6%	0.9%	-
Multifamily	0	13	-	7	9	0	0	6	60	-
	0.0%	0.8%	-	0.2%	0.9%	0.0%	0.0%	0.7%	2.8%	-
Mobile home	243	0	-	45	0	5	6	7	6	-
	14.5%	0.0%	-	1.1%	0.0%	0.3%	0.2%	0.8%	0.3%	-
Boat, RV, van, etc.	0	0	-	0	0	0	0	0	0	-
	0.0%	0.0%	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-
Total Owner-occupied	1,673	1,539	-	4,001	1,035	1,712	2,928	828	2,180	-

Source: US Census 2000

* US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information. Census Block information has been used for these NPCs.

** As reported by the Planning and Community Development Department, the WK Kellogg NPC has 108 multifamily units.

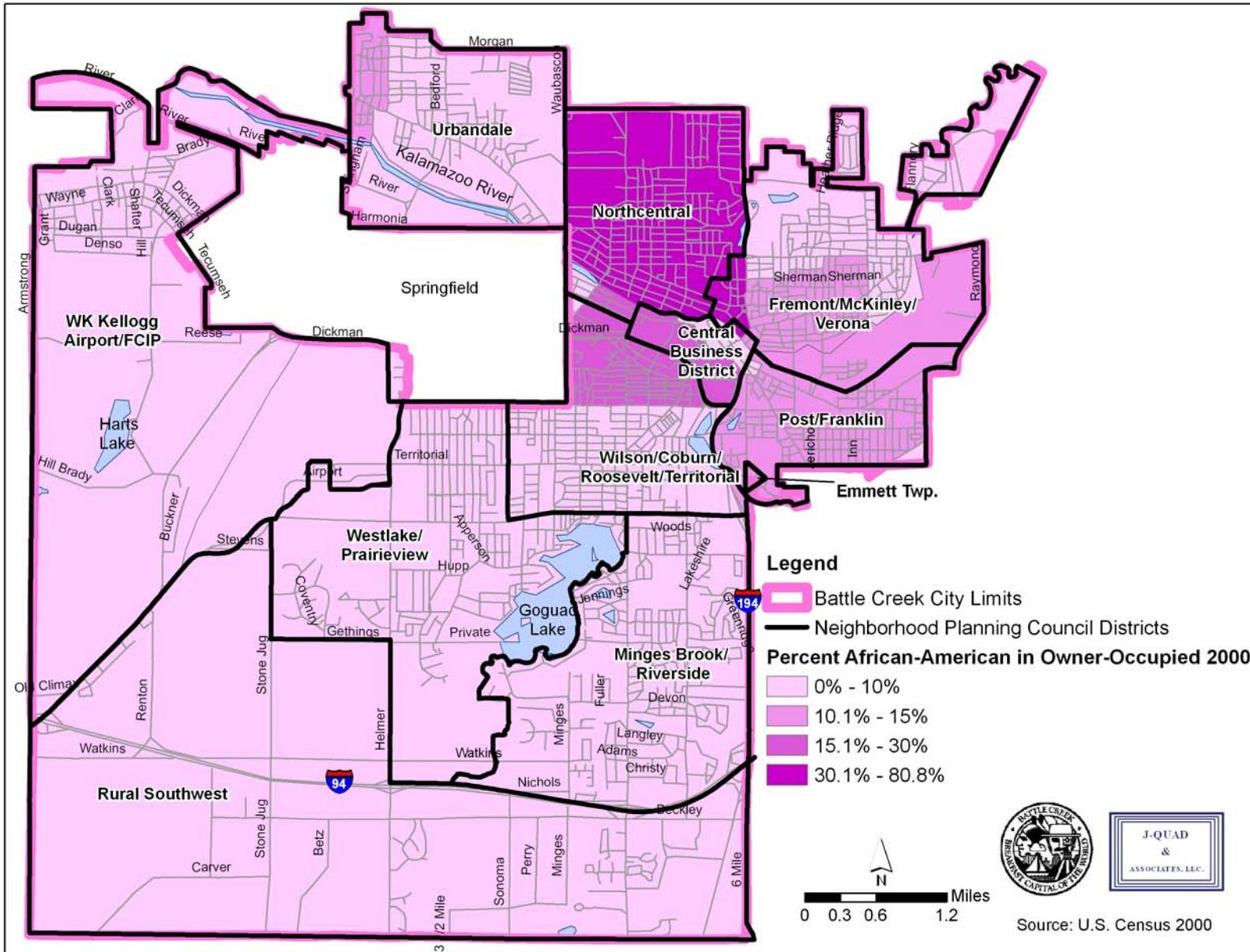
Table 3.5, to the right, shows the age of owner-occupied housing. Over 69 percent of owner-occupied housing was reported to have been built prior to 1960. About 6.6 percent of the owner-occupied housing was built in 1990s. Comparing Map 2.2, showing the percentage of pre-1960 housing on page 33 with areas of high minority homeownership shown on Maps 3.2 and 3.3 on pages 45 and 46 indicates that minority homeowners are mostly present in areas with older housing stock. These areas include the southern portion of the Northcentral NPC and portions of the Post / Franklin NPC.

Table 3.5: Age of Owner-Occupied Housing

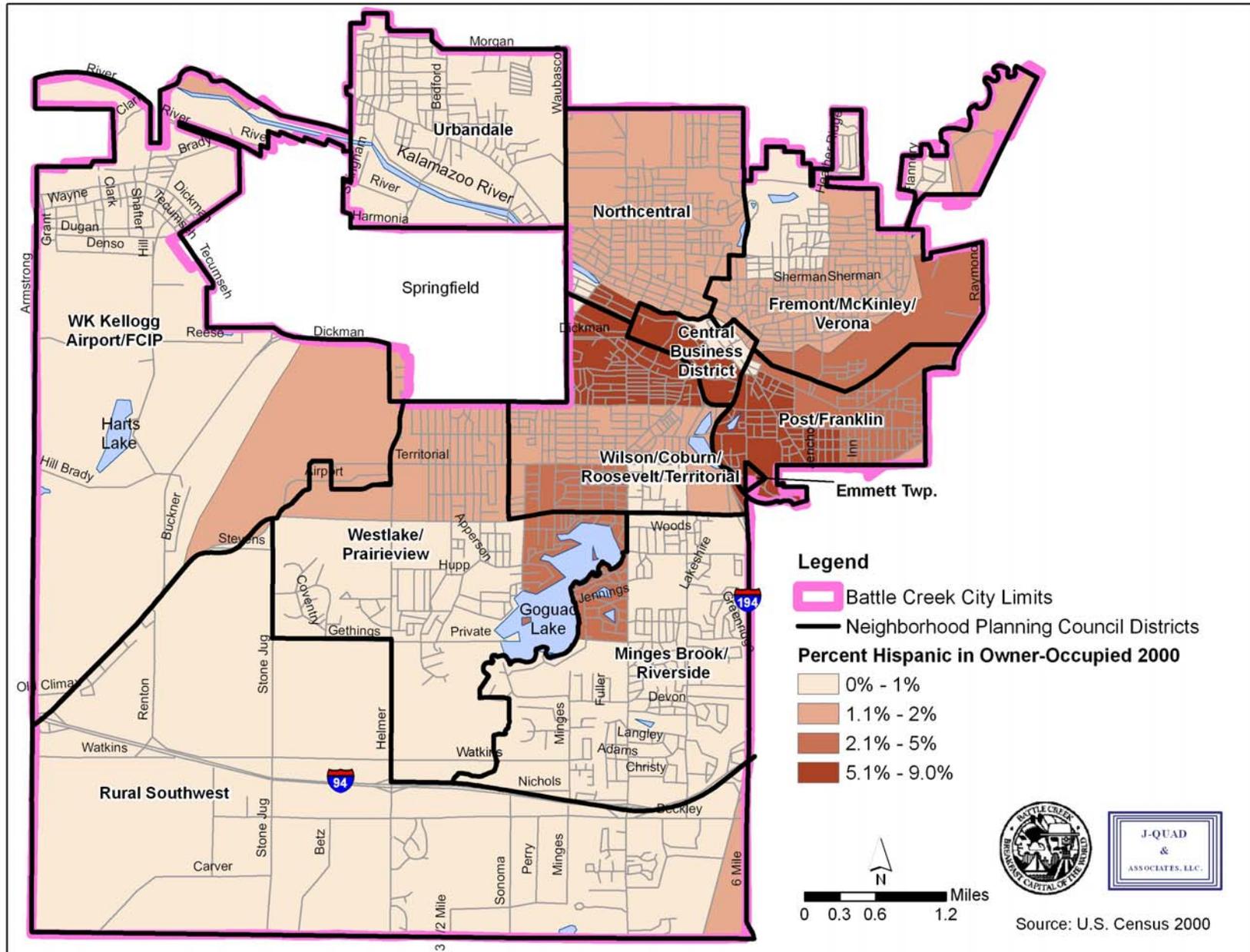
Year Structure Built	#	%
Built 1939 or earlier	3,910	27.8%
Built 1940 to 1949	2,387	17.0%
Built 1950 to 1959	3,457	24.6%
Built 1960 to 1969	2,013	14.3%
Built 1970 to 1979	980	7.0%
Built 1980 to 1989	396	2.8%
Built 1990 to 1994	228	1.6%
Built 1995 to 1998	541	3.8%
Built 1999 to March 2000	162	1.2%
Total owner-occupied	14,074	100.0%

Source: US Census 2000

Map 3.2: Percent African-Americans in Owner-Occupied Units, 2000



Map 3.3: Percent Hispanics in Owner-Occupied Units, 2000



Housing Values

Table 3.6, on the following page, shows housing values for owner-owned housing in 2000, as well as median housing values for the state and county, and for the cities of Battle Creek, Jackson, and Kalamazoo. The value range where the highest percentage of home values fall is called the “modal value range”.

According to 2000 Census data, the median home in Battle Creek was \$70,800, more affordable than the median home in the state, county, and Kalamazoo. The median home in Jackson, at \$64,400, was \$6,400 lower than Battle Creek.

Table 3.6 also shows the distribution of values of owner-occupied homes. It is important to note how these distributions differ between the county, Battle Creek, Jackson, and Kalamazoo. For each geography the modal range is highlighted. The modal range for the value of owner-occupied housing in Battle Creek was between \$60,000 and \$69,999, with almost 12 percent of the homes. The modal range for Jackson was lower, in the \$50,000 to \$59,999 range, and the modal ranges for Calhoun County and Kalamazoo were the \$100,000 to \$124,999 range. The value distribution in Battle Creek shows two peaks. The first, the modal range of \$60,000 to \$69,000, then another in the \$100,000 to \$124,999 range, with 10.7 percent of the owner-occupied units in 2000. Both Kalamazoo and Calhoun County show a similar two-peak distribution, while Jackson does not. In terms of distribution among homes under \$50,000, 26.5 percent of Battle Creek’s owner-occupied homes were in this range in 2000, compared to 30.1 percent for Jackson and only 17.7 percent for Kalamazoo. In terms of higher value housing, in Battle Creek 1.7 percent of owner-occupied homes were valued at above \$300,000 in 2000, compared to 0.2 percent in Jackson and 1.8 percent in Kalamazoo. In comparison with Kalamazoo, Battle Creek had a wider distribution of owner-occupied home values. Compared to Jackson, the distribution of values in Battle Creek tended to be higher, particularly in the ranges higher than \$60,000. The percentage of homes in the highest value categories in Calhoun County, Battle Creek, Jackson, and Kalamazoo were all low when compared to the state.

Table 3.6: Owner-Occupied Housing Values and Median Housing Value, 2000

Value Range	Michigan	%	Calhoun County	%	Battle Creek	%	Jackson	%	Kalamazoo	%
Less than \$10,000	9,123	0.4%	303	1.0%	73	0.6%	21	0.3%	35	0.3%
\$10,000 to \$14,999	12,041	0.5%	390	1.2%	181	1.4%	66	0.9%	110	0.9%
\$15,000 to \$19,999	14,832	0.7%	390	1.2%	191	1.5%	137	1.8%	110	0.9%
\$20,000 to \$24,999	19,000	0.8%	436	1.4%	238	1.8%	125	1.6%	128	1.0%
\$25,000 to \$29,999	22,871	1.0%	565	1.8%	321	2.5%	282	3.7%	239	2.0%
\$30,000 to \$34,999	30,348	1.3%	876	2.8%	535	4.1%	337	4.4%	362	3.0%
\$35,000 to \$39,999	35,918	1.6%	1,297	4.1%	682	5.3%	365	4.8%	349	2.9%
\$40,000 to \$49,999	80,470	3.5%	2,391	7.5%	1,217	9.4%	956	12.6%	833	6.8%
\$50,000 to \$59,999	100,354	4.4%	3,032	9.6%	1,382	10.7%	1,123	14.8%	1,130	9.2%
\$60,000 to \$69,999	125,504	5.5%	3,387	10.7%	1,544	11.9%	922	12.1%	1,204	9.8%
\$70,000 to \$79,999	143,229	6.3%	2,805	8.8%	1,156	8.9%	944	12.4%	1,256	10.3%
\$80,000 to \$89,999	173,442	7.6%	2,682	8.5%	812	6.3%	778	10.2%	1,202	9.8%
\$90,000 to \$99,999	169,119	7.5%	2,517	7.9%	876	6.8%	521	6.8%	1,040	8.5%
\$100,000 to \$124,999	318,345	14.0%	3,942	12.4%	1,381	10.7%	434	5.7%	1,733	14.2%
\$125,000 to \$149,999	285,109	12.6%	2,570	8.1%	851	6.6%	233	3.1%	970	7.9%
\$150,000 to \$174,999	202,302	8.9%	1,681	5.3%	559	4.3%	151	2.0%	590	4.8%
\$175,000 to \$199,999	137,414	6.1%	932	2.9%	270	2.1%	84	1.1%	312	2.5%
\$200,000 to \$249,999	156,487	6.9%	911	2.9%	285	2.2%	68	0.9%	280	2.3%
\$250,000 to \$299,999	95,557	4.2%	515	1.6%	191	1.5%	46	0.6%	143	1.2%
\$300,000 to \$399,999	74,361	3.3%	242	0.8%	117	0.9%	13	0.2%	132	1.1%
\$400,000 to \$499,999	29,718	1.3%	98	0.3%	70	0.5%	0	0.0%	38	0.3%
\$500,000 to \$749,999	20,814	0.9%	11	0.0%	11	0.1%	3	0.0%	33	0.3%
\$750,000 to \$999,999	6,828	0.3%	28	0.1%	19	0.1%	0	0.0%	0	0.0%
\$1,000,000 or more	5,989	0.3%	5	0.0%	0	0.0%	0	0.0%	12	0.1%
Total	2,269,175	100.0%	31,734	100.0%	12,962	100.0%	7,609	100.0%	12,241	100.0%
Median value	\$110,300	-	\$81,300	-	\$70,800	-	\$64,400	-	\$80,700	-

Source: US Census 2000

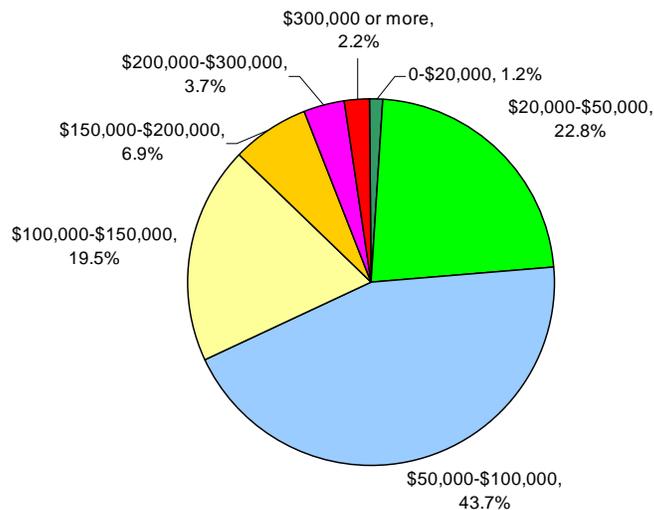
Housing values in Battle Creek have been increasing, with significant changes between 1990 and 2000 and between 2000 and 2005. Table 3.7, below, illustrates the percentage of housing units in each housing value range in 1990, 2000, and 2005. According to Census data, the modal value range, highlighted in the table, for 1990 was \$20,000 to \$49,999, with 47.5 percent of all units falling into that range. The increase in the home values between 1990 and 2000 moved the modal price range upwards. In 2000 and 2005 the modal value range was \$50,000 to \$99,999, with 43.7 percent of the units in this range. The percentage of homes in the next highest range, \$100,000 to \$149,999 increased from 5.1 percent in 1990 to 17.0 percent in 2000 and to 19.5 percent in 2005.

Table 3.7: Housing Value by Number of Units, 1990, 2000, and 2005

Value of Housing Units	1990		2000		2005	
	# of Units	%	# of Units	%	# of Units	%
Less than \$20,000	2,092	16.6%	560	4.0%	190	1.2%
\$20,000 to \$49,999	5,989	47.5%	3,280	23.3%	3,739	22.8%
\$50,000 to \$99,999	3,535	28.0%	6,151	43.7%	7,178	43.7%
\$100,000 to \$149,999	641	5.1%	2,390	17.0%	3,197	19.5%
\$150,000 to \$199,999	236	1.9%	966	6.9%	1,127	6.9%
\$200,000 to \$299,999	87	0.7%	491	3.5%	614	3.7%
\$300,000 and above	29	0.2%	236	1.7%	362	2.2%
Total	12,609	100.0%	14,074	100.0%	16,407	100.0%

Source: US Census 1990 & 2000 and the City of Battle Creek (2005)

Chart 3.1: Housing Value, 2005



Source: City of Battle Creek (2005)

The median housing values in Battle Creek vary among the NPCs. Table 3.8, below, shows the differences in median housing values by NPC from 1990 to 2000. Values in the Rural Southwest NPC and the Minges Brook / Riverside NPC were the highest among the NPCs in 2000. The largest increase in median housing value occurred in the Rural Southwest NPC. As shown in Table 2.6 and on Map 2.2, on pages 32 and 33, respectively, the Rural Southwest NPC also has the newest housing stock, having the most recent permit and construction activity. Map 3.4, on the following page, illustrates the median housing values in Battle Creek by census tract.

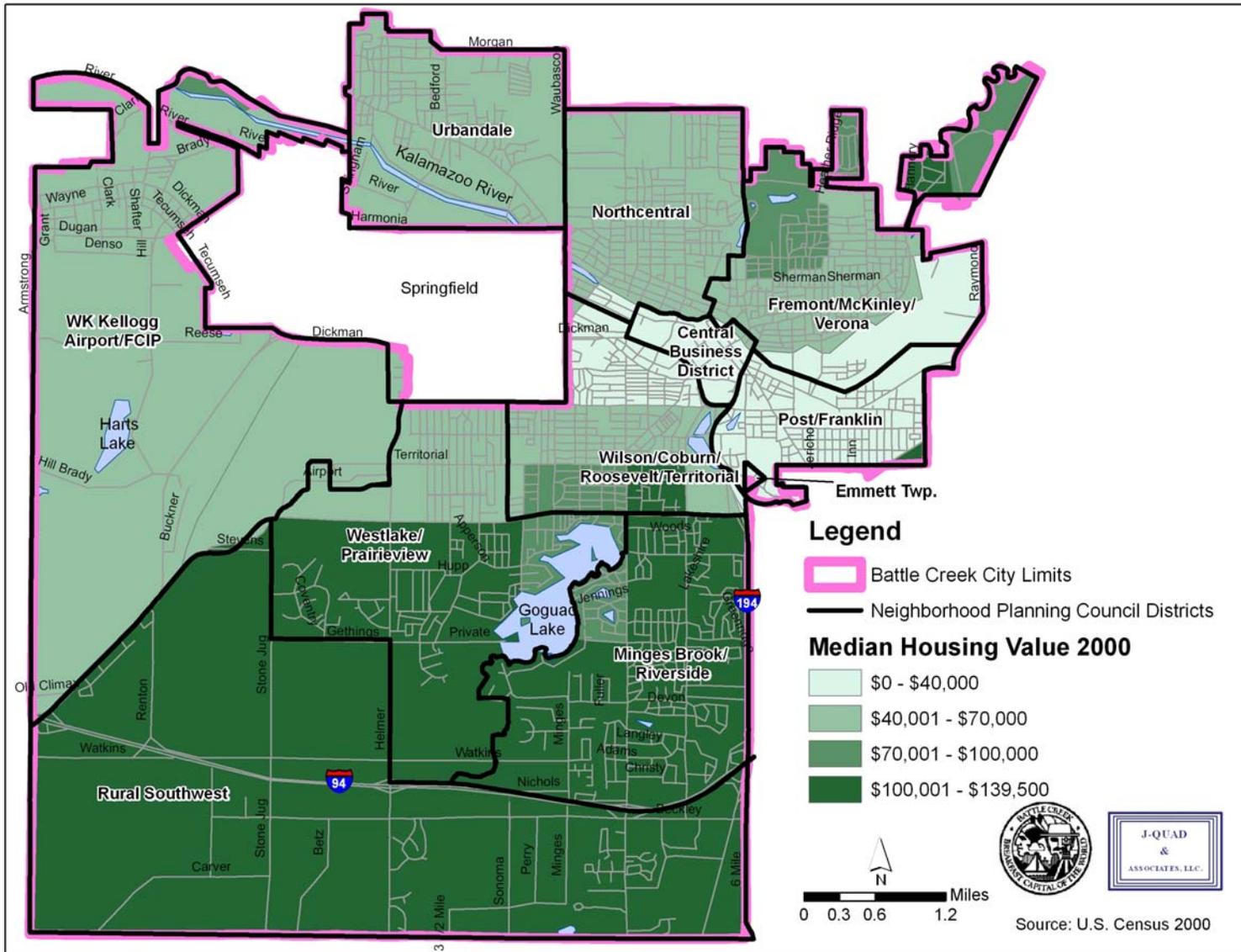
Table 3.8: Median Housing Value, 1990 and 2000

	NPCs									
	Urbandale	North Central	CBD*	Fremont	Post/Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg*
1990	\$32,160	\$22,212	-	\$34,600	\$23,086	\$31,383	\$83,160	\$65,100	\$61,714	-
2000	\$58,350	\$52,014	-	\$68,222	\$42,325	\$51,080	\$125,667	\$149,500	\$88,357	-

Source: US Census 1990 & 2000

* US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

Map 3.4: Median Housing Value, 2000



Housing Affordability

Housing affordability is an issue for those looking to become homeowners. Table 3.9, below, provides examples of the income requirements to qualify for mortgages on homes of various values, based on current market conditions and some basic assumptions concerning insurance and utility costs. The calculations were based on a 6.5 percent interest rate and a sliding scale for insurance and utilities, based on the assumption that as values increase these expenses will increase as well.

Table 3.9: Income Requirements for Various Home Values

Home Value	Monthly Principal and Interest	Monthly Tax	Monthly Insurance	Monthly Utilities	Monthly Total	Yearly Income Requirements
\$60,000	\$380	\$206	\$90	\$100	\$776	\$31,027
\$80,000	\$506	\$274	\$100	\$120	\$1,000	\$39,997
\$100,000	\$632	\$343	\$110	\$140	\$1,225	\$48,996
\$120,000	\$758	\$411	\$120	\$160	\$1,450	\$57,995
\$140,000	\$885	\$480	\$130	\$180	\$1,675	\$66,994
\$160,000	\$1,011	\$549	\$140	\$200	\$1,900	\$75,994

Source: J-Quad and Associates

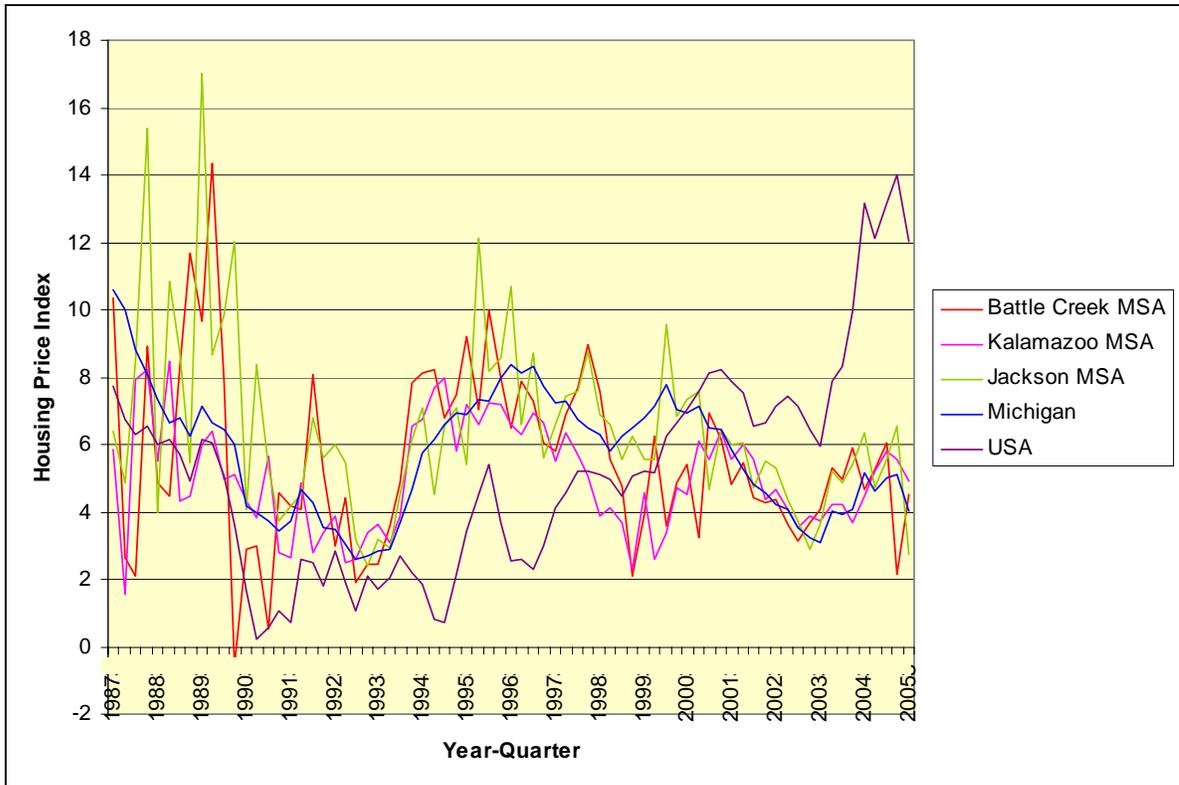
Taxes were estimated based on an average homestead millage of \$41.14 for the city, as reported by the City Assessor's Office. Income requirements assume that no more than 30 percent of gross income is needed to meet housing expenses.

The table shows that with current interest rates, housing is relatively affordable, if the housing stock within a given price range is available. To afford the median home with a value of \$70,800 in 2000 would have required an income of \$35,923. As a reference, \$35,923 per year is approximately \$17.27 per hour for a forty-hour workweek, 52 weeks a year for a single wage earner. The current federal minimum wage is \$5.15 per hour. If interest rates were higher, housing would be less affordable. At an 8.25 percent interest rate, the principal and interest payment (P&I) on a \$100,000 home would increase by approximately \$119 per month, requiring an additional \$4,768 per year in gross income to cover housing expenses.

Chart 3.2, on the following page, plots the Housing Price Index (HPI) data from 1975 to 2002 for the USA, Michigan, Battle Creek, Jackson, and Kalamazoo from data provided by the Office of Federal Housing Enterprise Oversight. The HPI is a broad measure of

the movement of single-family house prices. The HPI serves as a timely, accurate indicator of house price trends at various geographic levels. From the chart it can be noted that the changes in the housing price index of Battle Creek was similar to Jackson, Kalamazoo, and the state, indicating similar price increases over time. Price increases in Michigan are lower than the price increases occurring in the U.S overall.

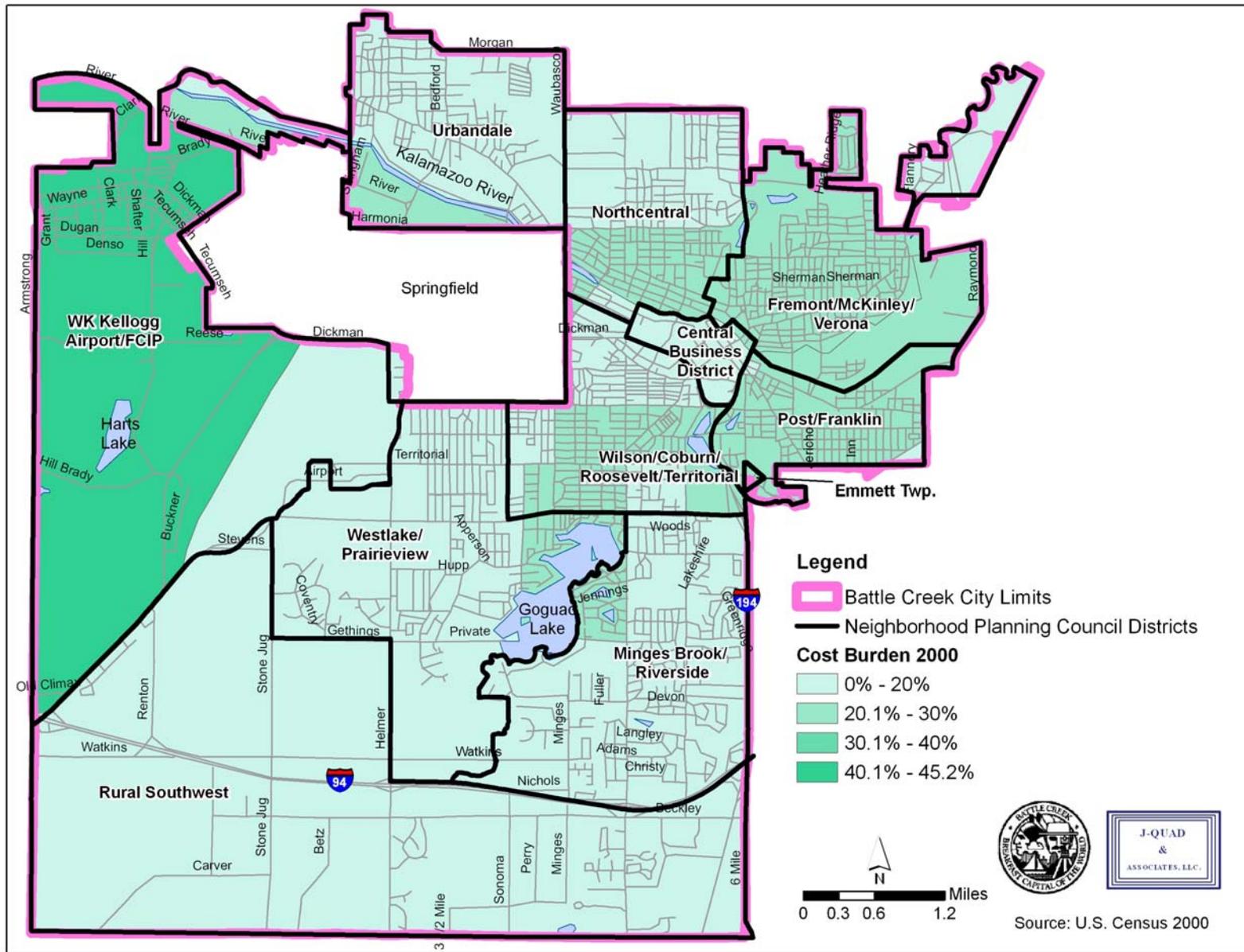
Chart 3.2: Housing Price Index, 1975-2002



Source: Office of Federal Housing Enterprise Oversight

Map 3.5, on the following page, shows the percentage of owners paying more than 30 percent of their household income on housing expenses including as mortgage payments, insurance, utilities, and taxes. While the area shown with the highest percentage of cost burdened households in 2000 is the WK Kellogg NPC this is due to a few homeowners outside of Battle Creek also within the Census tract. There are no owner-occupied homes in Battle Creek in this area. Over 30 percent of the owner-occupied households in the Fremont / McKinley / Verona, Post / Franklin, Wilson / Coburn / Roosevelt / Territorial, and southern tracts of Northcentral NPCs were cost burdened.

Map 3.5: Percent Owners Paying More than 30 Percent of Household Income on Housing Expenses, 2000

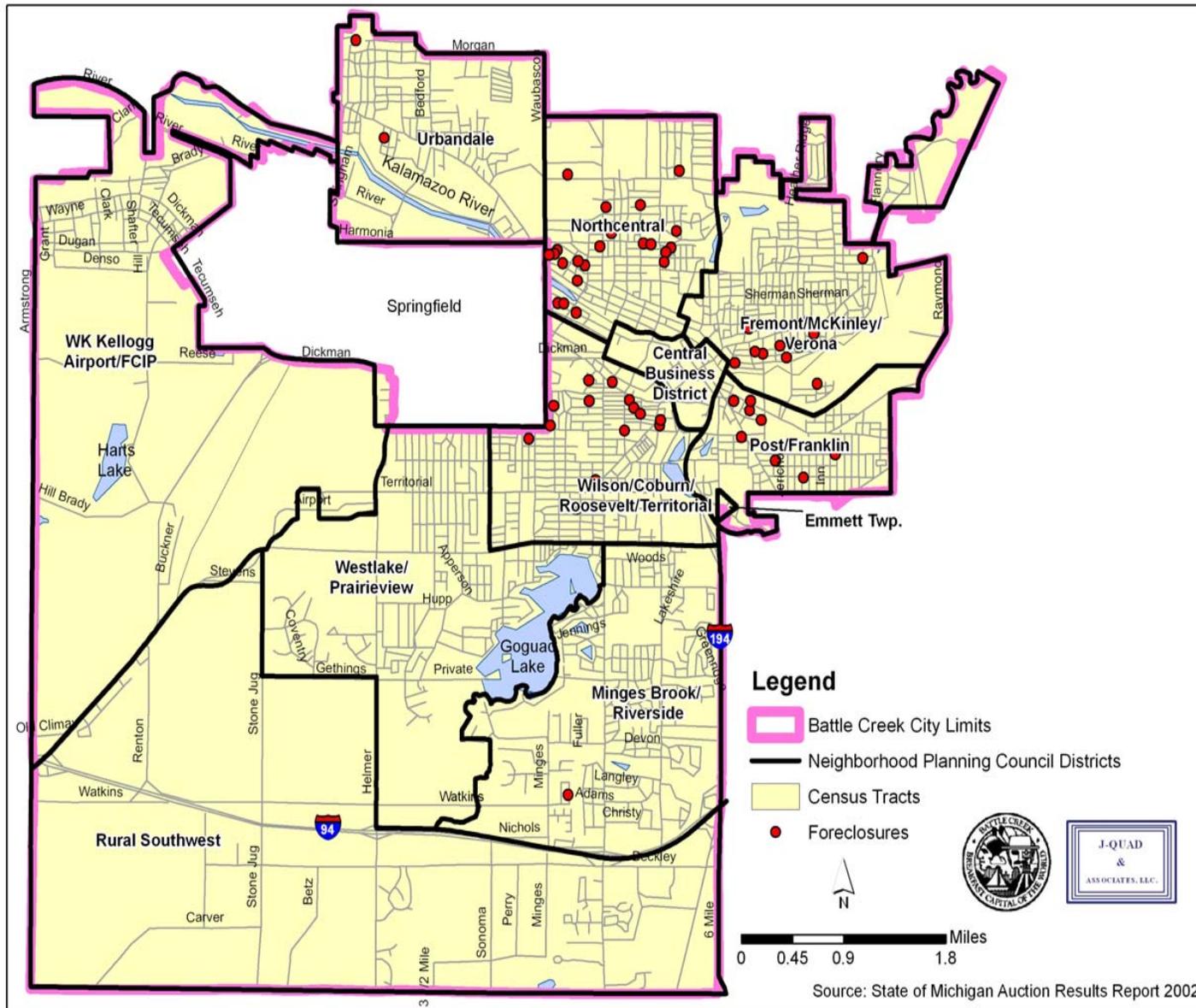


According to the 2000 U.S. Census, out of the city's 2,284 owner-occupied households that earned less than \$20,000, 1,258 households, or 55.1 percent, paid more than 30 percent of household income towards mortgage or related housing expenses. In owner-occupied households that earned between \$20,000 and \$50,000 (4,979 households), 895, or 18 percent of the households, were considered to be cost burdened. Out of 4,407 owner-occupied households that earned between \$50,000 and \$100,000, 152 households, 3.4 percent, were cost burdened. No owner-occupied households that earned more than \$100,000 were cost burdened.

Foreclosures

Map 3.6, on the following page, shows the location of tax foreclosures* that occurred in Battle Creek in 2002. There were several clusters of foreclosures in the CBD, Northcentral, Post / Franklin, Fremont / McKinley / Verona, and Wilson / Coburn / Roosevelt / Territorial NPCs. A high number of foreclosures in an area is indicative of a housing problem that can contribute to the destabilization of a neighborhood. The properties shown on the map are from the Auction Results Report generated by the State of Michigan. The Property Services Division, Foreclosure Services Section, maintains the list of tax delinquent, forfeited property and oversees the notification process. Once forfeited properties have been judicially foreclosed, Foreclosure Services Section is responsible for handling the governmental and public auction sales of the properties.

Map 3.6: Properties Sold After Foreclosure, 2002



3.B. Renter-Occupied Housing

Rental Housing Inventory

Tables 3.10 and 3.11, below, show the percentage of renter-occupied housing by race and by NPC. The percentage of White renters, at 28.9 percent, was 24.4 percentage points lower than that of African-Americans and 27.1 percentage points lower than Hispanics. Although the percentage of renter-occupied housing among Hispanics was high at 56.0 percent, it represents a smaller number of persons compared to African-American renter-occupied households at 49.3 percent.

Table 3.10: Renter-Occupied Housing by Race, 2000

	Number	%	White	%	Black	%	Hispanic	%
Renter-occupied	7,304	34.20%	4,733	28.90%	1,766	49.30%	309	56.00%
Total Housing	21,348		16,379		3,585		552	

Source: US Census 2000

Table 3.11: Renter-Occupied Housing by NPC, 1990-2000

Renter-occupied Housing		Urbandale	North Central	CBD*	Fremont	Post /Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg*
		1990	#	883	1,293	-	1,481	1,309	1,197	147	858
	%	35.2%	38.2%	-	34.2%	42.1%	33.9%	5.9%	55.6%	18.2%	-
2000	#	761	879	-	1,931	1,047	1,018	398	1,192	488	108**
	%	27.9%	31.0%	-	29.9%	45.8%	35.0%	11.4%	51.2%	17.4%	100.0%
% Change		-13.8%	-32.0%	-	30.4%	-20.0%	-15.0%	170.7%	38.9%	-7.4%	-

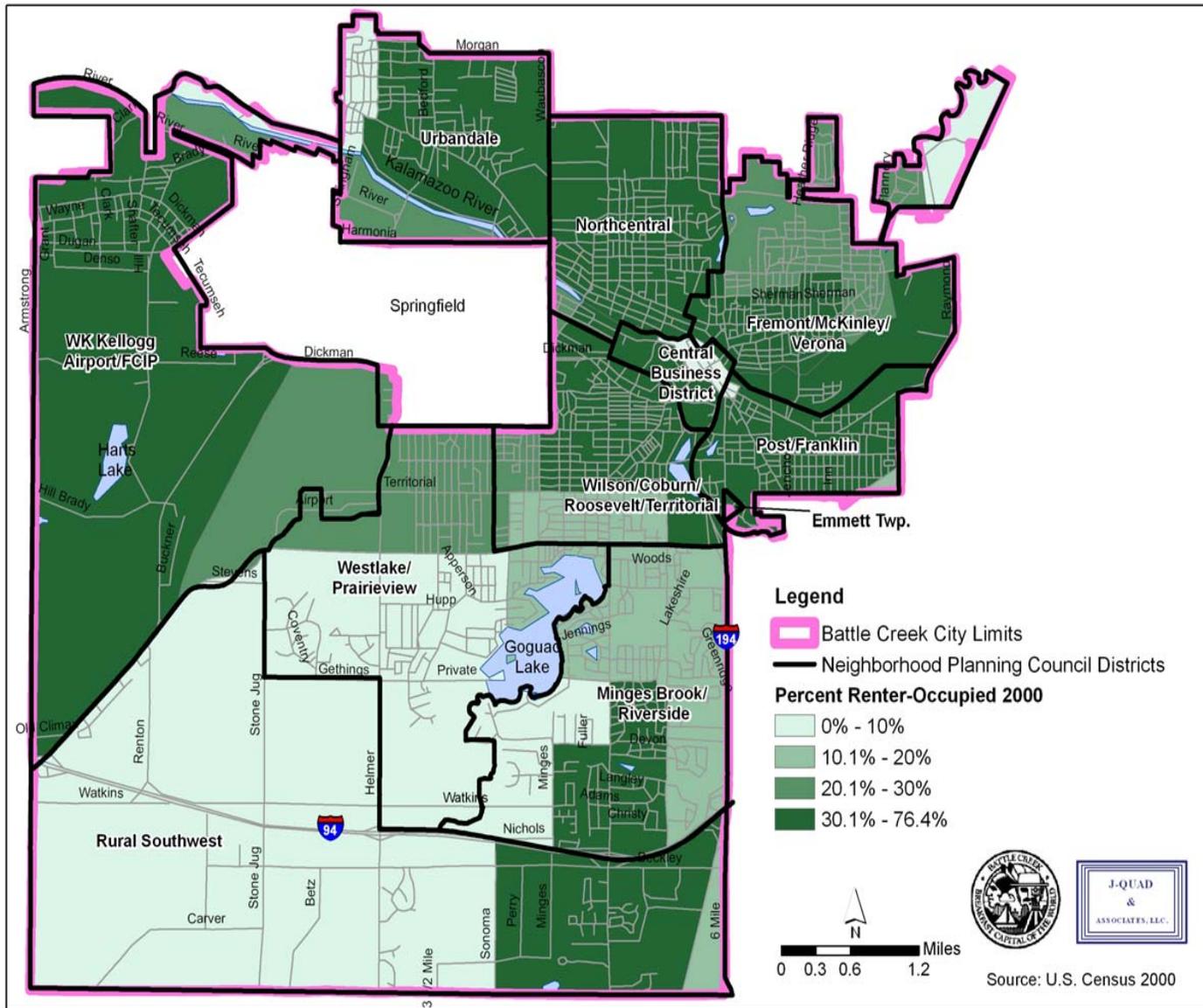
Source: US Census 1990 & 2000

* US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

**Reported by the Planning and Community Development Department.

The percentage of renter-occupied housing in the Rural SW NPC was reported to be the highest, at 51.2 percent of the housing stock of the NPC in 2000. This may be due to the number of large apartment complexes added over the past decade. The Fremont / McKinley / Verona NPC had the highest increase in the number of rental housing units, adding 450 units, followed by the Rural Southwest NPC with 334 units.

Map 3.7: Percent Renter-Occupied, 2000



The highest percentage change in rental units occurred in the Riverside NPC (170.7%). Several NPCs lost rental housing units. The highest drop was in Northcentral NPC with a percentage decrease of 32.0 percent and the Post/Franklin NPC with a drop of 20 percent between 1990 and 2000. Overall, more renter-occupied units were lost than added from 1990 to 2000. Map 3.7, on the previous page, shows the percentage of rental-occupied housing by census tracts and by NPCs in Battle Creek city.

Table 3.12: Units in Structure, Rental

Units in Structure	#	%
1, detached	2,062	28.3%
1, attached	156	2.1%
2	711	9.8%
3 or 4	1,010	13.9%
5 to 9	981	13.5%
10 to 19	862	11.9%
20 to 49	660	9.1%
50 or more	811	11.1%
Mobile home	21	0.3%
Boat, RV, van, etc.	0	0.0%
Total	7,274	100.0%

Source: 2000 U.S. Census

Table 3.12, above, provides the distribution of rental units by the number of units in the structure showing that a significant portion of rental housing is in single-family homes (30.4%). About 46 percent of rental housing is found in apartment buildings (five or more units in the structure).

Table 3.12, above, provides the distribution of rental units by the number of units in the structure showing that a significant portion of rental housing is in single-family homes (30.4%). About 46 percent of rental housing is found in apartment buildings (five or more units in the structure).

Median Gross Rent and Median Contract Rent

Table 3.13, on the following page, provides a look at gross rent by number of bedrooms in Battle Creek, according to 2000 U.S. Census. The median gross rent in Battle Creek was \$488 in 2000. The table shows that for studio and rental units with one-bedroom, the modal category was \$300 to \$499. For units with two and three or more bedrooms, the modal rent category was \$500 to \$749.

Table 3.13: Gross Rent by Number of Bedrooms

Gross Rent	Studio		1 bedroom		2 bedrooms		3 or more bedrooms	
Less than \$200	33	10.9%	398	15.9%	24	0.9%	29	2.2%
\$200 to \$299	71	23.4%	270	10.8%	145	5.1%	89	6.6%
\$300 to \$499	137	45.2%	1,222	48.8%	887	31.4%	375	27.9%
\$500 to \$749	57	18.8%	567	22.7%	1,534	54.4%	617	45.9%
\$750 to \$999	0	0.0%	37	1.5%	179	6.3%	138	10.3%
\$1,000 or more	5	1.7%	8	0.3%	52	1.8%	95	7.1%
Total	303	100.0%	2,502	100.0%	2,821	100.0%	1,343	100.0%

Source: U.S. Census 2000

Table 3.14, below, shows the median contract rent for Battle Creek compared to the state, the county, Jackson, and Kalamazoo. The median contract rent of Battle Creek is lower than that of Kalamazoo and almost equal to that of Jackson. The table indicates that the increase in rents in Battle Creek between 1990 to 2000 is lower than that of Jackson, Kalamazoo, and the state overall. The percentage increase in rents in Battle Creek, however, is comparable to the county and the state, lower than Jackson, and higher than Kalamazoo.

Table 3.14: Median Contract Rent 1990 and 2000

	Michigan	Calhoun County	Battle Creek	Jackson	Kalamazoo
1990	\$343	\$303	\$307	\$283	\$357
2000	\$468	\$414	\$419	\$412	\$476
Change	\$125	\$111	\$112	\$129	\$119
%Change	36.4%	36.6%	36.5%	45.6%	33.3%

Source: US Census 1990 & 2000

Table 3.15, on the following page, compares the median contract rent in the eleven NPCs in 1990 and 2000. The Rural SW NPC had the highest median contract rent at \$625, and the lowest median contract rent was reported in the Urbandale NPC. The Fremont and Rural SW NPCs experienced the highest rent increases between 1990 and 2000. The median rents decreased in the Riverside NPC, Urbandale NPC, and Northcentral NPC. The highest decrease in rents was in the Riverside NPC. The declines in the median contract rents in the three NPCs could be due to an increase in the rental unit supply during the period, for example an additional 250 units in the Riverside NPC, or due to the decreasing attractiveness of renting as an option in those areas.

Table 3.15: Median Contract Rent in NPCs, 1990 and 2000

	NPCs									
	Urbandale	North Central	CBD*	Fremont	Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg*
Median Contract Rent 1990	\$389	\$357	-	\$367	\$384	\$418	\$747	\$518	\$532	-
Median Contract Rent 2000	\$323	\$353	-	\$458	\$418	\$424	\$588	\$625	\$605	-
Change	-\$66	-\$4	-	\$91	\$34	\$6	-\$159	\$107	\$73	-
%Change	-17.0%	-1.1%	-	24.8%	8.9%	1.4%	-21.3%	20.7%	13.7%	-

Source: US Census 1990 & 2000

* US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

Characteristics of Rental Housing Stock

The type of rental units available is an important key to determining appropriate housing strategies to address rental housing stock. Despite having similar overall rental rates, the areas with high single-family residential rentals are different from the areas with high multifamily residential rentals. Table 3.16, on the following page, describes the type of housing in renter-occupied housing units by NPCs, in 2000. Over 50 percentage of rental housing in the Riverside NPC was single-family. More than 40 percent of rental housing in the Wilson, Northcentral, and Westlake NPCs was single-family. About 50 percent of rental housing in the Westlake NPC had two to four units. About 87 percent of the rental housing in the Rural SW NPC were multifamily units.

Table 3.17, on the following page, compares the age of rental housing to the age of owner-occupied housing. Owner-occupied housing is older than renter-occupied housing in Battle Creek. The data show that the largest percentage of housing stock for both rental and owner-occupied units were built prior to 1939. The next largest percentages for owner-occupied housing were for housing built in 1950s and 1940s whereas largest percentages for renter-occupied units were for units built in 1950s and 1970s. About 50 percent of rental housing is more than 40 years old, compared to over 69 percent of owner-occupied housing in this age category.

Table 3.16: Type of Renter-Occupied Housing by NPCs, 2000

Type of Housing in Renter-Occupied	NPCs									
	Urbandale	North Central	CBD*	Fremont	Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg*
Single-Family, detached	158	360	-	540	368	440	195	47	187	-
	20.8%	41.0%	-	28.0%	35.1%	43.2%	49.0%	3.9%	38.3%	-
Single-Family, attached	17	25	-	40	11	20	6	29	20	-
	2.2%	2.8%	-	2.1%	1.1%	2.0%	1.5%	2.4%	4.1%	-
2 to 4	87	176	-	635	257	205	52	83	242	-
	11.4%	20.0%	-	32.9%	24.5%	20.1%	13.1%	7.0%	49.6%	-
Multifamily	492	318	-	689	411	353	145	1033	33	-
	64.7%	36.2%	-	35.7%	39.3%	34.7%	36.4%	86.7%	6.8%	-
Mobile home	7	0	-	20	0	0	0	0	6	-
	0.9%	0.0%	-	1.0%	0.0%	0.0%	0.0%	0.0%	1.2%	-
Boat, RV, van, etc.	0	0	-	7	0	0	0	0	0	-
	0.0%	0.0%	-	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	-
Total Renter-occupied	761	879	-	1,931	1,047	1,018	398	1,192	488	-

Source: US Census 2000

*US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

Table 3.17: Age of Rental and Owner-Occupied Housing, 2000

Year Built	Rental	%	Owner	%
Built 1999 to March 2000	117	1.6%	162	1.2%
Built 1995 to 1998	319	4.4%	541	3.8%
Built 1990 to 1994	376	5.2%	228	1.6%
Built 1980 to 1989	936	12.9%	396	2.8%
Built 1970 to 1979	1,065	14.6%	980	7.0%
Built 1960 to 1969	834	11.5%	2,013	14.3%
Built 1950 to 1959	990	13.6%	3,457	24.6%
Built 1940 to 1949	722	9.9%	2,387	17.0%
Built 1939 or earlier	1,915	26.3%	3,910	27.8%
Total	7,274	100.0%	14,074	100.0%

Source: U.S. Census 2000

Table 3.18, to the right, compares overcrowding between owner-occupied and rental housing. HUD defines overcrowding as more than one person per room. A “room”, as defined by the Census, is an enclosed area within a dwelling which is used for living purposes, including living, dining, kitchen, and bedrooms etc.

By this definition, rental housing tends to be more overcrowded. Just over one percent of owner-occupied housing fits this definition, while about six percent of rental households qualify. The average household size, in 2000, was 2.57 for owner-occupied housing and 2.13 for rental housing.

Table 3.19, on the following page, compares overcrowding between owner-occupied and rental housing by NPC. The highest percentage of overcrowding among owner-occupied units was in the Franklin NPC with over four percent. The highest among renter-occupied units was in the Westlake NPC with over nine percent.

Table 3.18: Occupants per Room, 2000

Owner-occupied:	#	%
0.50 or less occupants per room	10,842	77.0%
0.51 to 1.00 occupants per room	3,040	21.6%
1.01 to 1.50 occupants per room	105	0.7%
1.51 to 2.00 occupants per room	70	0.5%
2.01 or more occupants per room	17	0.1%
Owner-occupied Total	14,074	100.0%
Renter-occupied:		
0.50 or less occupants per room	4,657	64.0%
0.51 to 1.00 occupants per room	2,197	30.2%
1.01 to 1.50 occupants per room	250	3.4%
1.51 to 2.00 occupants per room	140	1.9%
2.01 or more occupants per room	30	0.4%
Renter-occupied Total	7,274	100.0%

Source: U.S. Census 2000

Table 3.19: Occupants per Room by NPCs, 2000

Tenure by		NPCs									
Occupants/Room		Urbandale	North Central	CBD*	Fremont	Post /Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg*
Owner-occupied											
0.50 or less	#	1,196	1,164	-	3,031	727	1,295	2,415	586	1,696	-
	%	71.5%	75.6%	-	75.8%	70.2%	75.6%	82.5%	70.8%	77.8%	-
0.51 to 1.00	#	434	337	-	921	265	383	513	242	484	-
	%	25.9%	21.9%	-	23.0%	25.6%	22.4%	17.5%	29.2%	22.2%	-
1.01 to 1.50	#	26	25	-	23	23	9	0	0	0	-
	%	1.6%	1.6%	-	0.6%	2.2%	0.5%	0.0%	0.0%	0.0%	-
1.51 to 2.00	#	0	13	-	19	20	25	0	0	0	-
	%	0.0%	0.8%	-	0.5%	1.9%	1.5%	0.0%	0.0%	0.0%	-
2.01 or more	#	17	0	-	7	0	0	0	0	0	-
	%	1.0%	0.0%	-	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	-
Owner-occupied Total		1,673	1,539	1	4,001	1,035	1,712	2,928	828	2,180	-
Renter-occupied											
0.50 or less	#	594	534	-	1,260	598	634	270	791	292	-
	%	78.1%	60.8%	-	65.3%	57.1%	62.3%	67.8%	66.4%	59.8%	-
0.51 to 1.00	#	147	309	-	571	380	322	128	326	150	-
	%	19.3%	35.2%	-	29.6%	36.3%	31.6%	32.2%	27.3%	30.7%	-
1.01 to 1.50	#	20	23	-	54	38	48	0	24	39	-
	%	2.6%	2.6%	-	2.8%	3.6%	4.7%	0.0%	2.0%	8.0%	-
1.51 to 2.00	#	0	5	-	31	31	14	0	51	0	-
	%	0.0%	0.6%	-	1.6%	3.0%	1.4%	0.0%	4.3%	0.0%	-
2.01 or more	#	0	8	-	15	0	0	0	0	7	-
	%	0.0%	0.9%	-	0.8%	0.0%	0.0%	0.0%	0.0%	1.4%	-
Renter-occupied Total		761	879	5	1,931	1,047	1,018	398	1192	488	108**

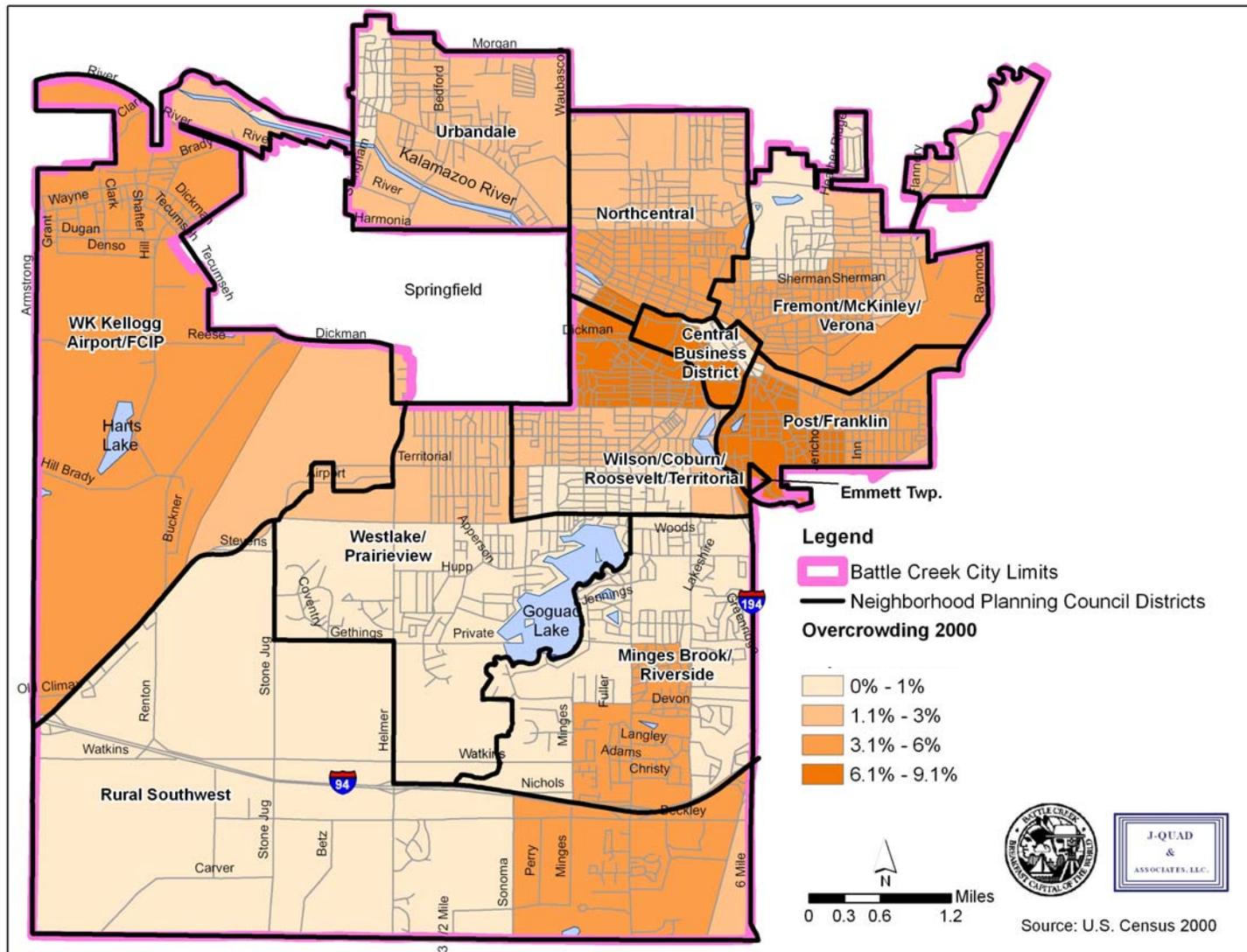
Source: US Census 2000

* US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

**Reported by the Planning and Community Development Department.

Map 3.8, on the following page, provides a look at the geographic distribution of overcrowding by census tract. The northern census tracts in the Wilson NPC and the western census tracts in the Franklin NPC had the highest concentrations of overcrowded households.

Map 3.8: Overcrowding*, 2000



*HUD defines overcrowding as more than one person per room. A “room”, as defined by the Census, is an enclosed area within a dwelling which is used for living purposes, including living, dining, kitchen, and bedrooms etc.

Cost Burden

A significant indicator of housing affordability is cost burden; renters paying more than 30 percent of their household income on housing expenses. Citywide, 36.5 percent of all households pay more than 30 percent of their household income on housing expenses.

Table 3.20, below, provides details on rents paid by income group. As logic would indicate, lower income groups are much more likely to be financially burdened with their rent payments. As shown in the table, 72.9 percent of those earning less than \$10,000 per year pay more than 30 percent of their income on housing. In the next income group up, \$10,000 to \$19,999 per year, 66.3 percent pay more than 30 percent of their income on housing expenses. In the next income category, \$20,000 to \$34,999 per year, 16.7 percent of households pay a high percentage of their income for housing expenses. Only in the upper income levels (household incomes over \$50,000) do no households pay more than 30 percent of their income on housing expenses.

Table 3.20: Percent of Household Income for Rent by Income Group

	#	%		#	%		#	%		#	%
Less than \$10,000:	1,573	100.0%	\$20,000 to \$34,999:	1,765	100.0%	\$50,000 to \$74,999:	650	100.0%	\$100,000 or more:	184	100.0%
Less than 20 %	51	3.2%	Less than 20 %	596	33.8%	Less than 20 %	563	86.6%	Less than 20 %	159	86.4%
20 to 24 %	45	2.9%	20 to 24 %	454	25.7%	20 to 24 %	25	3.8%	20 to 24 %	0	0.0%
25 to 29 %	168	10.7%	25 to 29 %	329	18.6%	25 to 29 %	13	2.0%	25 to 29 %	0	0.0%
30 to 34 %	80	5.1%	30 to 34 %	222	12.6%	30 to 34 %	0	0.0%	30 to 34 %	0	0.0%
35 % or more	1,066	67.8%	35 % or more	73	4.1%	35 % or more	8	1.2%	35 % or more	0	0.0%
Not computed	163	10.4%	Not computed	91	5.2%	Not computed	41	6.3%	Not computed	25	13.6%
\$10,000 to \$19,999:	1,767	100.0%	\$35,000 to \$49,999:	1,062	100.0%	\$75,000 to \$99,999:	252	100.0%	All Inc. Groups	7,253	100.0%
Less than 20 %	137	7.8%	Less than 20 %	761	71.7%	Less than 20 %	224	88.9%	Less than 20 %	2,491	34.3%
20 to 24 %	128	7.2%	20 to 24 %	198	18.6%	20 to 24 %	0	0.0%	20 to 24 %	850	11.7%
25 to 29 %	283	16.0%	25 to 29 %	21	2.0%	25 to 29 %	11	4.4%	25 to 29 %	825	11.4%
30 to 34 %	183	10.4%	30 to 34 %	18	1.7%	30 to 34 %	0	0.0%	30 to 34 %	503	6.9%
35 % or more	987	55.9%	35 % or more	14	1.3%	35 % or more	0	0.0%	35 % or more	2,148	29.6%
Not computed	49	2.8%	Not computed	50	4.7%	Not computed	17	6.7%	Not computed	436	6.0%

Source: U.S. Census 2000

Table 3.21, below, analyzes cost burden for renters by NPCs. The area with the greatest number of cost burdened households was the Fremont NPC with 660 households (47.9 percent) spending more than 30 percent of their income on housing expenses. About 50 percent of the households in the Northcentral NPC, 48 percent in the Franklin NPC, and 41 percent of the Wilson NPC spent more than 30 percent of their household income on housing expenses. About 28 percent of the households in the Northcentral NPC spent more than 50 percent of their household income on housing expenses.

Table 3.21: Cost Burden for Renters by NPCs, 2000

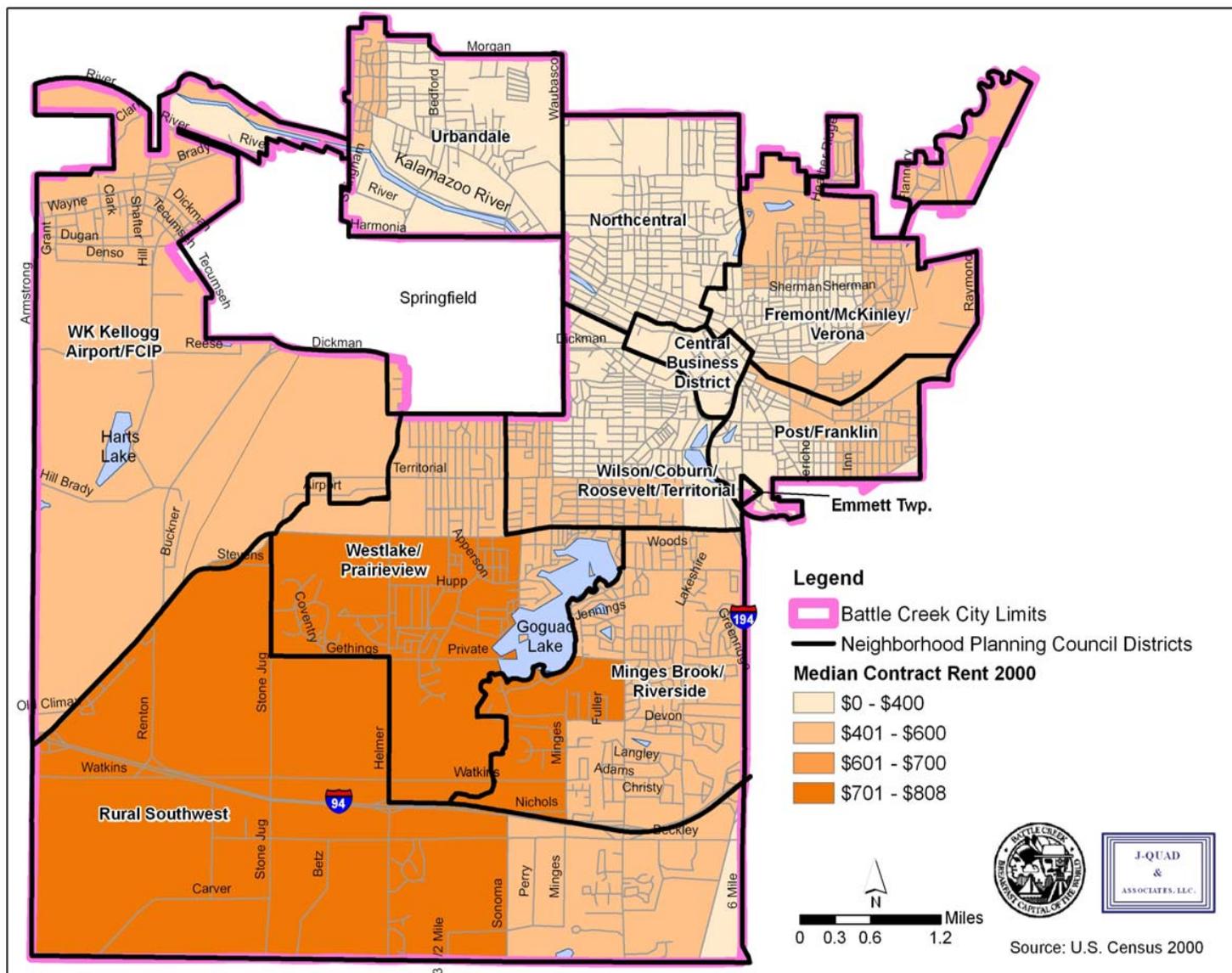
		Urbandale	North Central	CBD*	Fremont	Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg*
Less than 10%	#	34	69	-	181	24	99	30	68	36	-
	%	4.5%	7.9%	-	9.5%	2.3%	9.7%	7.7%	5.7%	7.4%	-
10 to 19%	#	214	145	-	509	269	243	133	409	129	-
	%	28.1%	16.6%	-	26.6%	25.7%	23.9%	34.1%	34.3%	26.4%	-
20 to 29%	#	315	189	-	407	159	213	88	315	105	-
	%	41.4%	21.6%	-	21.3%	15.2%	20.9%	22.6%	26.4%	21.5%	-
30 to 39%	#	78	119	-	205	132	117	67	133	41	-
	%	10.2%	13.6%	-	10.7%	12.6%	11.5%	17.2%	11.2%	8.4%	-
40 to 49%	#	52	75	-	117	137	80	18	69	34	-
	%	6.8%	8.6%	-	6.1%	13.1%	7.9%	4.6%	5.8%	7.0%	-
50 % or more	#	42	241	-	338	232	217	19	165	92	-
	%	5.5%	27.6%	-	17.7%	22.2%	21.3%	4.9%	13.8%	18.9%	-
Not computed	#	26	35	-	155	94	49	35	33	51	-
	%	3.4%	4.0%	-	8.1%	9.0%	4.8%	9.0%	2.8%	10.5%	-
Total		761	873	-	1,912	1,047	1,018	390	1,192	488	-

Source: US Census 2000

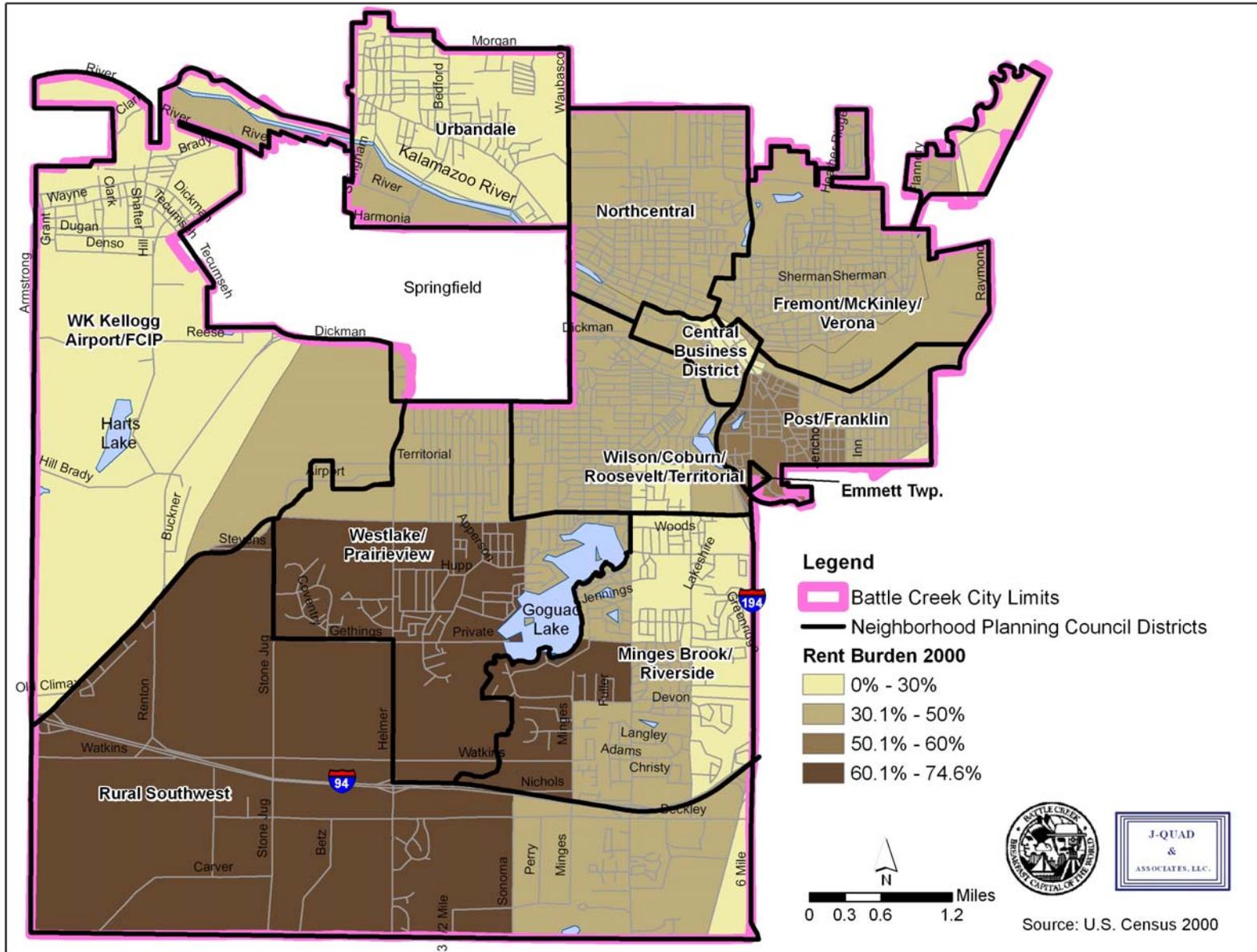
* US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

Map 3.9, on the following page, shows the geographic distribution of median contract rents by Census tract. The southern census tracts in the Westlake NPC and the western census tracts in the Minges Brook / Riverside NPC had the highest median contract rents. Map 3.10, on page 69, provides an illustration of cost burden for renters by census tract.

Map 3.9: Median Contract Rent, 2000



Map 3.10: Percent Renters Paying More than 30% of Household Income to Housing Expenses, 2000



Current Rental Housing Characteristics

The results of a rental housing survey conducted by J-QUAD & Associates in January 2006 are illustrated in the Table 3.22, below. A total of 6,646 units in 23 complexes were surveyed in and around Battle Creek. Fourteen complexes reported a combined occupancy rate of more than 90 percent. Table 3.22, below, shows the effective rent range and average rent by number of bedrooms.

Bedroom distribution was reported for 2,924 units, of which 49 percent were two-bedroom units, about 43 percent were one-bedroom units, and about six percent were three bedroom units. A detailed inventory from the survey is provided in Table 3.23, on the following page. The survey includes some apartment complexes outside Battle Creek city limits. Map 3.11, on page 72, illustrates current rents in the NPCs.

Table 3.22: Rental Housing Characteristics by Number of Bedrooms, March 2006

Bedrooms	Units Reported*	Effective Rent Range	Average Rent
0	75	\$300-\$425	\$365
1	1,252	\$375-\$604	\$463
2	1,424	\$449-\$889	\$595
3	173	\$505-895	\$703

Source: Survey by J-QUAD & Associates.

*Survey includes some apartment complexes outside Battle Creek city limits.

Table 3.23: Rental Survey Results, March 2006

Apt Name	Address	Occ. Rate	Tot. Units	Eff. #	Eff. Rent	1-Bd #	1-Bd Rent	2-Bd #	2-Bd Rent	3-Bd #	3-Bd Rent
Arbor Pointe	420 Arbor Pointe Dr.	94%	162	0	0		\$559		\$580		\$670
Arbors of Battle Creek	55 Greentree Blvd.		664	0	0		\$389-\$439		\$449-\$889	0	
Arbors of Battle Creek	10 Rambling Road		586	0	0		\$389-\$440		\$449-\$889	0	
Battle Creek Non-Profit Hsng	85 Lenon St	100%	10			10	Market rent \$570, Subsidized and depends on income				
Bent Tree	59 Laura Ln	100%	164	Rents change based on Income-Section 8							
Brookside Apartments	4201 W Dickman Rd	73%	409	38	\$360	233	\$405	108	\$480		
Carlson Apartments	504 Columbia Ave E	100%	37	28	\$350	29	\$375				
Crowne Chase Apartments	1417 Capital Ave NE	95%	314		\$405-\$425		\$445-\$465		\$565-\$585		
Eagles Ridge	801 Tecumseh	96%	108					83	\$630-\$695	25	\$810-\$825
Fairlane Apartments	719 Avenue A	95%	245				\$390-\$395		\$475-\$485		
Forest Hills Apartments	907 Capital Ave. SW	95%	135				\$470-495		\$580-\$670		
Georgetown Estates	1975 Columbia Ave E		132				\$433		\$520		\$595
Glenn Valley	5255 Glenn Valley Drive		342				\$530-\$590		\$665-\$695		
Glenwood Trace Apartments	225 Winding Way	80%	124				\$450		\$520		\$610-\$670
Knollwood Town Homes	180 Carl Ave	85%	128				\$385		\$470		\$505
Lakeside Apartments & Townhouses	1103 Michigan Ave E	94%	185	4	\$389	90	\$409-\$465	91	\$555-\$599		
Lakeview Apartments	Po Box 854	95%	38			26	\$390	12	\$450		
Landings	100 Minges Creek Pl	90%	190			12	\$554-\$604	178	\$612-\$739		
Limewood Apartments	572 Limewood Dr	70%	130		\$385		\$450				
Minges Creek Village Apartments	151 Minges Creek Place	94%	192			64	\$575-\$605	128	\$675-\$750		
Oakbrook Apartment	10 Rambling Rd		576			192	\$399	384	\$449		
Pine Knoll Apartments	115 Pine Knoll Dr	99%	564			350	\$480-\$510	214	\$605-\$645		
Riverview Pointe Apartments	120 Riverside Dr.		100								
Shelborne Park Apartments	109 Springview Dr	85%	175			175	\$454				
Teal Run Apartments	5235 Horizon Dr		150			55	\$565-\$575	62	\$655-\$665	33	\$795-\$815
The Woodlands	10 Rambling Road		586				\$389		\$449		
Village at Irving Park	115 West St.		39								
West Brook Place	183 West St.	-	69	Under construction							
Willow Creek Apartments	19 Willow Creek Dr	90%	90			16	\$430	44	\$530	30	\$645
Wilson Rentals (Downtown Rental Hs)	120 Raymond Rd N	53%	50	5	\$300-\$346		\$320-\$410	40	\$375-\$550	5	\$500-625
Wynd Tree Townhouses	10 Wyndtree Dr		160					80	\$680-\$740	80	\$850-895

Source: J-QUAD & Associates, LLC.

Current Rent Characteristics by NPC

Table 3.24, below, shows the current rents by NPC from the rental housing survey. The highlighted cells indicate the rents which are above the city average for each bedroom type. Blank cells are those where no data were available for the bedroom type in the NPC. The results of the survey by bedroom type characterize a total of 3,672 units in 23 complexes which covers over 50 percent of the multifamily units in the city.

Table 3.24: Rent Characteristics, March 2006

NPC	Efficiency	1-Bedroom	2-Bedroom	3- Bedroom
CBD	\$323	\$365	\$465	\$560
Franklin		\$440	\$520	\$625
Fremont	\$405	\$455	\$475	
Minges Brook		\$480	\$625	
Northcentral		\$454		
RuralSW		\$505	\$667	\$645
Urbandale		\$559	\$580	\$670
Westlake		\$482	\$625	
Wilson	\$350	\$380	\$470	\$505
WK Kellogg		\$570	\$660	\$805
Citywide	\$365	\$463	\$595	\$703

Source: Survey by J-QUAD & Associates

Table 3.25, below, shows the median rent asked by NPC in 2000. The median Contract Rent for Battle Creek was \$419. All the NPCs having the median contract rent over \$419 were highlighted to show rents that are higher than median rent for the city. The Fremont, Riverside, Rural SW, Westlake, and WK Kellogg had higher rents than the citywide median rent in 2000.

Table 3.25: Median Contract Rent by NPC, 2000*

NPC									
Urbandale	North Central	CBD	Fremont	Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg
\$323	\$353	\$369	\$458	\$418	\$342	\$588	\$625	\$605	\$521

Source: US Census 2000

*Rents shown are the average of median rents reported in Census tracts within each NPC.

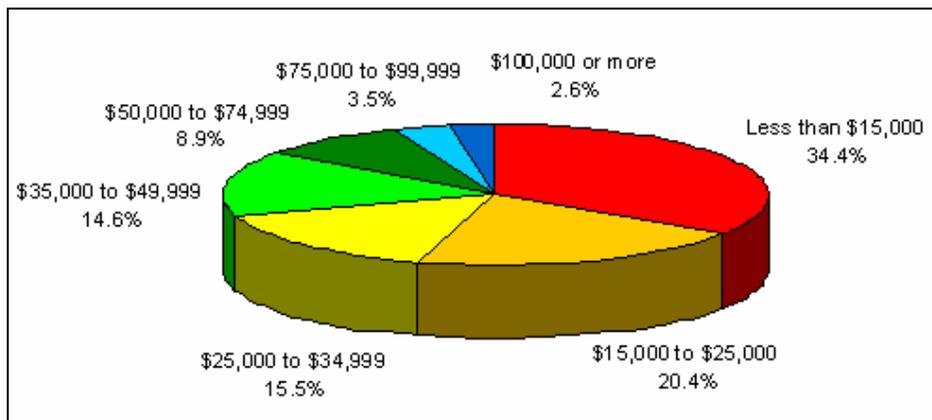
Rent Affordability by Income Group

Table 3.26, to the right, shows the calculations of rent affordability based on the apartment industry standard for qualifying renters: a monthly income of at least three times the monthly rent. From the table, it can be noted that the maximum rent affordable to a household earning \$15,000 is \$417. This is less than the average rent of a one-bedroom unit (\$463 from Table 3.23) from the rental housing survey. The average one-bedroom apartment would not be affordable to households earning less than \$15,000 in Battle Creek. A household with an annual income of \$25,000 can afford a monthly rent of \$694. This allows rental of the average two-bedroom apartment in Battle Creek with an average rent of \$595. The average three-bedroom apartment, with a rent of \$703, is unaffordable to that income group. Chart 3.3, below, shows households by income group in renter-occupied housing in 2000. Over 34 percent of all renter households in Battle Creek earned less than \$15,000 in 2000. About 55 percent of the renter households in Battle Creek earned less than \$25,000.

Table 3.26: Rent Affordability

Income Groups	Monthly Income	Monthly Rent Affordable
Under \$5,000	\$417	\$139
\$5,000-\$9,999	\$417-\$833	\$139-\$278
\$10,000-\$14,999	\$833-\$1,250	\$278-\$417
\$15,000-\$24,999	\$1,250-\$2,083	\$417-\$694
\$25,000-\$34,999	\$2,083-\$2,917	\$694-\$972
\$35,000-\$49,999	\$2,917-\$4,167	\$972-\$1,389
\$50,000-\$74,999	\$4,167-\$6,250	\$1,389-\$2,083
\$75,000-\$99,999	\$6,250-\$8,333	\$2,083-\$2,778

Chart 3.3: Renter Households by Income Group, 2000



Source: U.S. Census 2000

Synopsis

Battle Creek has a high homeownership rate at almost 66 percent. This is higher than Jackson or Kalamazoo. Homeownership rates are highest in areas of the city with newer homes, despite the higher median housing values in those areas. The median home in the city in 2000 was more affordable, at \$70,800, than the median home in the state, county, and Kalamazoo. Median housing values in Battle Creek vary among the NPCs, with the highest values to the south.

In 2000, for a family to afford the median home in Battle Creek the household's income had to be at least \$35,923. Households paying more than 30 percent of their income on housing (including utilities and insurance) are termed cost burdened. Despite a generally affordable housing market, there are areas of the city with a high percentage of cost-burdened households.

In 2000, the area with the greatest number of cost burdened renter households was the Fremont NPC with 660 households. Areas with higher rents typically also had higher numbers of cost burdened renter households.

African Americans and Hispanics in Battle Creek are more likely to be renters than Whites. While it did not have the highest renter occupancy rate, the highest number of renters lived in the Fremont / McKinley / Verona area. A significant portion of rental housing is in single-family homes (30.4%), while less than half (about 46 percent) of rental housing is found in apartment buildings.

While the overall homeownership rate is high there is also a high number of rental single-family homes in the city. These rental homes, primarily located in areas with concentrations of low-income households, are a challenge and an opportunity for the city.

4. Housing Supply by Type of Housing

This section includes an analysis of various housing types in Battle Creek, including single-family housing, multifamily housing, manufactured housing, mobile homes, public assisted housing, and the housing built with tax credits.

The populations in institutional and non-institutional group quarters are summarized, showing the changes from 1990 to 2000. In the special needs housing section, the types of housing for elderly, seriously mentally ill, chronic substance abusers, and persons with HIV/AIDS are described. The inventory of special needs housing and facilities is provided.

4.A. Single-Family Housing

As shown in Table 4.1, below, the single-family housing stock in Battle Creek consisted of 23,552 units in 2000. The single-family housing stock increased by 209 units between 1990 and 2000 and the percentage of single-family homes as a percentage of the total housing stock remained constant at 70.5 percent. More than one-third of renter households were living in single-family homes.

Table 4.1: Single-Family Housing Inventory, 1990 and 2000

Units in Structure	1990	Percent	2000	Percent
Single-Family, detached	16,124	69.3%	16,155	68.6%
Single-Family, attached	271	1.2%	449	1.9%
Total Single-Family	16,395	70.5%	16,604	70.5%
Total Housing Units	23,252		23,552	

Source: 1990 and 2000 U.S. Census

Age of Single-Family Housing

Table 4.2, on the following page, shows the number of occupied single-family homes within the city. More than 70 percent (11,093 units) of occupied single-family housing units in Battle Creek were built prior to 1960. The largest age-group of occupied single-family homes in the city was homes built before 1939 with 28.6 percent (4,462 units) of

all single-family homes. Following single-family homes built before 1939 in number are those built between 1950 and 1959, representing 24.8 percent (3,883 units) of the city's single-family homes. These two largest age groups contain more than half of the single-family homes in Battle Creek. The 2000 Census shows that occupied single-family homes built between 1990 and March 2000 represented 5.2 percent of the city's occupied single-family homes (806 units), more than twice that of the previous decade. The total number of occupied single-family homes reported by the Census was 15,626. The total number of single-family homes reported by the Census was 16,404. There were 978 un-occupied single-family homes in Battle Creek in 2000.

Table 4.2: Age of Occupied Single-Family Housing Stock, 2000

Year Structure Built	Number	%
Built 1939 or earlier	4,462	28.6%
Built 1940 to 1949	2,748	17.6%
Built 1950 to 1959	3,883	24.8%
Built 1960 to 1969	2,268	14.5%
Built 1970 to 1979	1,100	7.0%
Built 1980 to 1989	359	2.3%
Built 1990 to 1994	205	1.3%
Built 1995 to 1998	458	2.9%
Built 1999 to March 2000	143	0.9%
Total	15,626	100%

Source: U.S. Census 2000

Single-Family Housing Valuation

In 2000, the aggregate value of single-family housing was \$1,209,027,500. Within Battle Creek, 29.0 percent of all single-family homes were valued at over \$100,000, compared to 35.8 percent in Calhoun County, 13.1 percent in Jackson, and 33.2 percent in Kalamazoo. In 2000 and 2005, the modal value range was \$50,000 to \$99,000 with 43.7 percent of the single-family housing in that range.

Summary of New Single-Family Housing

Single-family residential starts are typically counted when a foundation is poured. In the absence of on-site survey data, single-family building permits, as reported annually by the U.S. Census are used as a proxy for housing starts.

As shown in Table 4.3, to the right, there was an inventory of 514 new single-family housing units built in

Table 4.3: Building Permits for Single-Family Housing (2000-2005)

Year	Single-Family Permits	Construction Cost
2000	99	\$13,174,374
2001	77	\$6,696,369
2002	68	\$8,621,919
2003	102	\$14,831,908
2004	78	\$13,087,618
2006	90	\$12,065,273
Total	514	\$68,477,461

Source: U.S. Census

Battle Creek between 2000 to 2005. This amounts 94.5 percent of the new residential building permits and 56.9 percent of new housing units during the period. The value of the new single-family housing units was \$68,477,461, or 86.0 percent of the net value of the new housing during the period.

Supply of Rental Single-Family Housing

Table 4.4, below, shows the age of single-family, renter-occupied housing according to U.S Census. In Battle Creek, 14.2 percent of single-family homes were renter-occupied in 2000 (2,218 homes). Of those homes, 72.9 percent were built before 1960. More than half of renter-occupied single-family homes were built before 1950. Older rental homes can fall into disrepair because renters are less likely to take the responsibility of maintaining the property. The poor condition of renter-occupied older homes was one of the issues pointed out by focus group participants.

Table 4.4: Single-Family Renter-Occupied Housing by Age of Housing Stock

Year Structure Built	Renter-Occupied Single-Family	Percent of Single-Family Home Renters	Single-Family Homes	Percent Renter in Single-Family
1939 or earlier	745	33.60%	4,462	16.70%
1940 to 1949	416	18.80%	2,748	15.10%
1950 to 1959	456	20.60%	3,883	11.70%
1960 to 1969	262	11.80%	2,268	11.60%
1970 to 1979	152	6.90%	1,100	13.80%
1980 to 1989	60	2.70%	359	16.70%
1990 to 1994	78	3.50%	205	38.00%
1995 to 1998	38	1.70%	458	8.30%
1999 to March 2000	11	0.50%	143	7.70%
Total	2,218	100.00%	15,626	14.20%

Source: US Census 2000

Table 4.5, on the following page, describes single-family, renter-occupied housing units by NPC in 2000. The highest percentage of single-family renter-occupied housing was in the Post / Franklin NPC (25.9%). The Fremont NPC had the highest number of single-family rental housing units with 580 units and the Rural Southwest NPC had the lowest at 76.

Table 4.5: Single-Family Rental Housing by NPCs, 2000

Renter-Occupied in Single-Family Housing		NPCs									
		Urbandale	North Central	CBD*	Fremont	Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg*
Single-Family, detached in Renter-Occupied	#	158	360	-	540	368	440	195	47	187	-
	%	9.5%	17.0%	-	11.8%	25.1%	19.5%	6.1%	5.7%	8.0%	-
Single-Family, attached in Renter-Occupied	#	17	25	-	40	11	20	6	29	20	-
	%	1.0%	1.2%	-	0.9%	0.8%	0.9%	0.2%	3.5%	0.9%	-
Total Single-Family in Renter-Occupied	#	175	385	-	580	379	460	201	76	207	-
	%	10.5%	18.2%	-	12.7%	25.9%	20.4%	6.3%	9.2%	8.8%	-
Total Single-Family	#	1,671	2,112	-	4,566	1,465	2,260	3,213	827	2,350	-

Source: US Census 2000

* US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

Cost Burden

Table 4.6, to the right, provides details on cost burden for renters in single-family housing units. Thirty-three percent of those in single-family rental households paid more than 30 percent of their income on rent.

Table 4.6: Gross Rent as a Percent of Household Income in Single-Family Housing

Percent of Income	#	%
Less than 20 percent	741	33.7%
20 to 24 percent	287	13.1%
25 to 29 percent	189	8.6%
30 to 34 percent	100	4.6%
35 percent or more	625	28.4%
Not computed	255	11.6%
Total	2,197	100.0%

Source: US Census 2000

Table 4.7, below, provides details on cost burden for renters in single-family housing units by NPC. In the Post / Franklin NPC, 47.5 percent of rental households were in the “More than 30%” cost burden category in single-family rental housing. The Northcentral and Westlake / Prairieview NPCs also had high cost burdens, with 43.5 percent and 42.5 percent of rental households in this category, respectively.

Table 4.7: Cost Burden in Single-Family Renter Housing by NPCs, 2000

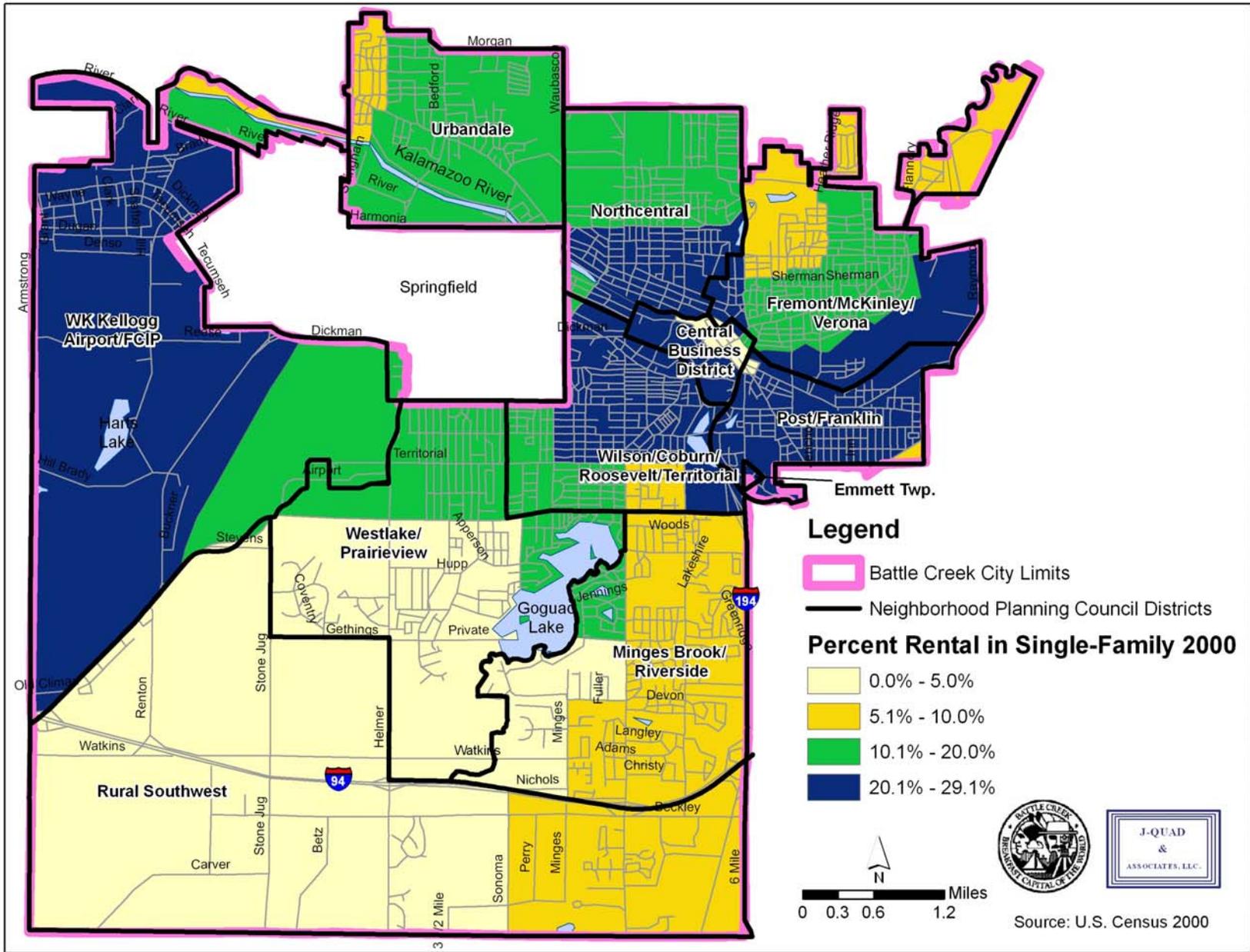
Percent of Household Income for Rent in Single-Family		NPCs									
		Urbandale	North Central	CBD*	Fremont	Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg*
Less than 20%	#	72	104	-	204	111	188	77	11	39	-
	%	41.1%	27.4%	-	36.4%	29.3%	40.9%	39.9%	14.5%	18.8%	-
20 to 30%	#	55	82	-	111	55	116	47	38	43	-
	%	31.4%	21.6%	-	19.8%	14.5%	25.2%	24.4%	50.0%	20.8%	-
More than 30%	#	31	165	-	149	180	112	47	17	88	-
	%	17.7%	43.5%	-	26.6%	47.5%	24.3%	24.4%	22.4%	42.5%	-
Not Computed	#	17	28	-	97	33	44	22	10	37	-
	%	9.7%	7.4%	-	17.3%	8.7%	9.6%	11.4%	13.2%	17.9%	-
Total Single-Family Rental		175	379	-	561	379	460	193	76	207	-

Source: US Census 2000

*US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

Map 4.1, on the following page, shows the percentage of rental single-family housing by Census tract.

Map 4.1: Percent Rental in Single-Family, 2000



4.B. Multifamily Housing

Multifamily Housing Inventory

As shown in Table 4.8, to the right, the housing stock in Battle Creek consisted of 4,030 multifamily units in complexes of 5 or more units in 2000. The multifamily housing stock increased by 659 units between 1990 and 2000. The percentage of multifamily units in the total housing count increased by 2.6 percentage points during the period. Multifamily units in Battle Creek represent 53.9 percent of all multifamily units in Calhoun County.

Table 4.8: Multifamily Housing Inventory, 1990 and 2000

Units in Structure	1990		2000	
	#	%	#	%
5 to 9	1,167	5.4%	1,144	4.9%
10 to 19	1,080	4.7%	1,132	4.8%
20 to 49	643	3.1%	920	3.9%
50 or more	481	2.1%	834	3.5%
Multifamily	3,371	14.5%	4,030	17.1%
Total Housing Units	23,252	100.0%	23,552	100.0%

Source: US Census 1990 and 2000

Multifamily Production Levels

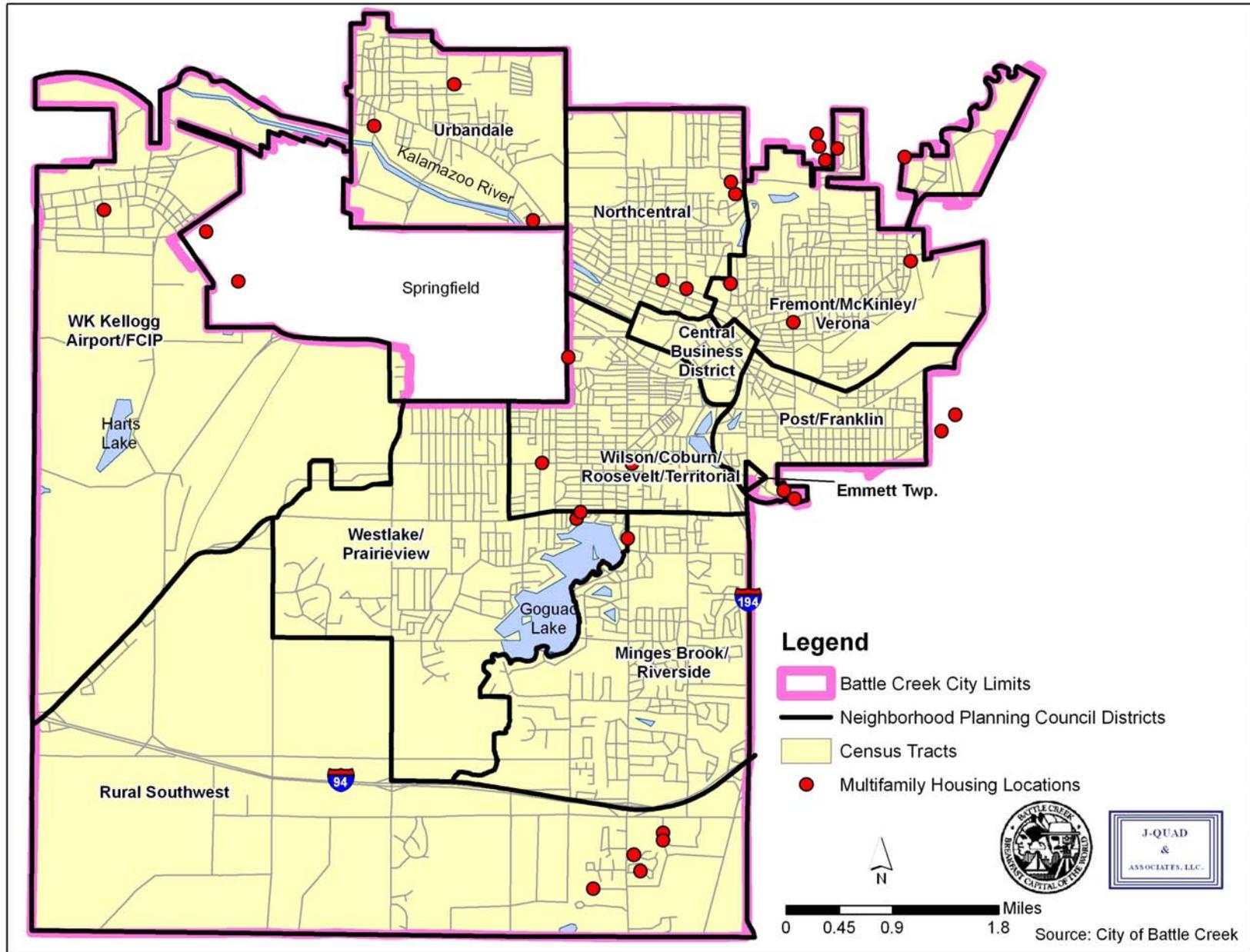
According to the U.S. Census, there were 30 multifamily building permits issued, consisting of 389 dwelling units for multifamily housing (5+ units), between 2000 and 2005. The value of these units was 13.8 percent of the value of all new building permit applications during the period. There were no building permits issued for 2-4 dwelling units during the period. Map 4.2, on the following page, illustrates the multifamily housing locations in Battle Creek.

Table 4.9: Building Permits for Multifamily Housing (2000-2005)

Year	Buildings	Units	Construction Cost
2000	10	115	\$2,869,640
2001	13	96	\$3,289,990
2002	2	96	\$1,300,000
2003	1	6	\$190,465
2004	0	0	\$0
2005	4	76	\$3,462,448

Source: U.S. Census

Map 4.2: Multifamily Housing Locations



Cost Burden in Multifamily Housing

As shown in Table 4.10, below, 36.2 percent of multifamily renters paid more than 30 percent of their income towards rent. The percentage is highest in the 50 or more-unit group, at 40.2 percent. The cost burden in the duplex to four-unit group was 42.3 percent. Table 4.11, at the bottom of the page, shows the cost burden in multifamily housing by NPC. Households in the Wilson / Coburn / Roosevelt / Territorial, Northcentral, and Post / Franklin NPCs had high cost burdens, at 57.5 percent, 47.2 percent, and 46.7 percent respectively.

Table 4.10: Gross Rent as a Percent of Household Income in Multifamily Housing

Gross Rent as a Percent of Household Income	2 to 4		5 to 19		20 to 49		50 or more		Total Multifamily (5+Units)	
Less than 20 percent	620	36.0%	696	37.8%	239	36.2%	195	24.0%	1,130	34.1%
20 to 24 percent	138	8.0%	236	12.8%	105	15.9%	77	9.5%	418	12.6%
25 to 29 percent	168	9.8%	173	9.4%	91	13.8%	204	25.2%	468	14.1%
30 to 34 percent	113	6.6%	164	8.9%	58	8.8%	68	8.4%	290	8.8%
35 percent or more	615	35.7%	508	27.6%	142	21.5%	258	31.8%	908	27.4%
Not computed	67	3.9%	66	3.6%	25	3.8%	9	1.1%	100	3.0%
Total	1,721	100.0%	1,843	100.0%	660	100.0%	811	100.0%	3,314	100.0%

Source: US Census 2000

Table 4.11: Cost Burden in Multifamily Households by NPCs, 2000

Percent of Household Income for Rent in Multifamily		NPCs									
		Urbandale	North Central	CBD*	Fremont	Post /Franklin	Wilson	Riverside	Rural SW	Westlake	WK Kellogg*
Less than 20%	#	145	77	-	252	84	101	63	428	20	-
	%	29.5%	24.2%	-	36.6%	20.4%	28.6%	43.4%	41.4%	60.6%	-
20 to 30%	#	216	91	-	170	83	49	35	260	13	-
	%	43.9%	28.6%	-	24.7%	20.2%	13.9%	24.1%	25.2%	39.4%	-
More than 30%	#	122	150	-	252	192	203	40	322	0	-
	%	24.8%	47.2%	-	36.6%	46.7%	57.5%	27.6%	31.2%	0.0%	-
Not Computed	#	9	0	-	15	52	0	7	23	0	-
	%	1.8%	0.0%	-	2.2%	12.7%	0.0%	4.8%	2.2%	0.0%	-
Total Multifamily Rental		492	318	-	689	411	353	145	1033	33	-

Source: US Census 2000

* US Bureau of Census block group boundaries and the CBD and WK Kellogg NPC boundaries are not sufficiently coincidental to accurately represent NPC information.

4.C. Manufactured Housing

As of June 1976, homes manufactured according to the national HUD Code are defined as “Manufactured Homes.” Homes built prior to that date are referred to as “Mobile Homes.” According to the American Housing Survey (AHS) conducted by Department of Commerce, Bureau of the Census, the most important reason for a purchaser to choose a manufactured housing unit was financial, while single-family unit purchasers cited a variety of reasons for their purchase. The typical purchaser of manufactured housing was moving from rental status to owner status. There were 359 manufactured and mobile home units in Battle Creek in 2000, an increase of 238 units from 1990, representing 1.5 percent of the all housing units in Battle Creek. Calhoun County had 3,838 manufactured and mobile home units in 2000, accounting for 5.7 percent of all housing units. Table 4.12, below, shows that the mobile home percentage in Battle Creek was higher than Jackson, lower than Kalamazoo, and was 9.4 percent of the mobile home count of the county. In Battle Creek, the majority of mobile homes are located in the Urbandale NPC with over 300 housing units, 11.1 percent of the total housing stock in the Urbandale.

Table 4.12: Mobile Homes, 1990 and 2000

Type of Housing			Michigan	Calhoun County	Battle Creek	Jackson	Kalamazoo
Mobile home	1990	#	246,243	3,196	121	0	836
		%	6.40%	5.70%	0.50%	0.00%	2.70%
	2000	#	277,158	3,838	359	61	781
		%	6.50%	6.50%	1.52%	0.40%	2.50%

Source: US Census 2000

4.D. Public and Assisted Housing

Public and Assisted Housing Inventory and Waiting Lists

The Battle Creek Housing Commission (BCHC) administers public housing and rental voucher programs in Battle Creek. Currently, the Housing Authority operates 320 units within four developments. These include low-income housing, including scattered site rental housing; home purchase programs; and senior residential developments. The BCHC provides Section 8 Vouchers for 315 families, Special Purpose Section 8 Vouchers for 100 families, and serves an additional 78 families through the Housing Opportunity Program (HOP).

Table 4.13, below, provides details on waiting lists for public housing and Section 8 tenant-based rental assistance on the basis of income, race, age, and disability. The African-American population represents the largest ethnic group on the waiting lists for public housing and Section 8 tenant-based assistance. The Extremely Low-Income ($\leq 30\%$ MHI) and families with children are the largest categories in income and household type on the waiting lists for both housing types.

Table 4.13: Housing Needs of Families on Public Housing and Section 8 Waiting Lists

	Public Housing		Section 8 Tenant Based Assistance	
	# of families	% of total families	# of families	% of total families
Extremely Low Income $\leq 30\%$ MHI	35	74%	142	96%
Very Low Income $>30\%$ but $\leq 50\%$	8	17%	6	4%
Low Income $>50\%$ but $<80\%$	4	9%	0	0%
Families with children	28	60%	96	65%
Elderly families	4	8%	8	5%
Families with disabilities	15	32%	44	30%
Race/ethnicity				
White	17	36%	31	21%
African-American	25	53%	110	74%
Hispanic	4	9%	3	2%
Asian	1	2%	4	3%
Waiting list total	47		148	

Source: Battle Creek Housing Commission Annual Plan 2005

The waiting list for public housing by bedroom size is shown in Table 4.14, to the right. Out of the 47 households that are awaiting the opportunity to occupy public housing units, 29 applicants are waiting for single bedroom units.

Table 4.14: Public Housing Waiting List

Bedroom size	Applicants
1	29
2	7
3	9
4	2
Total	47

The inventory of public housing in Battle Creek includes Northside Drive Homes, containing 16 two and three-bedroom units; Parkway Manor, containing 84 one, two, and three bedroom units (7 wheelchair accessible units); 150 one-bedroom apartments for seniors in Cherry Hill Manor; 70 studios and one-bedroom apartments for seniors and low-income families with disabilities in Kellogg Manor; and five sites consisting of 77 units for working low-income families through the Scattered-Site Homeownership/Turnkey 3 Program.

Five-Year Plan by Battle Creek Housing Commission

According to Battle Creek Housing Commission’s five-year plan, the BCHC, through its partnerships with the City and other agencies, supports a range of programs focused on job training and education, affordable housing development, and ancillary support services; safe and affordable housing opportunities to low-income individuals and families; and quality of life for BCHC’s residents.

The Battle Creek Housing Authority has plans to:

1. Reduce public housing vacancies and expand the supply of assisted housing by leveraging private or public funds.
2. Improve the quality of assisted housing by improving the public housing management, voucher management, and renovate public housing units.
3. Increase assisted housing choices by conducting outreach efforts to potential landlords and voucher mobility counseling.
4. Provide an improved living environment by implementing measures to deconcentrate poverty by bringing higher income public housing households

into lower income developments and assuring access for lower income families into higher income developments.

5. Promote self-sufficiency and asset development of families and individuals by providing or attracting supportive services to improve employability of assistance recipients or improve independence for the elderly or families with disabilities.
6. Ensure equal opportunity by undertaking affirmative measures to improve access to affordable housing.

4.E. Housing Built Using Tax Credits and PILOTs

The Michigan State Housing Development Authority (MSHDA) administers the Low-Income Housing Tax Credit Program (LIHTC) for the State. Housing developed under the program must have, at minimum, either 20 percent of the units provided to households whose income does not exceed 50 percent of area median income or 40 percent of the units provided to households whose income does not exceed 60 percent of median income (as determined and adjusted annually by HUD). An annual credit of nine percent of construction or rehabilitation costs is available to developments not utilizing federal tax-exempt financing. An annual credit of four percent of the qualified basis is applicable where federal or tax-exempt financing is utilized.

As of 2003, LIHTC housing developments in Battle Creek include 446 low-income units. Table 4.15, to the right, provides an inventory of the housing units in Battle Creek built with tax credits by number of bedrooms. The inventory of LIHTC developments is provided in Table 4.16, on the following page.

Table 4.15: Housing Units in Battle Creek Built with Tax Credits, 2003

Size of unit by the number of Bedrooms	Number of Units
0	0
1	172
2	209
3	70

Source: <http://lihtc.huduser.org>

Table 4.16: Low-Income Housing Tax Credit Housing (2003)

Development	Location	# of Units	# of	Year in	Vacancy Rate
			LI Units	Service	
Lakeview Meadows	890 Territorial Road	52	52	1992	10%
Lakeview Meadows II	900 Territorial Road	59	59	1994	10%
Minges Creek Village	151 Minges Creek Place	192	39	1990	6%
Teal Run Apartments	5220 Horizon Drive	150	100	2002	-
Riverview Pointe Apartments	120 Riverside Dr.	100	100	1996	-
Willow Creek Apartments	11 Willow Dr.	72	72	1993	20%
Willow Creek Apartments Phase II	171 Willow Creek Dr.	18	18	1994	20%
Village at Irving Park	115 West St.	39	39	2003	30%
West Brook Place	183 West St.	69	68	Under	-
				Construction	

Source: <http://lihtc.huduser.org>, City of Battle Creek, and Michigan State Housing Development Authority

Under the State Housing Development Authority Act of 1966 certain housing developments are exempt from paying state taxes. Under 125.1415a, housing projects owned by nonprofit corporations, limited dividend housing corporations, and mobile home park corporations or associations may be exempted from taxes if the project is financed with a federally-aided or authority-aided mortgage, advance, or grants. Instead of paying taxes, these exempt housing developments pay the city of Battle Creek an annual service fee, a payment in lieu of taxes (PILOT). This PILOT cannot exceed what the taxes would have otherwise have been.

It is at the discretion of the City to grant payments in lieu of taxes as an inducement for the creation of new affordable or subsidized developments. Developments requesting an exemption must use the funds to assist low-income residents. The list below details developments in Battle Creek with PILOT exemptions. Currently 17 multifamily developments have received PILOT exemptions. These developments are located throughout the city with the exception of the Rural Southwest NCP. The granting of PILOT exemptions should be done in a manner which is generally predictable, in accordance with a set affordable housing policy, and take into account existing PILOT locations and the need to deconcentrate affordable housing development.

Developments Granted Payment in Lieu of Taxes

BCHC Parkway Manor	Bedford Manor Apartments	
BCHC Cherry Hill Manor	Carl Terrace	Westbrook Place (community hospital)
BCHC Kellogg Manor	Lakeview Meadows	Knollwood Townhomes
BCHC Georgetown Estates	Lakeview Meadows II	Minges Creek Village
Springview Tower	Riverview Pointe	Village at Battle Creek
Bent Tree Apartments	Arbor Pointe	
	Heritage Place at Hillside	

4.F. Population in Group Quarters

Group quarters are defined as either institutional or non-institutional places of residence. Institutional group quarters include people who are under formally authorized, supervised care or custody in institutions at the time of the census enumeration. These include correctional institutions, nursing homes, and juvenile institutions. Non-institutional group quarters are places of residence other than institutions. These include college dormitories, military quarters, and group homes.

Table 4.17, below, compares the group quarter, non-institutional, and institutional populations in Michigan, Calhoun County, Battle Creek, Jackson, and Kalamazoo. The percentage of institutionalized group quarter population in Battle Creek (2.0%) was higher than that of Jackson, Kalamazoo, the county, and the state. The percentage of non-institutionalized group quarter population in Kalamazoo (10.8%) was higher than Battle Creek or Jackson due to the population in college dormitories. Those in group quarters as a percentage of the total population in Battle Creek was almost equal to Jackson and the county, but much lower than Kalamazoo.

Table 4.17: Population in Group Quarters, 2000

Population in group quarters:		Michigan	Calhoun County	Battle Creek	Jackson	Kalamazoo
Institutionalized population	#	126,879	1,874	1,084	592	1,254
	%	1.3%	1.4%	2.0%	1.6%	1.6%
Non-institutionalized population	#	123,102	2,248	462	512	8,294
	%	1.2%	1.6%	0.9%	1.4%	10.8%
Total in group quarters:	#	249,981	4,122	1,546	1,104	9,548
	%	2.5%	3.0%	2.9%	3.0%	12.4%
Total:	#	9,938,444	137,985	53,251	36,316	77,092

Source: U. S. Census 2000

4.G. Special Needs Housing

Table 4.18, below, provides an inventory of independent living facilities in Battle Creek. A total of 1,871 independent living facility units are present in the city. Of the reported number of units, 896 (47.8%) are for families, 646 (34.5%) are for elderly, 320 (17.1%) are for elderly and families, and nine (0.4%) are for disabled persons. Table 4.19, on the following page, provides an inventory of assisted living facilities for seniors in Battle Creek. A total of 627 assisted living facility beds/units were reported to be present in the city.

Table 4.18: Independent Living Facilities, 2000

Facility/Program	Population Served	Type of Assistance	# of Beds/Units
Battle Creek Housing Commission, 250 Champion	Family	Section 8	53
Bedford Manor, 100 South Bedford Drive	Elderly	Section 8	125
Bent Tree, 59 Laura Lane	Elderly & Family	Section 9	164
Brookestone, Whitmark Road South	Elderly & Family	Section 515/202; RAP; LIHTC	156
Glenwood Trace, 225 Winding Way	Family	Rent Subsidy; Section 236	124
Hill House, 337 Champion	Handicap	Section 8	9
Kellogg Manor, 250 Champion	Elderly	Section 8	70
Knollwood (Carl Terrace), 180 Carl Avenue	Family	Rent Subsidy	158
Lakeview Meadow, 890 East Territorial	Elderly	MSHDA	53
The Laresl of Bedford, 270 North Bedford Road	Elderly	Nursing Home	123
Meadows, The, 85 Lennon	Chronically Mentally Ill	PRAC	
Minges Creek, 151 Minges Creek Place	Family	MSHDA	192
Parkway Manor, 380 Truth Drive	Family	Section 8, rent subsidy	84
River Apartments, 45 Stringham Road	Family	Section 8	120
Riverview Pointe, 120 Riverside Drive	Elderly	Rent Subsidy	100
Spring View Tower, 231 Spring View Drive	Elderly	Rent Subsidy	175
Arbor Pointe, 420 Straford Drive	Family	Section 221 (d)3	165

Source: Battle Creek Consolidated Plan 2005-2009

Table 4.19: Assisted Living Facilities, 2000

Facility/Program	Population Served	Type of Assistance	# of Beds/Units
Alterra, 197 Lois Drive	Elderly – Assisted Living Nursing Home	Private Pay Only	20/20
Care Community, 565 General Avenue	Elderly	Medicaid	150
Evergreen Manor, 111 Evergreen Road	Elderly	Medicare, Medicaid	101
Heartland Health Care Center, 200 Roosevelt Avenue E	Elderly	Medicare, Medicaid	65
Mercy Pavilion, 80 20th Street North	Elderly	Medicare, Medicaid, Private Pay, Insurance, SSI	77 nursing home, 64 assisted living
North Pointe Woods	Elderly	Private Pay Only	100 independent, 50 Assisted Living
Tendercare Riverside, 675 Wagner Drive	Elderly		

Source: Battle Creek Consolidated Plan 2005-2009

4.H. Homeless Facilities

Tables 4.20, 4.21, and 4.22 present an inventory of emergency shelters, transitional housing, and permanent supportive housing in the city. Emergency shelters contain a total of 41 beds for homeless families, four beds for homeless individuals, and nine units with 19 beds are under development. Transitional shelters contain 30 beds for homeless families and 53 beds for homeless individuals. Permanent supportive housing includes 40 beds for homeless individuals with 14 beds under development.

Table 4.20: Homeless Facilities - Emergency Shelters

Provider Name	Facility Name	Target Population	Family Units	Family Beds	Individual Beds	Year Round
SAFE Place	SAFE Place	Single Females and Domestic Violence		29	25	54
The Haven	The Haven	Single Males			38	38
The Haven	Inasmuch House	Single Females	4	12	4	16
		Total	4	41	67	108
Under Development						
The Haven	Inasmuch House		5	15	4	19

Source: Battle Creek Consolidated Plan 2005-2009

Table 4.21: Homeless Facilities – Transitional Housing

Provider Name	Facility Name	Target Population	Family Units	Family Beds	Individual Beds	Total Beds
VA Medical Center	Jesse Houses	Single Males and Veterans			14	14
The Haven	The Life Recovery Program	Single Males			39	39
The Haven	Women and Families New Life Program	Families with Children	10	30		30
		Total	10	30	53	83

Source: Battle Creek Consolidated Plan 2005-2009

Table 4.22: Homeless Facilities – Permanent Supportive Housing

Provider Name	Facility Name	Target Population	Family Units	Family Beds	Individual Beds	Total Beds
Summit Pointe	Lakeview Meadows	Single Males and Females			10	10
Summit Pointe	Shelborne	Single Males and Females			30	30
		Total	0	0	40	40
Under Development						
Summit Pointe	Garfield	Single Males and Females			14	14

Source: Battle Creek Consolidated Plan 2005-2009

Synopsis

In 2000, Battle Creek had 16,604 single-family housing units. Of the 15,626 occupied single-family homes, more than 70 percent were built before 1960 and almost 29 percent were built before 1930. Census data show the majority of the city's single-family homes were owner-occupied, although a significant number, over 2,200, were renter-occupied. Most of the city's renter occupied homes were in the Fremont / McKinley / Verona, Wilson / Coburn / Roosevelt / Territorial, and North Central NPCs. Renters in single-family homes typically occupied older housing stock. More than half of renter-occupied single-family homes were built before 1950.

Battle Creek had 4,030 multifamily units in 2000. Cost burdened households in multifamily units were most common in the Wilson / Coburn / Roosevelt / Territorial, Northcentral, and Post / Franklin NPCs where about half of all households were cost burdened. In 2000, the average one-bedroom apartment would not be affordable to households earning less than \$15,000 in Battle Creek. Over 34 percent of all renter households in Battle Creek earned less than \$15,000 in 2000.

There were 359 manufactured and mobile home units in Battle Creek in 2000, an increase of 238 units from 1990. This number represents 1.5 percent of the all housing units in Battle Creek. Calhoun County had 3,838 manufactured and mobile home units in 2000.

The Battle Creek Housing Commission (BCHC) operates 320 units within four developments. The BCHC also assists 315 families with Section 8 Vouchers, 100 families with Special Purpose Section 8 Vouchers, and 78 families through the Housing Opportunity Program. The Michigan State Housing Development Authority (MSHDA) administers the Low-Income Housing Tax Credit Program (LIHTC) for the State. As of 2003, LIHTC housing developments in Battle Creek include 446 low-income units.

Battle Creek has 1,871 independent living facility units for families, elderly, and disabled persons. Battle Creek has 108 emergency shelter bed, 83 transitional housing beds, and 40 permanent supportive housing beds available.

5. Fair Housing Law, Municipal Policies, and Complaint Analysis

Overview

This section examines current polices and laws that affect fair housing choice. This analysis entails a review of state and local laws, regulations, administrative policies, procedures, and practices and assesses whether any of these impede the location, availability, affordability, and accessibility of housing.

Introduction

Impediments to fair housing choice may be acts that violate a law or acts or conditions that do not violate a law, but preclude people with varying incomes from having equal access to decent, safe, and affordable housing. Fair housing choice is defined, generally, as the ability of people with similar incomes to have similar access to housing.

The first part of this section will address the existing statutory and case law that works to remove impediments and promote fair housing choice. The federal fair housing law can be effective in mitigating barriers to fair housing choice, depending upon enforcement efforts. Related laws and case law that provide further interpretation, understanding, and support to the Fair Housing Act will also be discussed. Michigan's Fair Housing Act was reviewed and compared to the federal fair housing law to determine whether it offered similar rights, remedies, and enforcement to the federal law and might be construed as being substantially equivalent. Pertinent related laws, such as the Community Reinvestment Act and Home Mortgage Disclosure Act, were reviewed and will be mentioned in terms of how they can facilitate fair lending. Various case decisions pertaining to fair housing issues were reviewed and are incorporated in the discussion below. The City of Battle Creek does not have a fair housing ordinance.

The second section discusses the level of enforcement activity in the municipality. All investigations of fair housing complaints are conducted through the Fair Housing Center in Kalamazoo, MI, and the regional U.S. Department of Housing and Urban Development Office in Chacago, IL. In Michigan, private fair housing centers are located in Detroit, Grand Rapids, Jackson, the Ann Arbor-Washtenaw County Area, and Kalamazoo. A Center in Battle Creek was closed recently.

The more difficult, but intertwined, aspect of fair housing choice is the availability of affordable housing. Adequate, decent, safe, and affordable housing for people of varying incomes should be available. Minimizing housing costs for very low- and low-income households usually requires some form of subsidy that is, oftentimes, generated utilizing federal, state, and/or local government dollars. The City of Battle Creek has housing programs designed to rehabilitate and produce affordable housing. These efforts are detailed in the third section.

Regulatory and public policies are reviewed in the fourth section. Numerous documents were collected and analyzed to complete these sections. The key documents were the Consolidated Plan prepared by the City of Battle Creek, the community profile section of this impediment analysis, the City's zoning ordinances, and documentation on various housing programs and projects, including new initiatives offered by the City of Battle Creek.

An analysis of fair housing complaints is covered in the fifth section. The Fair Housing Act, as amended in 1988, makes it unlawful to discriminate on the basis of race, color, religion, national origin, disability or familial status. Therefore, complaints can be filed under any of these bases.

The last section contains conclusions about fair housing barriers based on the existing law, enforcement efforts, complaint analysis, and availability of affordable housing.

5.A. Fair Housing Law

The Federal Fair Housing Act (the Act) was enacted in 1968, and amended in 1974 and 1988 to add protected classes, provide additional remedies, and strengthen enforcement. The Act, as amended, makes it unlawful for a person to discriminate on the basis of race, color, sex, religion, national origin, handicap, or familial status.

Generally, the Act prohibits discrimination based on one of the previously mentioned protected classes in all residential housing, residential sales, advertising, and residential lending and insurance. Prohibited activities under the Act, as well as examples, are listed below.

It is illegal to do the following based on a person's membership in a protected class:

- Misrepresent that a house or apartment is unavailable by:
 - ✓ Providing false or misleading information about a housing opportunity,
 - ✓ Discouraging a protected class member from applying for a rental unit or making an offer of sale, or
 - ✓ Discouraging or refusing to allow a protected class member to inspect available units;
- Refuse to rent or sell or to negotiate for the rental or sale of a house or apartment or otherwise make unavailable by:
 - ✓ Failing to effectively communicate or process an offer for the sale or rental of a home,
 - ✓ Utilizing all non-minority persons to represent a tenant association in reviewing applications from protected class members, or
 - ✓ Advising prospective renters or buyers that they would not meld with the existing residents;
- Discriminate in the terms, conditions, or facilities for the rental or sale of housing by:
 - ✓ Using different provisions in leases or contracts for sale,
 - ✓ Imposing slower or inferior quality maintenance and repair services,
 - ✓ Requiring a security deposit (or higher security deposit) of protected class members, but not for non-class members,
 - ✓ Assigning persons to a specific floor or section of a building, development, or neighborhood, or
 - ✓ Evicting minorities, but not Whites, for late payments or poor credit;

- Make, print, publish, or post (direct or implied) statements or advertisements that housing is not available to members of a protected class;
- Persuade or attempt to persuade people, for profit, to rent or sell their housing due to minority groups moving into the neighborhood by:
 - ✓ Real estate agents mailing notices to homeowners in changing area with a listing of the homes recently sold along with a picture of a Black real estate agent as the successful seller, or
 - ✓ Mailed or telephonic notices that the "neighborhood is changing" and now is a good time to sell, or noting the effect of the changing demographics on property values;
- Deny or make different loan terms for residential loans due to membership in a protected class by:
 - ✓ Using different procedures or criteria to evaluate credit worthiness,
 - ✓ Purchasing or pooling loans so that loans in minority areas are excluded,
 - ✓ Implementing a policy that has the effect of excluding a minority area, or
 - ✓ Applying different procedures (negative impact) for foreclosures on protected class members;
- Deny persons the use of real estate services;
- Intimidate, coerce or interfere; or
- Retaliation against a person for filing a fair housing complaint.

In addition to prohibiting certain discriminatory acts, the Act places no limit on the amount of recovery and imposes substantial fines. The fine for the first offense can be up to \$10,000; the second offense, up to \$25,000; and the third offense, up to \$50,000.

The Fair Housing Act of the State of Michigan has a similar list of unfair housing practices, unfair housing practices by financial institutions, prohibition on blockbusting, retaliation, coercion, interference, or obstruction.

The City of Battle Creek does not have a fair housing ordinance.

Fair Housing Act and Advertising

It is unlawful to make, print, publish, or post (direct or implied) statements or advertisements that housing is not available to members of a protected class. According to the Federal Act, advertisement under this section refers not only to published ads in newspapers, but also to any other statements that are written, verbal, or non-verbal. Discriminatory advertisements include, but are not limited to, applications, brochures, signs, banners, photographs, symbols, human models, and spoken words and phrases which convey the message that dwellings are available or are not available to a particular protected class. Generally, ads should not contain words that express a preference based on a protected class. There are a few exemptions, such as housing for older persons, private clubs, shared-living housing, and religious organizations. A general rule of thumb on terms to use when advertising the sale or rental of a dwelling is to describe the property, not the person. Catchwords, such as “exclusive”, “private” or “integrated” may convey a preference for one group over another and send signals about a community’s makeup.

The Fair Housing Act does not require the use of the Equal Opportunity logo or slogan in any ad. However, using the logo is good solid evidence of the company’s commitment to fair housing compliance. Regulations do require the display of the HUD fair housing poster at any brokerage office and at dwellings under construction. A review of local advertisements in a bi-monthly publication from January 24 to February 7, 2006 and September 19 to October 3, 2006 revealed that only five out of 23 advertisements had photographs of representative clients who were minorities. About half of the advertisers do not advertise with the equal housing opportunity logo or slogan. Including this logo is a means of educating the home seeking public that the property is available to all persons. A failure to display the symbol or slogan may become evidence of discrimination if a complaint is filed.

The 1972 amendment to the federal Fair Housing Act of 1968 instituted the use of an equal housing opportunity poster. This poster, which can be obtained from HUD, features the equal housing opportunity slogan, an equal housing statement, and the equal housing opportunity logo. When HUD investigates a broker for discriminatory practices, it considers failure to display the poster as evidence of discrimination.

In a landmark ruling in *United States v. Hunter*, 459 F.2d 205 (4th Cir.), the Court of Appeals ruled that the Fair Housing Act applies to newspapers and other media that publish discriminatory advertisements even though another person placed the advertisement. That case, decided in 1972, involved a classified advertisement seeking a tenant for an apartment in a “white home”. The United States Government brought the case against the newspaper seeking injunctive relief to prohibit the newspaper from publishing discriminatory real estate advertisements. The Court also ruled that section 3604(c) of the Fair Housing Act, the provision stating that discriminatory real estate advertising is prohibited, is not a violation of the First Amendment and it further ruled that the basis for determining whether an ad violates section 3604(c) is determined by how an “ordinary” reader would interpret the ad.

FHAP / FHIP Explanation

The U. S. Department of Housing and Urban Development (HUD) provides funding to state and local governmental agencies to enforce local fair housing laws that are substantially equivalent to the Fair Housing Act. Once a state and/or city have a substantially equivalent fair housing law, they can attempt to become certified as a Fair Housing Assistance Program (FHAP) Agency and receive funds for investigating and conciliating fair housing complaints, or they can become a Fair Housing Initiatives Program (FHIP) Agency and receive funds for education, promoting fair housing, and investigating allegations. It should be noted that a city must be located in a state with a fair housing law that has been determined by HUD to be substantially equivalent. The city must then adopt a local ordinance that HUD concludes is substantially equivalent in order to participate in the FHAP Program. The local law must contain the seven protected classes - race, color, national origin, sex, religion, handicap, and familial status - and must have substantially equivalent violations, remedies, investigative processes, and enforcement powers. In addition, the process for investigating and conciliating complaints must mirror HUD's.

HUD's process begins when an aggrieved person files a complaint within one year of the date of the alleged discriminatory housing or lending practice. The complaint must be submitted to HUD in writing. This process can be initiated by a phone call. HUD will complete a complaint form, also known as a 903, and mail it to the complainant to sign. The complaint must contain the name and address of the complainant and respondent,

address and description of the housing involved, and a concise statement of the facts, including the date of the occurrence and the complainant's affirmed signature. Upon filing, HUD is obligated to investigate, attempt conciliation, and resolve the case within 100 days. Resolution can be a dismissal, withdrawal, settlement or conciliation, or no determination as to cause.

The FHAP certification process includes a two-year interim period when HUD closely monitors the intake and investigative process of the governmental entity or non-profit applying for substantial equivalency certification. Also, the local law must provide enforcement for aggrieved citizens where cause is found. It can be through an administrative hearing process or filing suit on behalf of the aggrieved complainant in court.

The FHIP certification process is contingent on the type of funding for which the agency is applying. There are four programs to which an agency can apply; Fair Housing Organizations Initiative (FHOI), Private Enforcement Initiative (PEI), Education Outreach Initiative (EOI), and Administrative Enforcement Initiative (AEI). Currently, there is no funding under the AEI status.

Fair Housing Court Case Examples

There are other laws that augment or promote fair housing choice. Recent developments discussed here pertain to court cases and decisions that have developed in fair housing, as well as other laws that have been utilized to enhance fair housing efforts.

Since the inception of the Act, insurance companies maintained that they were not covered by the Act. However, in 1992 a Wisconsin Appeals Court determined that the Act “applies to discriminatory denials of insurance and discriminatory pricing that effectively preclude ownership of housing because of the race of an applicant.” The case was a class action lawsuit brought by eight African-American property owners, the NAACP, and the American Civil Liberties Union against the American Family Insurance Company. The plaintiffs claimed they were either denied insurance, underinsured, or their claims were more closely scrutinized than Whites. American Family’s contention was that the Act was never intended to prohibit insurance redlining. The appeals Court stated, “Lenders require their borrowers to secure property insurance. No insurance, no loan; no loan, no house; lack of insurance thus makes housing unavailable.” A 1998 court verdict against Nationwide Insurance further reinforced previous court action with a \$100 million judgment due to illegally discriminating against black homeowners and predominantly black neighborhoods.

Another case was settled for \$250,000 in Maryland when Baltimore Neighbors, Inc., a non-profit organization, alleged that real estate agents were steering. Fine Homes’ real estate agents were accused of steering prospective African-American buyers away from predominantly White neighborhoods, and Whites were almost never shown homes in predominantly African-American zip codes.

A 1999 joint statement from the Department of Justice and HUD details changing attitudes concerning group homes for disabled and mentally ill persons situated in residential neighborhoods. The statement indicates that group homes should be treated no different than non-related individuals sharing a home. If a jurisdiction has zoning rules limiting the number of non-related individuals living in a home in a residential area,

similar limits may be imposed on group homes for the disabled or mentally ill. If no such zoning rules exist limiting non-related individuals, none may be set for group homes. This statement does not include half-way homes for ex-convicts, drug users, or persons who have been convicted of the manufacture or sale of illegal drugs.

In *City of Edmonds v. Oxford House*, the United States Supreme Court ruled that the Fair Housing Amendments Act of 1988 prevents communities from excluding group homes for the handicapped from single-family residential zones. Oxford House is a nonprofit umbrella organization with hundreds of privately operated group homes throughout the country that house recovering alcoholics and drug addicts. Recovering alcoholics and drug addicts, in the absence of current drug use or alcohol consumption, are included under the protected class of handicapped in the Fair Housing Act as amended in 1988. In *Oxford House v. Township of Cherry Hill*, 799 F. Supp. 450 (D. N.J. 1991), the federal court rejected a state court ruling that said recovering alcoholic and drug addicted residents in a group home do not constitute a single-family under the Township's zoning ordinance. In *Oxford House-Evergreen v. City of Plainfield*, 769 F. Supp. 1329 (D. N.J. 1991) the court ruled that the City's conduct, first announcing that the Oxford House was a permitted use only to deny it as a permitted use after neighborhood opposition, was intentionally discriminatory.

"Unjustified institutionalization of persons with mental disabilities...qualifies as discrimination." - was stated as the majority opinion of the U.S. Supreme Court. In a landmark decision by a 6-3 vote, the U.S. Supreme Court ruled in June 1999, that a state may not discriminate against psychiatric patients by keeping them in hospitals instead of community homes. The court said that the Americans with Disabilities Act (ADA) may require that states provide treatment in community-based programs rather than in a segregated setting. This case, known as the *Olmstead* case, ruled that community placement is a must when deemed appropriate by state professionals, agreed to by the individual with the disability, and resources available are sufficient. The courts agreed with "the most integrated setting" provision of the ADA.

In 2003, a settlement was ordered by the District Court in New Jersey for the owner of the internet website www.sublet.com, who was found guilty of publishing discriminatory

rental advertisements which is prohibited by the Fair Housing Act. It was the first of its kind to be brought by the Justice Department. It was thought to be imperative that the federal laws that prohibit discriminatory advertising should be enforced with the same vigor with regard to internet advertising as it would for print and broadcast media. The court ordered the site to establish a \$10,000 victim fund to compensate individuals injured by the discrimination. They were also ordered to pay a civil penalty of \$5,000, adopt a non-discrimination policy to be published on the website, and require all employees to undergo training on the new practices.

In February 2005, a federal court jury in Detroit sided with a 55-year-old disabled registered nurse in a decision that could solidify the right of mentally ill people to obtain exceptions to no-pet policies in apartment, condominium, and cooperative housing complexes. The verdict, which awarded \$14,209 in actual damages and \$300,000 in punitive damages to the nurse, is believed to be the first federal jury verdict to recognize mental illness as a disability under the federal Fair Housing Act.

Under the Fair Housing Act, apartment complexes and condominiums with four or more units and no elevator, built for first occupancy after March 13, 1991, must include accessible common and public use areas in all ground-floor units. An apartment complex near Rochester, New York was ordered to pay \$300,000 to persons with disabilities for not making its housing facility fully accessible, with \$75,000 set aside for the plaintiffs. They were required to publish a public notice of the settlement fund for possible victims and pay a \$3,000 civil penalty.

Fair Lending Laws

Unfair lending is difficult to detect and to prove. However, there are laws, other than the fair housing law, to assist communities in aggressively scrutinizing fair lending activity. One such law is the Home Mortgage Disclosure Act (HMDA), which requires banks to publish a record of their lending activities annually. Frequently, fair housing enforcement agencies and nonprofits use these data to help substantiate a discrimination claim or to determine a bank's racial diversification in lending. Another law frequently utilized by community organizations is the Community Reinvestment Act (CRA). When a bank wants to merge with or buy another bank or establish a new branch, the community has an opportunity to comment. Usually, the CRA commitments made by the bank are analyzed, utilizing other data such as HMDA, to determine adherence. The community can challenge the action if the bank has a poor record. Sometimes agreements can be reached with the bank promising a certain level of commitment to the community. Additionally, the Equal Credit Opportunity Act (ECOA) prohibits discrimination in lending generally and can be quite significant when it comes to securing information about unfair lending practices and imposing remedies, which may include up to one percent of the gross assets of the lending institution.

The Fair Housing Act and Homelessness

Homelessness is defined as lacking a fixed, regular, and adequate night-time residence; or the primary night-time residence is:

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations;
- An institution that provides temporary residence for individuals intended to be institutionalized; or,
- A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

The Fair Housing Act's definition of "dwelling" does not include overnight or temporary residence so mistreatment of the homeless is not specifically covered by the Fair

Housing Law, although the inability of persons to find affordable housing, which may lead to homelessness, is a protected right of Fair Housing.

Testing Rights

It has long been settled that fair housing testing is legal and that non-profits have standing to sue when certain criteria are met. These decisions make it feasible for non-profits to engage in fair housing enforcement activities.

5.B. Enforcement

In Michigan, private, independent fair housing centers are located in Detroit, Grand Rapids, Jackson, the Ann Arbor-Washtenaw County-Area, and Kalamazoo. The Fair Housing Center of Southwest Michigan, located in Kalamazoo serves nine counties in Michigan, including Calhoun County (Allegan, Barry, Van Buren, Kalamazoo, Calhoun, Berrien, Cass, St. Joseph, and Branch). The Fair Housing Center was established in 1998, has a FHIP certification, and receives Private Enforcement Initiative (PEI) funding from HUD. The Fair Housing Center provides assistance in initiating complaints and/or litigation assistance and also investigates complaints based on discrimination. The Fair Housing Center conducts conferences, training programs, and seminars. Other activities of the Fair Housing Center include evaluating fair housing practices and assisting businesses, neighborhood groups, agencies, and units of government to develop fair housing goals, plans, strategies, and actions.

The Fair Housing Center of Southwest Michigan takes complaints, investigates the issues, and attempts to conciliate the dispute. The process that the Center follows was patterned after the process that HUD established for fair housing complaints prior to transferring enforcement activities to substantially equivalent entitlements. When a complaint is filed with the Fair Housing Center, the Center performs testing and the complaint is either resolved through mediation, a law suit is filed, or the complaint is directed to the Regional HUD office in Chicago, Illinois.

The Fair Housing Center in Kalamazoo received \$199,209.60 in PEI funding from HUD in 2005 and \$67,384 in 2004. Currently, there is no local enforcement agency in Battle Creek. A Fair Housing Center was opened in Battle Creek in 2003 and was closed in May 2006 due to lack of funding.

Education and Outreach

An essential ingredient of fair housing opportunity and enforcement is education of the public regarding the rights and responsibilities afforded by the fair housing law. This includes the education of housing and financial providers, as well as citizens, the potential victims of discrimination. It is important for potential victims of housing and/or lending discrimination to be aware of fair housing issues generally, know what may constitute a violation, and what they can do in the event they believe they may have been discriminated against. Likewise, it is important for lenders, housing providers, and their agents to know their responsibilities and when they may be violating fair housing law.

Often, people may be unaware of their fair housing rights. Present day housing discrimination tends to be subtle. Instead of saying that no children are allowed, they may impose unreasonable occupancy standards that have the effect of excluding families with children. Rather than saying, "We do not rent to Hispanics," they may say, "Sorry we do not have any vacancies right now, try again in a few months," when, in fact, they do have one or more vacancies. Printed advertisements do not have to state, "no families with children or minorities allowed" to be discriminatory. A series of ads run over an extended period of time that always or consistently exclude children or minorities may very well be discriminatory. In addition, a person who believes he/she may have been discriminated against will probably do nothing if he/she does not realize that a simple telephone call can initiate intervention and a resolution on his/her behalf, without the expenditure of funds or excessive time. Thus, knowledge of available resources and assistance is a critical component.

The Fair Housing Center of Southwest Michigan conducts fair housing conferences, training programs, and outreach in the nine counties in Michigan. The Fair Housing Center conducted a Fair Housing Conference during the National Fair Housing Month at Benton Harbor in 2006 and at Battle Creek in 2005.

Legal Services of South Central Michigan (LSSCM) is a non-profit organization in Battle Creek that provides legal services to low-income residents of Calhoun and Branch Counties. This agency focuses on homelessness prevention, domestic violence, and

access to public benefits. The activities of this agency include legal assistance to low-income persons or senior citizens who are being evicted from their homes and provision of legal assistance. LSSCM received a community education grant from the WK Kellogg Foundation and the program provides community education and advocacy in the areas of rental housing quality and public benefits to low-income persons in Battle Creek. LSSCM provides educational materials and training programs related to tenant rights, eviction, and debt relief. The agency partnered with the Fair Housing Center in Kalamazoo to provide fair housing education. Legal services conducts four to six classes a month in Battle Creek at various locations including the Salvation Army, Summit Pointe, Family and Children's Services, The Haven of Rest, and others. Legal Services represented 431 individuals and families and resolved 301 cases in Battle Creek in 2005.

The Fair Housing Center in Kalamazoo provides education in outreach in nine county region. Battle Creek needs a local agency to provide education on fair policies in sale, leasing, renting, or other disposition of properties; targeting outreach programs to a wide range of the population including homeowners, renters, real estate agents, and professionals from banking and mortgage industries; and investigating complaints of discrimination.

5.C. Production and Availability of Affordable Units

An overview of the key characteristics affecting the housing environment in Battle Creek will assist in assessing the adequacy and effectiveness of the housing programs designed and implemented by the City in reaching the target market and identifying and serving those who have the greatest need. Much of the information is taken from the Consolidated Plan, the Consolidated Annual Performance and Evaluation Report (CAPER), the Annual Action Plan, and other documentation provided by the City of Battle Creek.

Grant funding for the past two years and upcoming program year include entitlement allocations for Community Development Block Grant and HOME Investment Partnership. Funding levels were:

City of Battle Creek, Michigan

2006-2007	Community Development Block Grant	\$1,324,670
	HOME Investment Partnership Grant	\$321,171
2005-2006	Community Development Block Grant	\$1,466,585
	HOME Investment Partnership Grant	\$341,407
2004-2005	Community Development Block Grant	\$1,577,000
	HOME Investment Partnership Grant	\$361,001

Within the City's 2005-2009 Consolidated Plan four affordable housing priorities were outlined:

1. Creating affordable housing opportunities.
2. Expand and improve Battle Creek's stock of affordable housing.
3. Maintenance of decent, safe and sanitary existing housing stock.
4. Increased awareness of the availability of housing support programs.

The City of Battle Creek meets the affordable housing priorities through the following activities and programs:

- The Battle Creek Housing Commission (BCHC) administers public housing and rental voucher programs in Battle Creek. Currently, the Housing Authority operates 320 units within four developments. These include low-income housing, including scattered site rental housing; home

purchase programs; and senior residential developments. The BCHC provides Section 8 Vouchers for 315 families, Special Purpose Section 8 Vouchers for 100 families, and serves an additional 78 families through the Housing Opportunity Program (HOP). During 2004-2005, \$1,786,349 was made available for Section 8 vouchers to provide rental vouchers those earning 0-30% of Median Family Income. A traditional public housing rental assistance of \$524,210 was made available for Traditional Public Housing Rental Assistance. The Housing Commission also received a Capital Fund Grant in the amount of \$266,341 for the rehabilitation of 320 public housing units to house elderly, very low-, and low-income families.

- The City's Senior Citizen Deferred Housing Loan Program and the bank-assisted Housing Rehabilitation Program (Basic Homeowner's Rehabilitation Program) received \$400,000 from CDBG funding. The Senior Deferred Program provided rehabilitation assistance to 20 households. The Basic Homeowners Program provided for the rehabilitation of seven housing units. A total of 27 households were assisted through the City's Housing Rehabilitation Loan Programs between 2004 and 2005. Twelve loans were provided to low-income households, eight loans to very low-income households, and seven loans were provided to extremely low-income households. A total of \$327,927 was extended through loans and grants in the program and \$31,382 was leveraged from National City Bank, along with \$46,950 in grants to support Basic Home Owner's Program.
- The Homeless Housing Assistance Program administered by Summit Pointe placed 30 chronically mentally ill individuals and their families in rental housing. The program received \$101,733 in Federal dollars, \$19,310 in State dollars, and \$20,330 in match funds from Summit Pointe.
- Battle Creek has two certified Community Housing Development Organizations (CHDO), Neighborhoods, Inc. (NIBC) and Community

Action Agency of South Central Michigan (CAA). NIBC rehabilitates vacant properties and sells them to low to moderate-income families. Between 2004 and 2005, the organization received \$136,000 for a CHDO-eligible homebuyer rehabilitation program and \$18,050 for operating expenses. In addition, the organization received funding from the City and other private resources. The organization acquired or initiated three projects.

- CAA has not yet embarked on CHDO-eligible activity but did receive HOME funds to administer a Home Owner Rehabilitation Program and is working towards becoming a truly functioning CHDO. Through the Home Owner Rehabilitation program, \$120,851 was utilized to assist eligible home owners with needed repairs up to a maximum of \$25,000, with an additional \$20,000 per project to address lead-based paint hazards. There were seven homes that were in final stages of finishing their rehabilitation at the time the CAPER was drafted. Through the DOE Weatherization Program \$504,622 was allocated and through the Low Income Home Energy Assistance Program (LIHEAP) \$456,750 was allocated during the program year 2004-05. CAA assisted very low-income households in four counties including Calhoun, Barry, Branch, and St. Joseph. CAA received \$24,152 for the FEMA - Housing/Utility Assistance Program which served clients in their four county service area, including Battle Creek.
- The Battle Creek Area Habitat for Humanity received \$44,115 in CDBG funding to implement a homeowner rehabilitation program. This program targets 0-50% MFI households. The Battle Creek Area Habitat for Humanity, has had success in creating new housing in existing neighborhoods. Habitat built 41 new infill homes between 2000 and 2005 and has a goal of 11 homes for 2006.
- The City of Battle Creek strives to ensure safe and decent housing stock through its code enforcement efforts.

5.D. Regulatory and Public Policy Review

The City's zoning ordinance and public policies were examined to reveal any current ordinances or policies that impede fair housing. Battle Creek's zoning ordinance does not appear to be an impediment to fair housing choice within the city.

The variety of lot sizes, residential districts, and the inclusion of industrialized homes and multi-family dwelling units are tools that extend fair housing choice to individuals at all income levels. Manufactured homes are allowed in all of the residential zoning districts. There are also a variety of lot sizes and the minimum lot sizes do not preclude the construction of affordable housing.

The definition of a "State Licensed Residential Facility" is provided in the ordinance. A special use permit is required to develop a State Residential Facility in any residential district and the development needs to comply with the regulations in Chapter 1290.01 (7) of the zoning ordinance. This longer process may discourage the establishment of group homes for disabled and senior citizens in residential districts.

Accessory living units in residential districts are allowed residential districts as long as they are not rented. So, there is no restriction on "Granny Flats" in Battle Creek.

The state regulates the licensing of manufactured homes in single-family districts and there is a mobile home overlay district in Battle Creek.

5.E. Analysis of Fair Housing Complaints

Fair housing complaint information was received from the regional office of the U.S. Department of Housing and Urban Development in Chicago. The data provides a breakdown of complaints filed for Battle Creek from January 1, 2000 through July 20, 2006. The complaints filed with HUD are received from the Fair Housing Center of Southwest Michigan. Three complaints were filed according to one or more of seven bases, including; National Origin, Color, Religion, Familial Status, Handicap, Sex, and Race. Table 5.1, below, shows the breakdown.

Table: 5.1: Fair Housing Complaints (January 2000- July 20, 2006)

Date Filed	Basis	Issue Code Description	Why Closed	Days Open
11/8/2002	Race	Discriminatory refusal to rent	No cause determination	157
3/14/2005	Race	Discrimination in terms/conditions/privileges relating to rental	Conciliation/settlement successful	108
4/6/2005	Race	Discriminatory refusal to sell and negotiate for sale	No cause determination	85

Source: U.S. Department of Housing and Urban Development – Chicago Regional Office

Of the three complaints, two were closed with a no cause determination. This means that justification for the complaint was not applicable to the Fair Housing Law. One case was closed with conciliation or settlement. All the cases were based on race.

5.F. Conclusions and Implications for Fair Housing Barriers

The State of Michigan has a fair housing law that is substantially equivalent to the federal Fair Housing Act. Fair housing enforcement is provided through the Southwest Michigan Fair Housing Center in Kalamazoo, a FHIP agency. This agency investigates fair housing complaints and work to educate the community and housing professionals on fair housing issues in nine counties in Michigan. Battle Creek had a Fair Housing Center between 2003 and 2006. Since the current level of complaints is comparatively low, this indicates that potential complainants may not be aware of their rights under fair housing law. Over the past five years, a total of three complaints have been received and investigated through the HUD Regional Office.

Battle Creek currently receives over \$1.6 million per year in Community Development Block Grant and HOME entitlements. The City of Battle Creek operates housing programs funded with these allocations and works to address housing priorities defined in the Consolidated Plan. The housing priorities include:

1. Creating affordable housing opportunities.
2. Expand and improve Battle Creek's stock of affordable housing.
3. Maintenance of decent, safe and sanitary existing housing stock.
4. Increased awareness of the availability of housing support programs.

A review of Battle Creek's municipal codes revealed that the City does not have a Fair Housing Ordinance. A review of zoning code revealed that a special permitting process is required to establish a group home in a residential district. This longer process could be a barrier to the establishment of group homes for disabled persons in residential districts.

6. Focus Group Sessions and Workshops

Introduction

This section outlines the public perceptions of the impediments to fair housing choice in Battle Creek. Citizen input was gathered from two public participation processes conducted in the city in 2006. Those are the focus group sessions conducted for the 2006 Battle Creek Housing Study and the 2006-2007 Consolidated Planning Workshops.

During the process of preparing a Housing Study for the City of Battle Creek, several focus group sessions were held in March 2006, to identify key housing issues in Battle Creek. Two sessions, on the 6th and 8th of March, were reserved for public input. Housing professionals and industry leaders were invited to provide input on the morning of March 7th, and an afternoon session was held on the same day to receive input from local non-profit agencies with housing concerns. Attendees were invited by the City based on their knowledge of the local housing environment. A session with City and County Staff was held on the 9th. A range of housing issues were brought up in these sessions including various fair housing issues. At each session, participants were asked to discuss issues of concern regarding housing in the city. Issues were listed on large tablets which were posted for the group to see. As a part of the exercise in all the sessions, except in the case of the housing professionals and industry leaders (due to a lack of time), participants voted on the issues discussed that they felt were the most important. Voting, by means of individual participants placing a limited number of dots on the issues listed on the tablets, determined what the group felt were the priority needs.

During the City's Consolidated Planning Process, five workshops were conducted in August 2006 by the City's Community Development staff. One of the workshops held at St. Joseph Catholic Church, on the 12th of August, targeted the Spanish-speaking population. Each workshop focused on three topic areas: Suitable Living Environment, Decent Housing, and Expanded Economic Opportunities. Participants were also asked about perceived impediments to fair housing choice in Battle Creek. The discussions also focused on the strategies to address chronic homelessness in the city. Public input gathered from the workshops is summarized in the 2006-2007 Consolidated Planning Workshop Report.

6.A. 2006 Battle Creek Housing Study - Focus Group Sessions

Discussions in the focus group sessions held for the 2006 Battle Creek Housing Study spanned numerous themes related to housing. This section focuses on the issues pertaining to only fair housing.

Lack of credit was seen as the highest barrier that limits the housing choices of citizens of Battle Creek. Participants indicated that a lack of credit education is a major factor in many households' inability to borrow for home purchases. While affordable homeownership options are a need for the very low and low-income population, credit continues to be a barrier in finding qualified applicants. Some participants felt that there is a wider population that has a need for financial education, either to correct deficiencies in their credit history or to provide a solid foundation that could prevent future financial problems. Lenders and developers feel that they cannot find qualified buyers in the lower income groups, especially those below 50 percent of the Median Family Income. Particularly for the Hispanic population, lack of credit was seen as a barrier comparable to poor credit because individuals often do not have the needed documentation required for a mortgage. It was also mentioned that persons with criminal history are having problems in finding homes to rent or to purchase.

The other most frequently mentioned issue in the public input sessions was the perception that certain areas of the city are home to a disproportionate number of the city's low-income population. Concentrations of poverty are not only a concern with regard to social equity, but have a significant impact on the condition and quality of housing in a neighborhood. In areas where a majority of homeowners cannot afford to perform routine maintenance, poor housing conditions may quickly become the prevalent state of affairs.

Predatory lending practices were another issue discussed in the public input sessions. Some businesses that provide individuals with loans backed by the title to their car or house at relatively high interest rates are quick to foreclose in the event the borrower misses a monthly payment. The minority communities are often the target for these high interest loans. The low-income population often falls prey to these sub prime loans because they may have a poor credit rating or limited to no credit history.

The focus group session held for housing professionals and industrial leaders highlighted some fair housing issues. Participants mentioned that there is a need for housing suitable to young couples and singles in Battle Creek. Participants pointed out that the city lacks variety in its housing options to cater to the choices of its diverse population. Perception of crime in the Neighborhood Planning Council Districts in and around downtown was brought up to be an issue that is hindering some residents to live in those areas, specifically in the Northcentral NPC.

The focus group session held for non-profit organizations brought up the following issues. There is a need for rental housing for hard to house and very low-income populations. Lower income households are not able to afford the maintenance of their home leading to deterioration which is, in turn, affecting the stability of the neighborhoods. Older housing stock that needs repairs is concentrated in the areas with minority concentrations. Participants touched the same issue mentioned by the public input session that certain areas of the city have concentrations of poverty.

The focus group session held for the City and County staff brought up the following issues related to fair housing. Lack of affordability of low-income renters and market pressure is causing lower income households to reside in substandard housing. Hispanics/Latinos are taken advantage in this situation. Some multifamily housing developments are overcrowded and have higher incidences of crime. Many of the landlords are negligent and do not maintain the housing. Therefore many of the units deteriorate into unsafe and substandard living conditions. Other issues that were reiterated by the participants included the concentration of poverty and race in the city and predatory lending.

Solutions

Focus group participants suggested some solutions to problems discussed above. Participants felt that many residents, especially lower income groups and minorities, were unaware of the costs involved in purchasing a home. Credit education was a consistent theme among the various focus groups. Education on topics such as financial literacy and home buyer educations were seen as solutions.

Housing professionals and industrial leaders suggested that the City needs to work on options to develop downtown housing, including infrastructure development. There is a need to develop alternative types of housing suitable to youth, elderly, and middle and high-income groups. It was suggested that incentives to developers should help in reinventing housing to cater to modern needs.

Non-profit participants suggested that a plan or incentives to rehabilitate larger and older homes can help in improving the condition of housing stock in historic areas in the city. Increased funding for rehabilitation activities, rental inspections, and effective code enforcement would help to arrest the deterioration of neighborhoods in the city.

6.B. 2006-2007 Consolidated Planning Workshops:

During the five Consolidated Plan Workshops conducted in August 2006, a question was posed to the participants regarding the perceptions of fair housing choice. Participants brought up the following issues:

Lack of income was perceived to be one of the impediments to fair housing choice. The concentration of lower income groups among minorities and in certain areas of the city is perceived to be a major problem in the community. Many of the low-income individuals and families are at risk of becoming homeless and are facing problems in finding affordable housing in the city.

Poor credit rating and bankruptcy history were identified as issues of concern. Participants mentioned that various landlords are not willing to rent to the persons with poor credit, poor rental history, or to those with a criminal history due to the fear of losing rent or possible eviction issues. Inadequate life skills among youth was brought up as another issue of concern. Young adults graduating out of high school need education on becoming successful adults and managing personal finances.

Gender, ethnicity, age, and disability were seen as the basis for discrimination in the community. Workshop participants mentioned that single parent families and same sex couples are the victims of housing discrimination. It was pointed out that special needs populations have problems finding accessible housing in Battle Creek. Persons who

have mental illness or substance abuse problems are unable to find appropriate housing.

Language barriers, lack of education, and the lack of knowledge of resources are some of the factors that are barriers in obtaining home mortgage, loans, or financial assistance. Participants pointed out the need for bank contracts to be in Spanish or a translator to explain them in Spanish. It was mentioned that Hispanic clients are discriminated against and charged higher interest rates in obtaining home loans.

Unscrupulous landlords, poor business practices, and unjust treatment of tenants were mentioned to be some of the barriers to fair housing choice in the city. It was pointed out that tenants are unaware of their rights and do not have adequate knowledge and information to complain about their problems.

Solutions

Workshop participants discussed some solutions to the issues discussed above. Home owner education and financial literacy classes were a couple of the solutions suggested for addressing poor credit ratings among minorities. Participants pointed out the need for a course that teaches tenant rights and enables them to be successful renters.

Participants suggested modular housing as a solution to address the need for affordable housing in the city. Code enforcement, demolition of dilapidated homes, upgrading housing above minimum standards, and citizen involvement in neighborhood maintenance were suggested as key elements in improving the quality of the housing stock in the community. A solution to address the language barrier was to recruit staff with bilingual abilities to work with various City programs rather than just using translators.

7. Home Mortgage Disclosure Act (HMDA) Data Analysis

Introduction

This section contains an analysis of Home Mortgage Disclosure Act (HMDA) data for the City of Battle Creek and an analysis of a fair housing index created for this report. The analysis of the HMDA data provides a glimpse into lending practices in Battle Creek. The data report examines federally-insured mortgage, conventional mortgage, refinance, and home improvement loans. It was analyzed by income group, geography, and racial group.

The Federal Financial Institutions Examination Council (FFIEC) gathers data on home mortgage activity from the federal agencies that regulate the home mortgage industry. The data contain variables that facilitate analysis of mortgage lending activity, such as race, income, census tract, loan type, and loan purpose. The FFIEC provides the HMDA databases and retrieval software on compact disk. Data can be summarized within the software package or downloaded in its raw form for analysis. For this analysis, the FFIEC databases were utilized for 1997 through 2004.

The data reported here are summarized by a variety of methods. Tables 7.1, 7.2, and 7.4, and Chart 7.8, on pages 123, 125, 129, and 139 provide information for Battle Creek. The data for Battle Creek are summarized from the census tract level information. As the census tract boundaries do not coincide with the city limits, the estimates for the city may be greater than the actual figures. Tables 7.3, 7.5, and 7.6, on pages 127, 130, and 132 and the charts on pages 134 through 138 present the data by census tract income group. The maps provided on pages 141 through 147 present data according to census tract, with an outline of the city limits and NPC boundaries provided for reference.

7.A. Analysis

Table 7.1, on page 123, examines home loan activities in Battle Creek and Calhoun County. Data are presented by loan type, ethnicity, income of the census tract, and loan purpose. In Battle Creek, White applicants represented the largest number of loan applicants at 21,960, or 55.3 percent of all applications. Origination rate (the percentage of applications that result in loans being made) for Whites was 58.6 percent. African-Americans were the next largest applicant group with 3,650 applications submitted and an origination rate of 39.3 percent. Hispanic origination rates were 51.5 percent, but with only 579 applications reported. The Asian origination rate was 64.2 percent with 310 applications. High-income applicants showed both the highest number of applications, 15,333 or 38.6 percent of all applications, and the highest origination rate, 54.7 percent. Both the number of applications and the origination rates drop significantly for all other income groups, with 5,442 applications from middle-income applicants and a 45.5 percent origination rate. Conventional loans account for the largest number of applications for loan type, with 35,768 applications and an origination rate of 41.7 percent. Refinance loans show the highest number of applications for loan purpose, at 24,858, and with an origination rate of 38.4 percent. Home purchase loans had the highest origination rate at 57.2 percent.

Similar loan application and origination characteristics are found countywide. In Calhoun County, Whites represented 52.9 percent of all loan applications, compared to five percent from African-Americans, and less than one percent from Hispanics, Asians, and American Indians. Asians and Whites had origination rates of 64.2 percent and 61.6 percent respectively. In the county, high-income applicants represented 51.7 percent of all loan applications and much lower percentages of applications were noted in other income groups. The origination rate in high-income applicants in the county was 41.9 percent. Middle- and moderate-income applicants had higher origination rates, with a much lower number of applications than the high-income group. Conventional loan applications in the county represented 92.5 percent of all applications.

Table 7.1
Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Number of Loan Applications and Origination Rates
Battle Creek and Calhoun County
1997 - 2004

	Battle Creek			Calhoun County		
	Number of Applications	Percentage of Applications	Origination Rate	Number of Applications	Percentage of Applications	Origination Rate
Loan Type:						
Conventional	35,768	90.0%	41.7%	99,863	92.5%	39.6%
FHA	3,228	8.1%	55.2%	6,315	5.8%	47.5%
VA & Other	746	1.9%	61.7%	1,840	1.7%	55.0%
Ethnicity:						
White	21,960	55.3%	58.6%	57,091	52.9%	61.6%
African-American	3,650	9.2%	39.3%	5,357	5.0%	40.6%
Hispanic	579	1.5%	51.5%	984	0.9%	50.4%
Native	117	0.3%	50.4%	285	0.3%	50.2%
Asian	310	0.8%	64.2%	466	0.4%	64.2%
Other	558	1.4%	25.1%	1,362	1.3%	24.7%
Not Provided	9,621	24.2%	21.6%	20,837	19.3%	23.0%
Unknown	2,947	7.4%	3.1%	21,636	20.0%	0.9%
Income:						
<51% median (very low)	3,213	8.1%	31.6%	6,090	5.6%	33.7%
51-80% median (low)	7,049	17.7%	39.7%	14,437	13.4%	41.8%
81-95% median (moderate)	3,705	9.3%	42.5%	8,223	7.6%	44.7%
96-120% median (middle)	5,442	13.7%	45.5%	12,880	11.9%	49.4%
>120% median (high)	15,333	38.6%	54.7%	55,804	51.7%	41.9%
Not Provided	5,000	12.6%	18.1%	10,584	9.8%	19.5%
Loan Purpose:						
Home Purchase	10,560	26.6%	57.2%	38,586	35.7%	35.1%
Home Improvement	4,274	10.8%	35.9%	10,361	9.6%	38.3%
Refinance	24,858	62.5%	38.4%	59,006	54.6%	44.1%
Multifamily Dwelling	50	0.1%	71.4%	65	0.1%	69.8%
Totals	39,742	100.0%	43.2%	108,018	100.0%	40.4%

Table 7.2, on the following page, displays the HMDA data for the same data categories (Loan Type, Ethnicity, Income, and Loan Purpose). On this table, however, percentages were taken within each category, comparing the number of originations to the percentage of applications that result in loan originations for the entire population. For example, the first percentage shown under loan type in the “Percent” column indicates that 86.9 percent of originations in Battle Creek were conventional loan originations. For comparison, ethnic percentages were included under the “Percent of Population” column to compare the percentage of originations by ethnic group to their percentage representation in the population.

For Loan Type, “Conventional” showed the highest percentages, with 86.9 percent of all originations. FHA loans, which are government insured and have more stringent lending criteria, were 10 percent of the originations. Referencing back to Table 7.1, on page 123, government insured loans had a slightly higher origination rate than conventional, with 55.2 percent for government insured versus 41.7 percent for conventional.

In Battle Creek, for Ethnicity, the White category showed the highest percentage of originations at 85.8 percent of the total. The percentage of Whites in the population was 83.9 percent. African-American applicants represented 9.6 percent of originations with 10.9 percent of the total population. Hispanic applicants accounted for 2.0 percent of originations, while their presence in the population was 3.2 percent of all residents. Asian applicants accounted for 1.3 percent of all originations, with 1.1 percent of the total population. This comparison of percentage of originations with the percentage of population reveals that minorities obtained a comparable proportion of loan originations in Battle Creek and does not show any disparities among races. Countywide, disparities in lending were evident among the various racial and ethnic groups. Whites had 91.1 percent of all originations with 74.7 percent of the total population. African-Americans had 5.6 percent of all originations with 17.8 percent of the total population. Hispanics had 1.3 percent of all originations with 4.6 percent of the total population.

A review of income data in Battle Creek shows that the highest income group (>120% median) displayed the highest percentage of originations, 51.6 percent of all originations, compared to 15.2 percent in middle-income group (96-120% median). Countywide, high-income groups had 56.4 percent of all originations, compared to 15.3 percent in middle-income group.

Table 7.2

**Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Originations Within Categories
Battle Creek and Calhoun County
1997 - 2004**

	Battle Creek			Calhoun County		
	Number of Originations	Percent of Originations	Percent of Population	Number of Originations	Percent of Originations	Percent of Population
Loan Type:						
Conventional	14,913	86.9%		39,579	90.8%	
FHA	1,781	10.4%		2,998	6.9%	
VA & Other	460	2.7%		1,011	2.3%	
Ethnicity:						
White	12,859	85.8%	83.9%	35,158	91.1%	74.7%
African-American	1,435	9.6%	10.9%	2,176	5.6%	17.8%
Hispanic	298	2.0%	3.2%	496	1.3%	4.6%
Native	59	0.4%	0.7%	143	0.4%	0.8%
Asian	199	1.3%	1.1%	299	0.8%	1.9%
Other	140	0.9%	3.4%	337	0.9%	4.8%
Not Provided	2,073			4,783		
Unknown	91			196		
Income:						
<51% median	1,015	6.3%		2,052	4.9%	
51-80% median	2,799	17.2%		6,034	14.5%	
81-95% median	1,573	9.7%		3,672	8.8%	
96-120% median	2,476	15.2%		6,364	15.3%	
>120% median	8,386	51.6%		23,402	56.4%	
Not Provided	905	5.3%		2,064	4.7%	
Loan Purpose:						
Home Purchase	6,038	35.2%		13,547	31.1%	
Home Improvement	1,533	8.9%		3,963	9.1%	
Refinance	9,548	55.7%		26,034	59.7%	
Multifamily Dwelling	35	0.2%		44	0.1%	
Totals	17,154			43,588		

Loan Purpose data in Battle Creek showed that refinance loans accounted for the highest percent of originations at 55.7 percent and was the most frequent loan purpose. Home purchase loans were cited as the second most frequent purpose loans, at 35.2 percent. Home improvement loans accounted for 8.9 percent of all originations. Countywide, 59.7 percent of all originations were accounted for refinance loans, 31.1 percent for home purchase loans, and 9.1 percent for home improvement loans.

Table 7.3, on the following page, examines the HMDA data more closely with respect to the possibility of redlining within Battle Creek. Redlining relates to the avoidance of certain locations by mortgage lenders in response to undesirable characteristics of the area. Assuming that these negative characteristics can be represented by the lowest income census tracts (<51% of the area median income in the tables), a comparison of origination rates within these tracts to higher income tracts offers evidence to support the possibility of redlining.

Origination rates for Battle Creek indicate that Very Low-Income applicants (<51% median income) were successful in obtaining mortgage loans 31.6 times per 100 loan application submissions, Low-Income applicants (51-80% median income) were successful 39.7 times per 100 submissions, Moderate-Income applicants (81-95% median income) had an origination success ratio of 42.5 percent, Middle-Income applicants (96-120% median income) had a 45.5 success ratio, and High-Income applicants (>120% median income) had a 54.7 percent success ratio. When isolating the Very Low-Income census tracts, the origination rates change, dramatically. In Very Low-Income tracts, Very Low-Income applicants generated originations only 22.6 percent of the time, a 9.0 percentage point decline from their overall success in the city. While it might be expected that very low-income applicants may have lower success rates, higher-income applicants in very low-income tracts experienced much lower rates as well. High-Income applicants in very low-income tracts had a 34.6 percent origination rate, 20.1 percentage points lower than in the city overall.

Comparing Very Low-Income tracts to High-Income tracts, large differences are noted between origination and denial rates. Within High-Income tracts, Very Low-Income applicants generated a 38.7 percent origination rate, 16.1 percentage points higher than

Very Low-Income applicants in the Very Low-Income tracts. High-Income applicants generated a 63.7 percent origination rate within High-Income tracts, 29.1 percentage points higher than in Very Low-Income tracts. Origination rates for Middle-Income

Table 7.3

**Analysis of Home Mortgage Disclosure Act Data, 1997-2004
Analysis of Redlining in Very Low-Income Census Tracts
Battle Creek**

	Number of Applications	Origination Rate	Denial Rate
Very Low-Income Tracts			
<51% median	492	22.6%	47.0%
51-80% median	763	25.0%	40.8%
81-95% median	329	25.2%	42.6%
96-120% median	347	26.2%	38.9%
>120% median	564	34.6%	31.7%
Unknown	412	8.5%	30.1%
High-Income Tracts			
<51% median	411	38.7%	34.6%
51-80% median	1,191	47.7%	26.5%
81-95% median	808	52.6%	20.4%
96-120% median	1,552	57.2%	17.1%
>120% median	7,915	63.7%	13.2%
Unknown	1,619	26.3%	5.9%
Difference Between High and Very Low Tracts (percentage point difference)			
<51% median		16.1	-12.4
51-80% median		22.7	-14.2
81-95% median		27.4	-22.1
96-120% median		30.9	-21.8
>120% median		29.1	-18.6
Unknown		17.8	-24.2
Origination Rates for City			
<51% median		31.6%	
51-80% median		39.7%	
81-95% median		42.5%	
96-120% median		45.5%	
>120% median		54.7%	

applicants in High-Income tracts were 30.9 percentage points higher than in the Very Low-Income tracts. While this analysis does not provide conclusive proof that redlining existed, it is reasonable to expect that higher-income applicants would have relatively equal origination rates across all census tracts. The large differences in origination rates between Very Low- and High-Income tracts suggest that some redlining may have occurred.

Table 7.4, on the following page, compares origination rates between minorities and White applicants for the various loan purposes and income groups in Battle Creek. For all loan purposes shown, White origination rates were higher than minorities. For home purchase loans, origination rates were 69.2 percent for Whites and 55.4 percent for minorities, a difference of 13.8 percentage points. White applicants for home improvement loans were successful 18.9 percentage points more often than minorities. The rates for refinance loans showed a 17.0 percentage point difference.

Examining the income group comparison, minorities had origination rates 13.9 to 17.5 percentage points lower than Whites. Among the Very Low-Income group (<51% MFI), White origination rates were 13.9 percentage points higher. In the High-Income group (>120% MFI), White origination rates were 16.0 percentage points higher. With Middle-Income applicants (96-120% MFI), White origination rates were 17.5 percentage points higher than Minorities. Within each income group, Whites and minorities are entering the loan markets with relatively equal incomes.

Tables 7.5, on pages 130 and 131 and Table 7.6, on pages 132 and 133, provide a detailed look at loan activity, by loan purpose, minority status, and year for Very Low- and High-Income census tracts for Calhoun County. In the Very Low-Income tracts, the small number of loan applications provides a somewhat inconsistent view of mortgage activity. Origination rates were relatively low in nearly all cases, although some home purchase and home improvement loans, while fairly low in number, showed somewhat higher origination rates. Table 7.6 shows higher origination rates for White applicants than Minorities during the eight year period covered by the report, for all loan purposes in the high-income tracts.

**Table 7.4
Analysis of Home Mortgage Disclosure Act Data**

HMDA Activity for Battle Creek, 1997- 2004

	# Apps.	% of Apps.	% Denied	% Orig.
Home Purchase Loans				
Minorities	1,320	12.5%	22.5%	55.4%
White	7,110	67.3%	15.5%	69.2%
Not Provided	2,130	20.2%	17.8%	18.3%
Home Improvement Loans				
Minorities	714	16.7%	56.6%	28.4%
White	2,362	55.3%	34.8%	47.3%
Not Provided	1,198	28.0%	50.6%	17.8%
Refinance Loans				
Minorities	3,175	12.8%	29.6%	37.6%
White	12,468	50.2%	17.6%	54.6%
Not Provided	9,215	37.1%	31.7%	16.8%
All Loan Purposes				
Minorities	5,214	13.1%	31.5%	40.9%
White	21,960	55.3%	18.8%	58.6%
Not Provided	12,567	31.6%	31.1%	17.2%
Income Groups				
<51% MFI				
Minorities	649	20.2%	47.0%	29.1%
White	1,562	48.6%	34.2%	43.0%
Not Provided	1,002	31.2%	49.9%	15.4%
51 to 80% MFI				
Minorities	1,198	17.0%	35.2%	36.7%
White	3,898	55.3%	25.2%	50.8%
Not Provided	1,953	27.7%	42.5%	19.4%
81 to 95% MFI				
Minorities	561	15.1%	32.4%	37.4%
White	2,116	57.1%	22.9%	54.2%
Not Provided	1,028	27.8%	40.7%	21.0%
96 to 120% MFI				
Minorities	775	14.2%	32.5%	40.0%
White	3,300	60.6%	18.4%	57.5%
Not Provided	1,367	25.1%	40.7%	19.8%
>120% MFI				
Minorities	1,797	11.7%	23.8%	49.7%
White	9,885	64.5%	13.7%	65.7%
Not Provided	3,649	23.8%	33.0%	27.3%
Not Provided				
Minorities	234	4.7%	22.7%	38.0%
White	1,199	24.0%	12.9%	55.6%
Not Provided	3,569	71.4%	11.3%	4.2%

Table 7.5: Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Calhoun County -- Very Low Income Tracts, 1997 - 2004

Home Purchase Loans		# Apps.	% of Year	%Denied	% Orig.
Minorities	1997	9	25.0%	33.3%	55.6%
Minorities	1998	21	28.8%	28.6%	61.9%
Minorities	1999	36	32.4%	38.9%	41.7%
Minorities	2000	36	43.9%	27.8%	41.7%
Minorities	2001	23	31.5%	30.4%	43.5%
Minorities	2002	22	34.4%	31.8%	54.5%
Minorities	2003	12	30.0%	33.3%	41.7%
Minorities	2004	15	31.5%	27.8%	61.7%
White	1997	19	52.8%	47.4%	31.6%
White	1998	30	41.1%	26.7%	53.3%
White	1999	54	48.6%	72.2%	7.4%
White	2000	25	30.5%	28.0%	64.0%
White	2001	36	49.3%	38.9%	41.7%
White	2002	22	34.4%	40.9%	31.8%
White	2003	21	52.5%	19.0%	66.7%
White	2004	20	33.4%	39.9%	30.8%
Not Provided	1997	8	22.2%	12.5%	25.0%
Not Provided	1998	22	30.1%	13.6%	4.5%
Not Provided	1999	21	18.9%	42.9%	9.5%
Not Provided	2000	21	25.6%	14.3%	9.5%
Not Provided	2001	14	19.2%	21.4%	14.3%
Not Provided	2002	20	31.3%	5.0%	50.0%
Not Provided	2003	7	17.5%	21.5%	13.3%
Not Provided	2004	14	18.2%	25.4%	12.3%
Home Improvement Loans					
Minorities	1997	41	41.8%	61.0%	22.0%
Minorities	1998	43	37.1%	65.1%	23.3%
Minorities	1999	30	37.5%	60.0%	23.3%
Minorities	2000	41	38.0%	65.9%	19.5%
Minorities	2001	22	45.8%	72.7%	22.7%
Minorities	2002	11	34.4%	54.5%	18.2%
Minorities	2003	4	23.5%	100.0%	0.0%
Minorities	2004	21	44.8%	70.7%	21.7%
White	1997	46	46.9%	54.3%	19.6%
White	1998	42	36.2%	52.4%	21.4%
White	1999	24	30.0%	62.5%	29.2%
White	2000	19	17.6%	68.4%	26.3%
White	2001	11	22.9%	54.5%	27.3%
White	2002	8	25.0%	50.0%	50.0%
White	2003	10	58.8%	60.0%	30.0%
White	2004	10	21.9%	51.5%	23.4%
Not Provided	1997	11	11.2%	63.6%	18.2%
Not Provided	1998	31	26.7%	64.5%	6.5%
Not Provided	1999	26	32.5%	53.8%	7.7%
Not Provided	2000	48	44.4%	60.4%	8.3%
Not Provided	2001	15	31.3%	86.7%	7.0%
Not Provided	2002	13	40.6%	84.6%	7.7%
Not Provided	2003	3	17.6%	100.0%	0.0%
Not Provided	2004	12	30.3%	81.7%	7.0%

**Table 7.5 (Cont'd): Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Calhoun County -- Very Low Income Tracts, 1997 - 2004**

Refinance Loans		# Apps.	% of Year	%Denied	% Orig.
Minorities	1997	55	32.2%	12.7%	49.1%
Minorities	1998	95	29.9%	25.3%	40.0%
Minorities	1999	119	33.8%	30.3%	28.6%
Minorities	2000	90	28.0%	32.2%	28.9%
Minorities	2001	85	27.8%	36.5%	21.2%
Minorities	2002	75	24.0%	33.3%	26.7%
Minorities	2003	37	25.7%	40.5%	32.4%
Minorities	2004	31	24.6%	39.5%	30.4%
White	1997	36	21.1%	16.7%	58.3%
White	1998	78	24.5%	20.5%	43.6%
White	1999	62	17.6%	27.4%	33.9%
White	2000	81	25.2%	35.8%	25.9%
White	2001	37	12.1%	32.4%	21.6%
White	2002	69	22.1%	26.1%	39.1%
White	2003	63	43.8%	39.7%	30.2%
White	2004	61	42.8%	38.7%	29.2%
Not Provided	1997	80	46.8%	20.0%	8.7%
Not Provided	1998	145	45.6%	24.8%	13.8%
Not Provided	1999	171	48.6%	31.0%	15.8%
Not Provided	2000	151	46.9%	45.7%	12.6%
Not Provided	2001	184	60.1%	49.5%	9.8%
Not Provided	2002	168	53.8%	45.8%	10.7%
Not Provided	2003	44	30.6%	34.1%	11.4%
Not Provided	2004	41	26.6%	32.1%	10.5%
All Loan Purposes					
Minorities	1997	105	34.4%	33.3%	39.0%
Minorities	1998	159	31.4%	36.5%	38.4%
Minorities	1999	186	34.1%	36.6%	30.6%
Minorities	2000	167	32.6%	39.5%	29.3%
Minorities	2001	130	30.4%	41.5%	25.4%
Minorities	2002	108	26.5%	35.2%	31.5%
Minorities	2003	53	26.4%	43.4%	32.1%
Minorities	2004	67	27.7%	35.2%	31.5%
White	1997	101	33.1%	39.6%	35.6%
White	1998	150	29.6%	30.7%	39.3%
White	1999	140	25.8%	50.7%	22.9%
White	2000	125	24.4%	39.2%	33.6%
White	2001	84	19.7%	38.1%	31.0%
White	2002	99	24.3%	31.3%	38.4%
White	2003	94	46.8%	37.2%	38.3%
White	2004	91	26.3%	32.4%	39.2%
Not Provided	1997	99	32.5%	24.2%	11.1%
Not Provided	1998	198	39.2%	29.6%	11.6%
Not Provided	1999	218	40.2%	34.7%	14.2%
Not Provided	2000	220	43.0%	45.9%	11.4%
Not Provided	2001	213	49.9%	50.2%	9.4%
Not Provided	2002	201	49.4%	44.1%	14.9%
Not Provided	2003	54	26.9%	33.3%	9.3%
Not Provided	2004	67	46.5%	41.1%	16.9%

**Table 7.6: Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Calhoun County -- High Income Tracts, 1997 - 2004**

		# Apps.	% of Year	%Denied	% Orig.
Home Purchase Loans					
Minorities	1997	63	6.3%	12.7%	66.7%
Minorities	1998	74	6.9%	17.6%	67.6%
Minorities	1999	70	6.3%	12.9%	74.3%
Minorities	2000	75	6.9%	8.0%	72.0%
Minorities	2001	61	6.1%	6.6%	70.5%
Minorities	2002	77	6.4%	13.0%	61.0%
Minorities	2003	71	11.1%	12.7%	64.8%
Minorities	2004	59	6.0%	6.2%	71.5%
White	1997	848	85.3%	8.7%	80.3%
White	1998	891	82.6%	10.9%	79.2%
White	1999	884	79.1%	11.9%	77.0%
White	2000	784	71.9%	10.7%	75.3%
White	2001	722	71.9%	9.7%	75.6%
White	2002	866	72.2%	6.2%	77.8%
White	2003	448	69.9%	6.0%	75.2%
White	2004	439	61.9%	5.8%	71.2%
Not Provided	1997	83	8.4%	8.4%	14.5%
Not Provided	1998	114	10.6%	11.4%	19.3%
Not Provided	1999	164	14.7%	15.9%	26.2%
Not Provided	2000	231	21.2%	28.1%	24.2%
Not Provided	2001	221	22.0%	14.0%	32.1%
Not Provided	2002	257	21.4%	5.8%	24.9%
Not Provided	2003	122	19.0%	4.1%	23.0%
Not Provided	2004	125	18.8%	4.0%	22.0%
Home Improvement Loans					
Minorities	1997	19	5.0%	36.8%	63.2%
Minorities	1998	21	5.0%	38.1%	42.9%
Minorities	1999	20	5.2%	25.0%	35.0%
Minorities	2000	10	2.6%	20.0%	60.0%
Minorities	2001	15	4.7%	46.7%	40.0%
Minorities	2002	11	4.2%	36.4%	45.5%
Minorities	2003	12	12.5%	41.7%	25.0%
Minorities	2004	10	3.9%	35.4%	42.5%
White	1997	315	82.5%	28.3%	53.0%
White	1998	290	69.7%	19.3%	64.8%
White	1999	270	70.1%	18.1%	62.6%
White	2000	248	63.4%	22.6%	63.7%
White	2001	220	69.0%	19.5%	65.9%
White	2002	190	72.8%	15.3%	72.1%
White	2003	73	76.0%	24.7%	56.2%
White	2004	177	71.8%	12.5%	71.1%
Not Provided	1997	48	12.6%	45.8%	20.8%
Not Provided	1998	105	25.2%	43.8%	22.9%
Not Provided	1999	95	24.7%	37.9%	26.3%
Not Provided	2000	133	34.0%	36.8%	33.8%
Not Provided	2001	84	26.3%	42.9%	29.8%
Not Provided	2002	60	23.0%	25.0%	40.0%
Not Provided	2003	11	11.5%	18.2%	36.4%
Not Provided	2004	10	12.5%	17.8%	31.6%

**Table 7.6 (Cont'd): Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for Calhoun County -- High Income Tracts, 1997 - 2004**

Refinance Loans		# Apps.	% of Year	%Denied	% Orig.
Minorities	1997	35	3.7%	11.4%	62.9%
Minorities	1998	126	5.4%	15.1%	48.4%
Minorities	1999	81	4.6%	22.2%	42.0%
Minorities	2000	51	4.4%	43.1%	39.2%
Minorities	2001	117	4.3%	30.8%	43.6%
Minorities	2002	182	5.1%	24.2%	54.4%
Minorities	2003	153	6.8%	15.7%	57.5%
Minorities	2004	162	4.1%	22.2%	51.4%
White	1997	660	69.0%	8.3%	76.5%
White	1998	1,631	70.4%	7.2%	74.5%
White	1999	1,092	62.2%	11.4%	62.0%
White	2000	617	53.1%	16.9%	54.5%
White	2001	1,696	62.2%	11.1%	67.9%
White	2002	2,325	65.8%	10.0%	67.1%
White	2003	1,679	74.6%	12.6%	64.6%
White	2004	1,698	61.2%	12.1%	65.9%
Not Provided	1997	262	27.4%	20.2%	19.5%
Not Provided	1998	561	24.2%	21.0%	17.3%
Not Provided	1999	583	33.2%	26.9%	18.5%
Not Provided	2000	495	42.6%	29.9%	23.6%
Not Provided	2001	914	33.5%	25.8%	22.5%
Not Provided	2002	1,027	29.1%	23.0%	22.0%
Not Provided	2003	420	18.7%	25.2%	18.8%
Not Provided	2004	394	11.7%	26.2%	11.8%
All Loan Purposes					
Minorities	1997	117	5.0%	16.2%	65.0%
Minorities	1998	222	5.8%	18.5%	54.1%
Minorities	1999	171	5.2%	18.7%	54.4%
Minorities	2000	136	5.1%	22.1%	58.8%
Minorities	2001	193	4.8%	24.4%	51.8%
Minorities	2002	270	5.4%	21.5%	55.9%
Minorities	2003	236	7.9%	16.1%	58.1%
Minorities	2004	231	7.8%	16.3%	58.0%
White	1997	1,823	78.1%	12.0%	74.2%
White	1998	2,812	73.7%	9.6%	75.0%
White	1999	2,246	68.9%	12.4%	68.0%
White	2000	1,649	62.4%	14.8%	65.7%
White	2001	2,638	65.1%	11.4%	69.9%
White	2002	3,381	67.7%	9.3%	70.1%
White	2003	2,200	73.6%	11.6%	66.5%
White	2004	2,314	71.6%	10.5%	61.4%
Not Provided	1997	393	16.8%	20.9%	18.6%
Not Provided	1998	780	20.5%	22.7%	18.3%
Not Provided	1999	842	25.9%	25.9%	21.1%
Not Provided	2000	859	32.5%	30.6%	25.3%
Not Provided	2001	1,219	30.1%	24.9%	24.8%
Not Provided	2002	1,344	26.9%	19.8%	23.4%
Not Provided	2003	553	18.6%	20.3%	20.3%
Not Provided	2004	529	17.6%	21.3%	19.3%

Chart 7.1, below, provides a look at origination rates by census tract income for the loan types: conventional, FHA, and VA. Government insured loans had higher origination rates in all income groups except Middle-Income groups. Conventional origination rates closed the gap as incomes rose and was over 56.0 percent in High-Income tracts.

Chart 7.1: Origination Rates by Loan Type by Income Group of Tracts

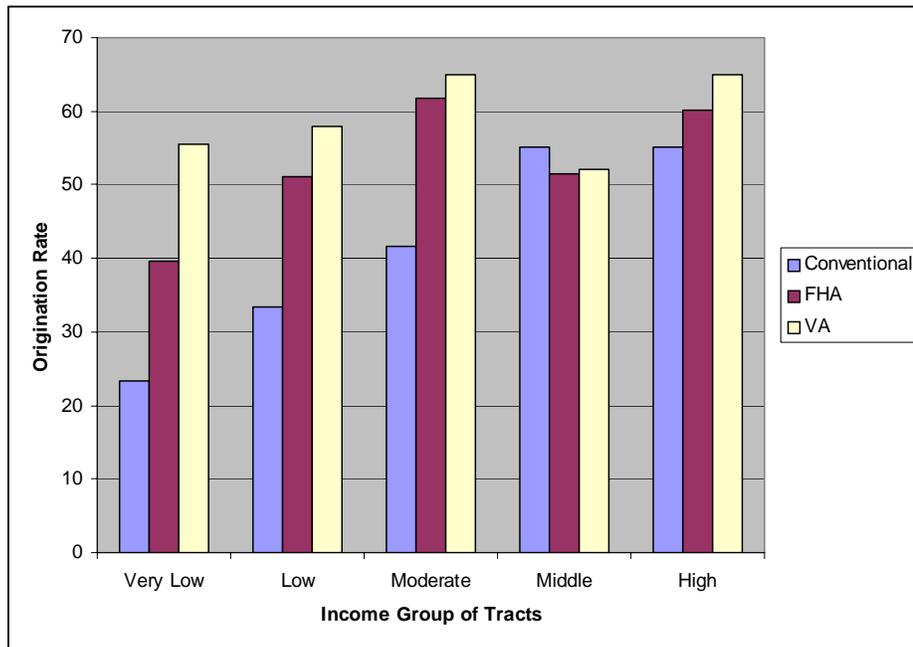


Chart 7.2, on the following page, shows origination rates by ethnicity and income of the census tract. In Very Low-Income and Moderate-Income tracts, White rates are exceeded by Asians. In Middle-Income tracts, Native American origination rates were the highest among all races. While Asian and Native American rates are sometimes higher than White rates, these rates were based on relatively low numbers of applications. Hispanic origination rates exceeded African-American rates in all Income tracts.

Chart 7.2: Origination Rate by Income Group of Census Tracts by Racial and Ethnic Characteristics

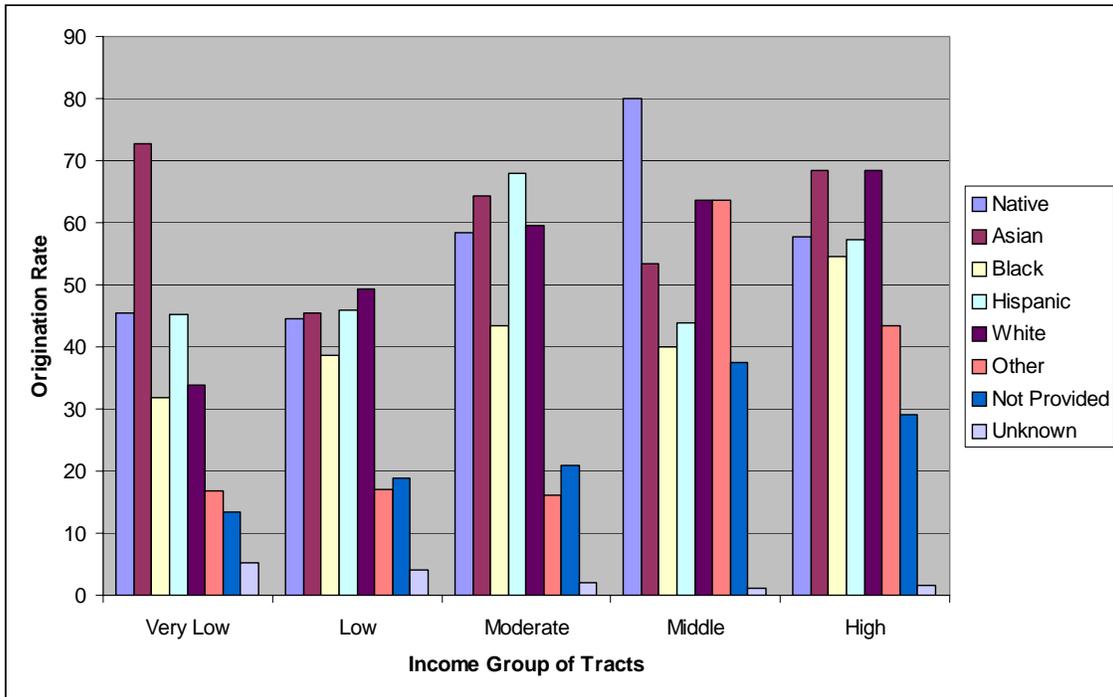
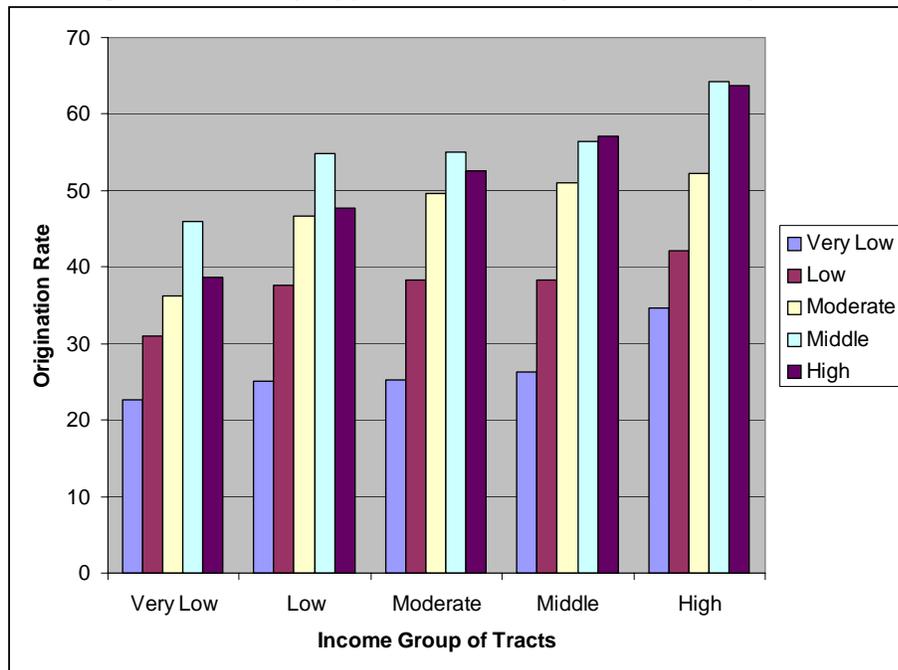


Chart 7.3, below, looks at origination rates by the income of the applicant and the income of census tracts. As would be expected, higher income applicants had higher origination rates. As mentioned earlier, the suggestion of redlining can be seen in the much lower origination rates of similar income individuals in lower income tracts, where

Chart 7.3: Origination Rate by Applicant Income by Income Group of Census Tracts



high-income applicants did not have as high an approval rate as low-income applicants in higher income tracts.

Chart 7.4, below, looks at origination rates by loan purpose and income of the census tract. Applications for all loan types had a higher success rate as the tract income increases, peaking at 65.0 percent of home purchase loans for the High Income tracts. Home purchase loans showed the highest origination rates in all income tracts. Home improvement loans showed lower origination rates than refinance loans in all income tracts with the exception of High Income tracts.

Chart 7.4: Origination Rate by Loan Purpose by Income Group of Census Tracts

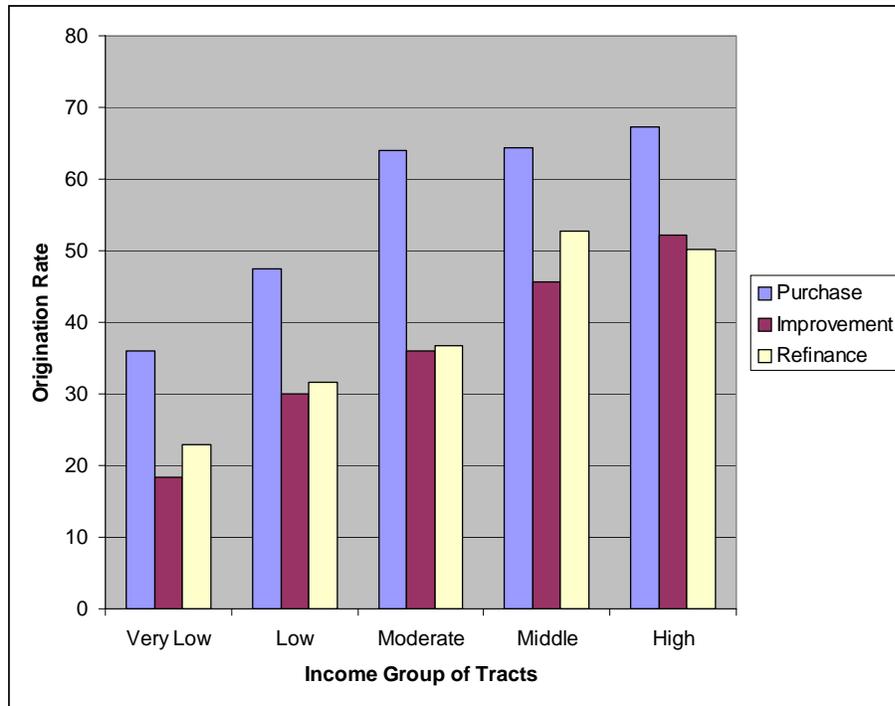


Chart 7.5, on the following page, examines the percentage of originations by ethnicity within tract income groups. The African-American applicants received about 35 percent of the originations in the Very Low Income tracts, 15.3 percent in the Low Income tracts, but less than five percent in all other income tracts. In all tract income groups, White applicants had the most originations of any ethnic group, with 82.2 percent, 86.5 percent, and 83.7 percent in the Moderate-, Middle-, and High-Income tracts respectively. In all tract income groups except Middle and High Income groups, the percent of originations of African-Americans exceeded Hispanics.

Chart 7.5: Percent of Originations by Racial or Ethnic Group by Income Group of Census Tracts

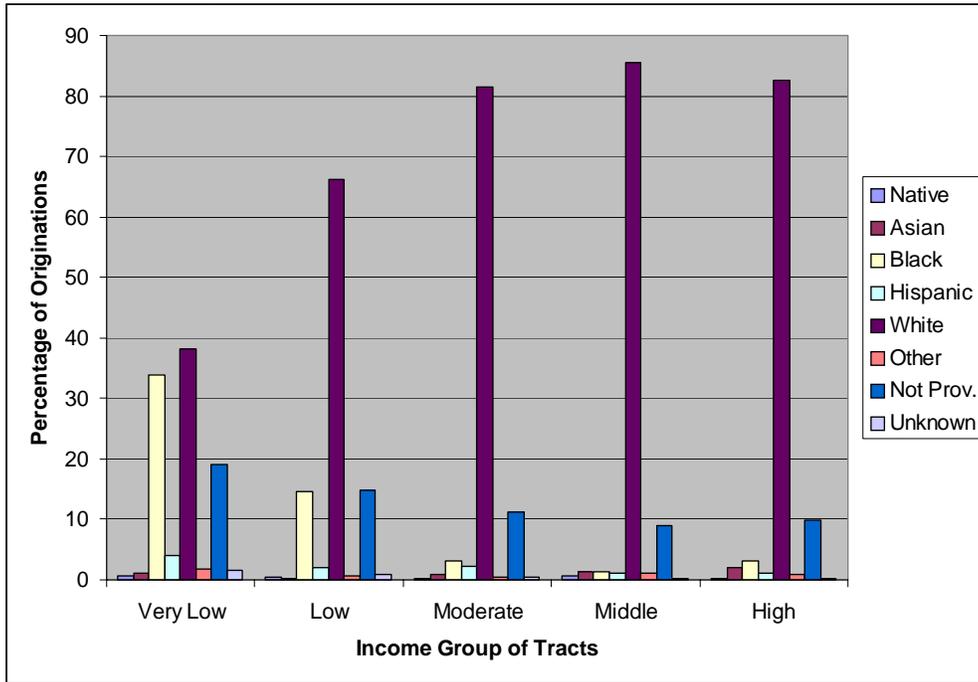


Chart 7.6, below, looks at the percentage of originations by applicant income within tract income groups. In all tracts, High-Income applicants received the highest number of loans, reaching 67.5 percent of originations in the High-Income tracts. In very low-income tracts high-income and low-income applicants had almost equal percentage of originations.

Chart 7.6: Percent of Originations by Applicant Income by Income Group of Census Tracts

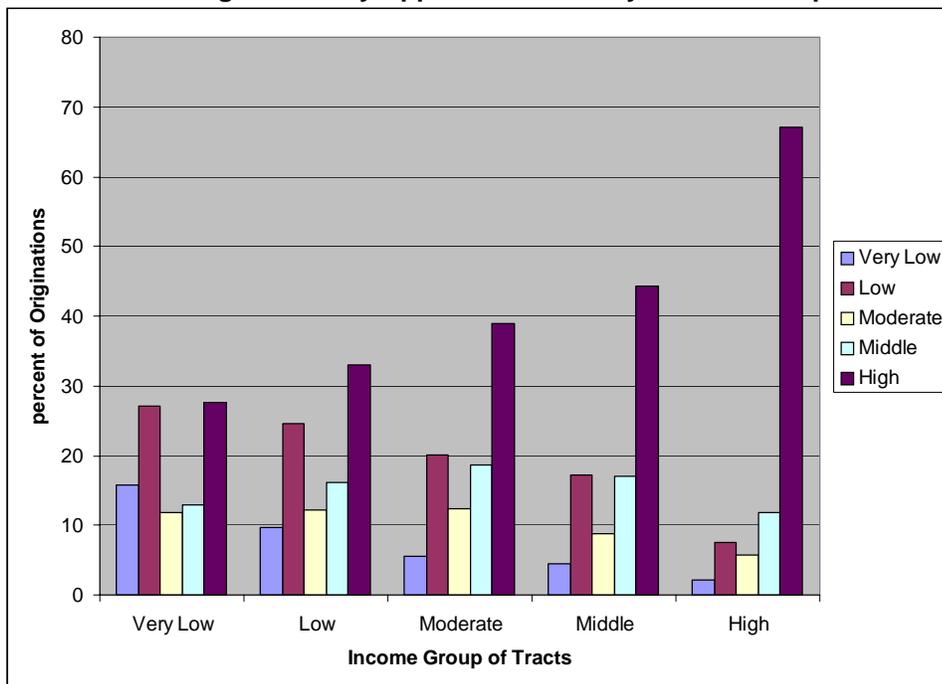


Chart 7.7, below, shows the percentage of originations going to the various loan purposes within tract income groups. In all tract income groups, refinance loans account for the most loan activity and home purchase loans provide the second most active loan purpose.

Chart 7.7: Percent of Originations by Loan Purpose by Income Group of Census Tracts

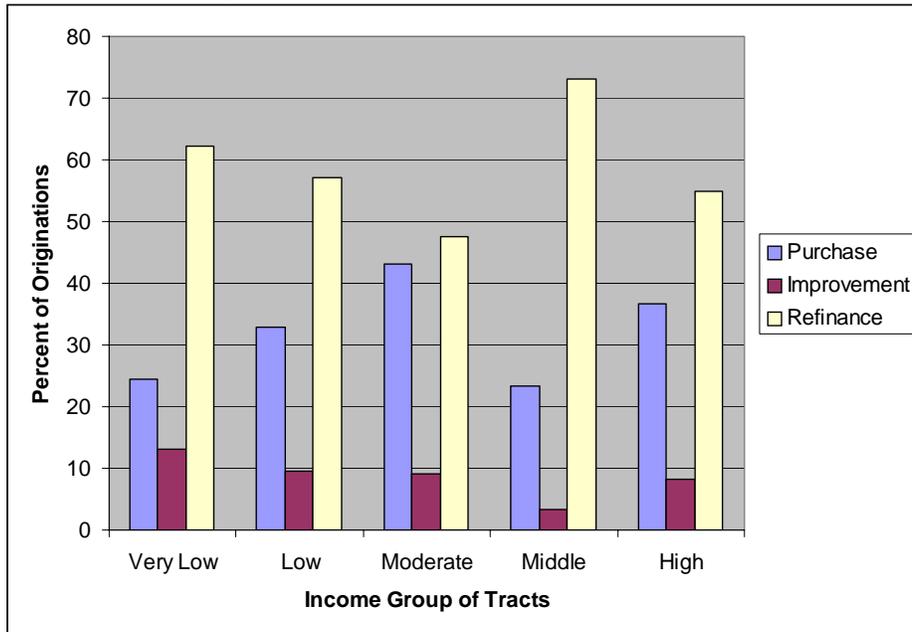
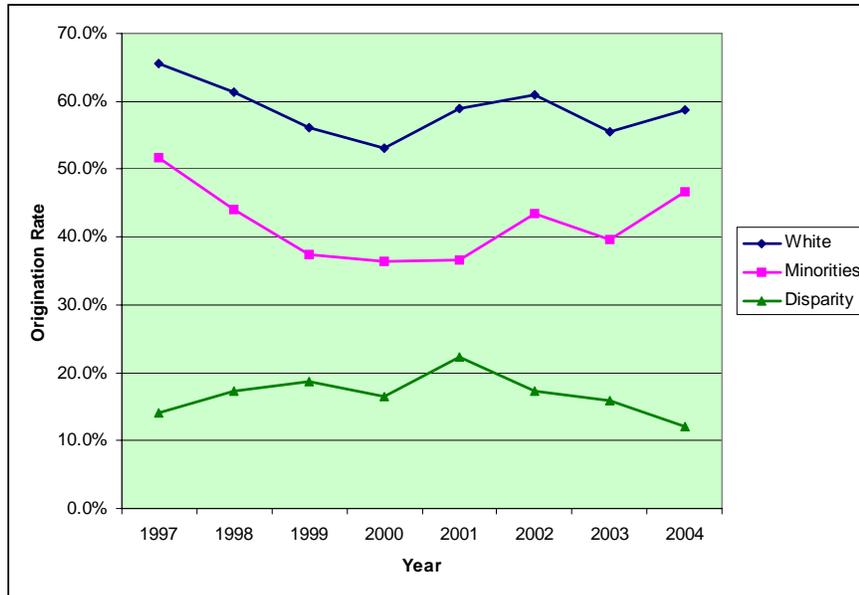


Chart 7.8, on the following page, shows the origination rates among Whites and minorities during the eight year period. The chart also highlights the difference in origination rates between Whites and Minorities; the disparity in origination rates. It can be noted that the disparity in origination rates increased from 1997 to 2001 peaking at 22.4 percent, and has decreased since 2001. Overall, there was a marginal reduction in the disparity in origination rates between 1997 and 2004, at 1.9 percentage points.

Chart 7.8: Disparity in Origination Rates by Year



Maps 7.1 and 7.3 through 7.7, on pages 141 through 147, look at loan activity by census tract. The ratio of denials to originations was calculated for each loan purpose and loan type. Tracts shown in the darkest red indicate those areas where at least 100 applications are denied for every 100 applications that are originated. The medium red areas indicate those areas where between 75 and 100 applications are denied for every 100 applications originated. The mauve areas show 50 to 75 applications were denied for every 100 applications originated. The pink areas show 0 to 50 applications were denied for every 100 applications originated.

Map 7.2, on page 142, shows the total number of loan originations by census tract. Less active areas are shown in the lighter colors, with the most active areas in dark red. Unlike the other maps, the light areas are meant to indicate areas of concern, either for a lack of loan activity or for their low rate of application originations in relation to denials.

A look at reasons for denial in the city showed that the majority related to the applicants' credit history or their debt-to-income ratio. Of the reported denials, 2,834 (42.2%) denials were related to the applicants' credit history during the eight years of the study. About 1,005 denials (15.0%) were related to the applicants' debt-to-income ratio and about 997 (14.8%) were due to insufficient collateral, in those same years. Other possible reasons for unsuccessful loan originations included incomplete applications,

employment history, mortgage insurance denied, unverifiable information, and insufficient cash for down payment and/or closing costs.

Conclusions

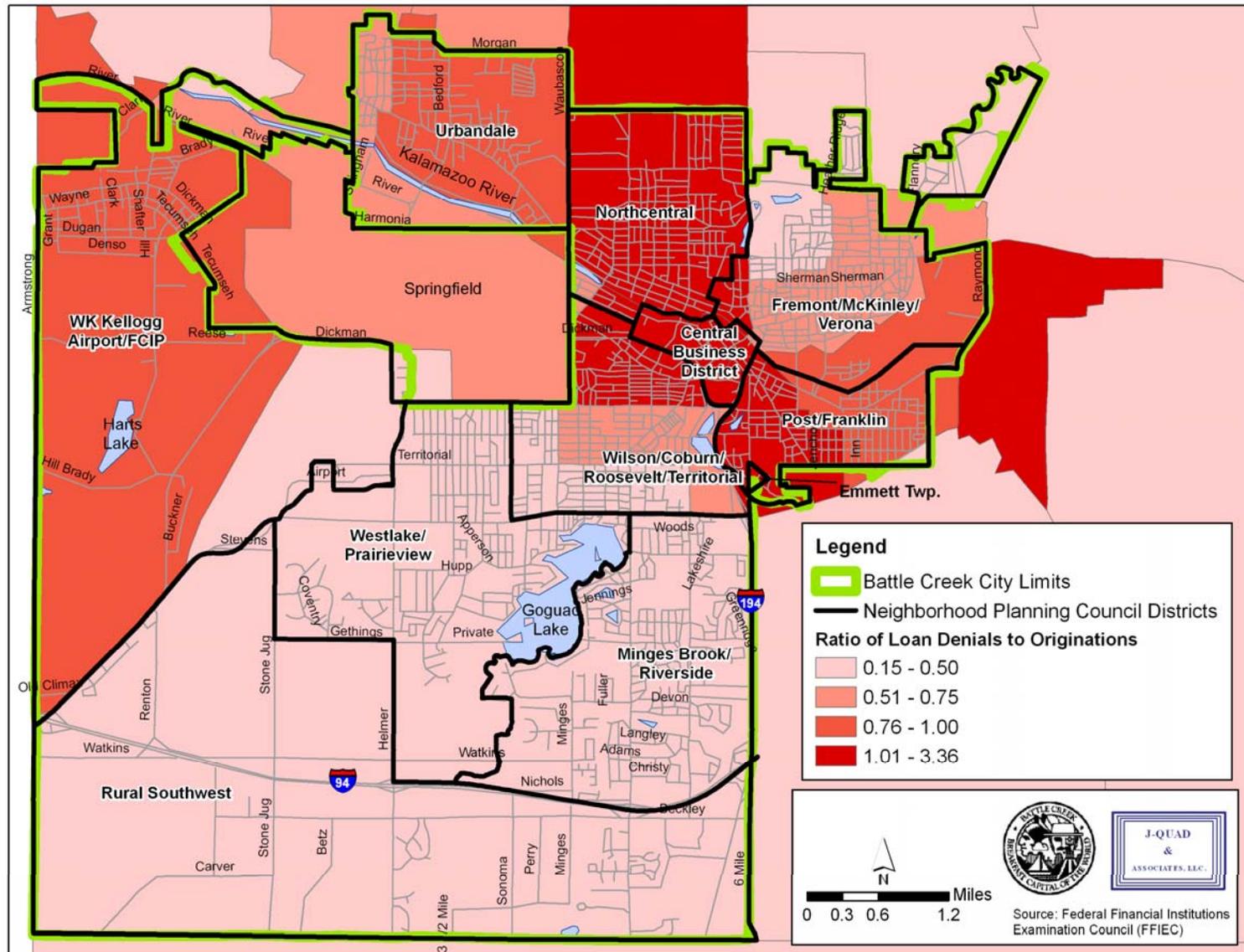
Across all income levels, there is a trend of higher origination rates in the higher income census tracts. The origination rates of high-income applicants in very low-income tracts are less than the origination rates of low-income applicants in high-income tracts. While this analysis offered here does not provide conclusive evidence of redlining, it would appear that lenders might be reluctant to lend in those communities in Battle Creek and Calhoun County.

The number of loan applications and the percentage of loans originated among Whites were much higher than minorities in Battle Creek and Calhoun County overall. In the overall county, minorities had disproportionately lower percentage of originations when compared to their population. This disproportionate number of loan originations was not evident in Battle Creek.

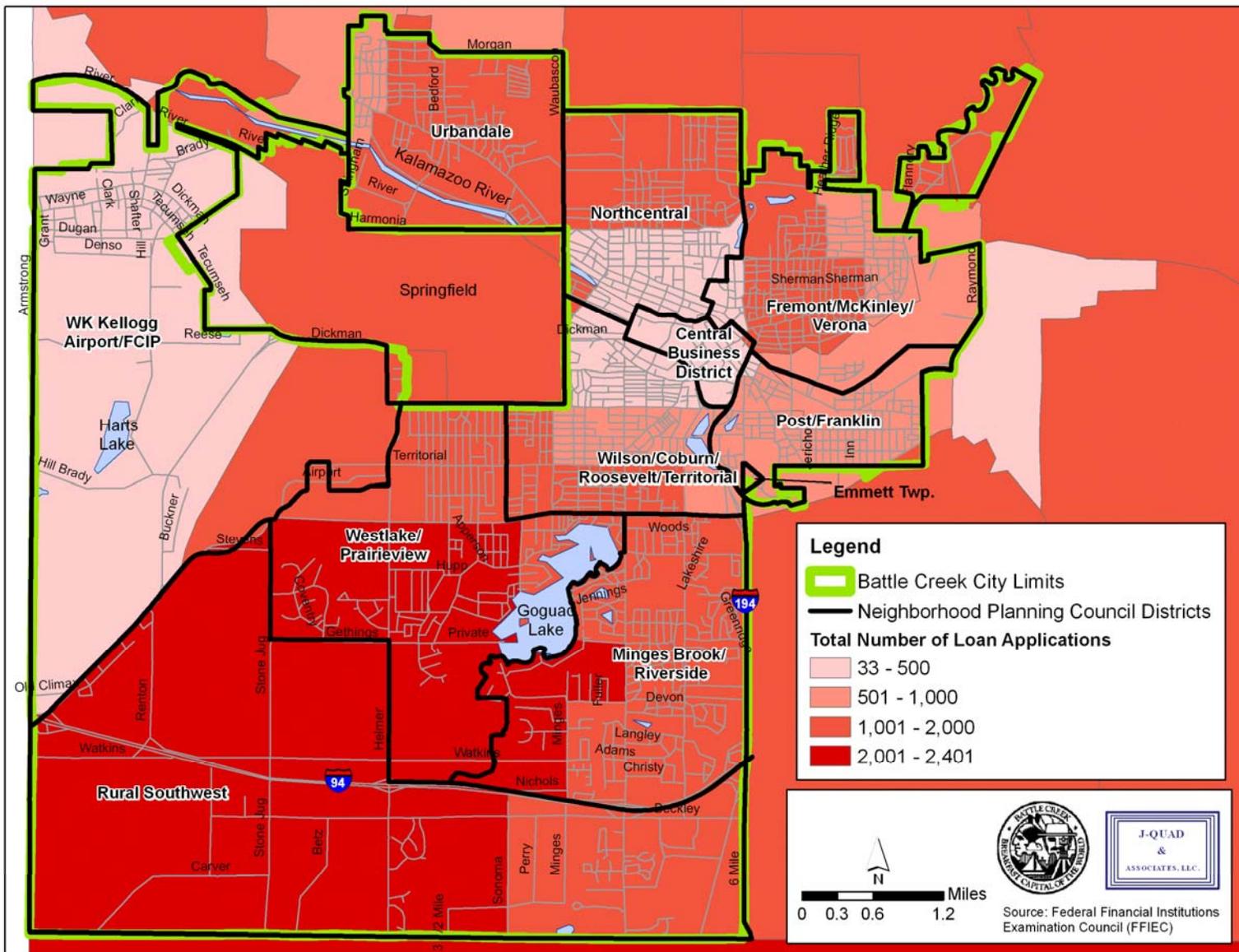
The least success in lending was found in the home improvement loan sector and the highest success was found in home purchase loan sector. Lower originations in home improvement sector may be an indication of the lack of major repairs or improvements of housing stock. The highest percentage of loan applications and originations were in refinance loan sector. The majority of loan denials were related to the applicants' credit history between 1997 and 2004.

Overall, the mortgage markets seems to have peaked in 2000 and 2001 Opportunities still exist for borrowers to buy housing or refinance existing higher interest loans. Rising interest rates appear to be having an impact on lending activity in the city, with the number of applications slowing in recent years.

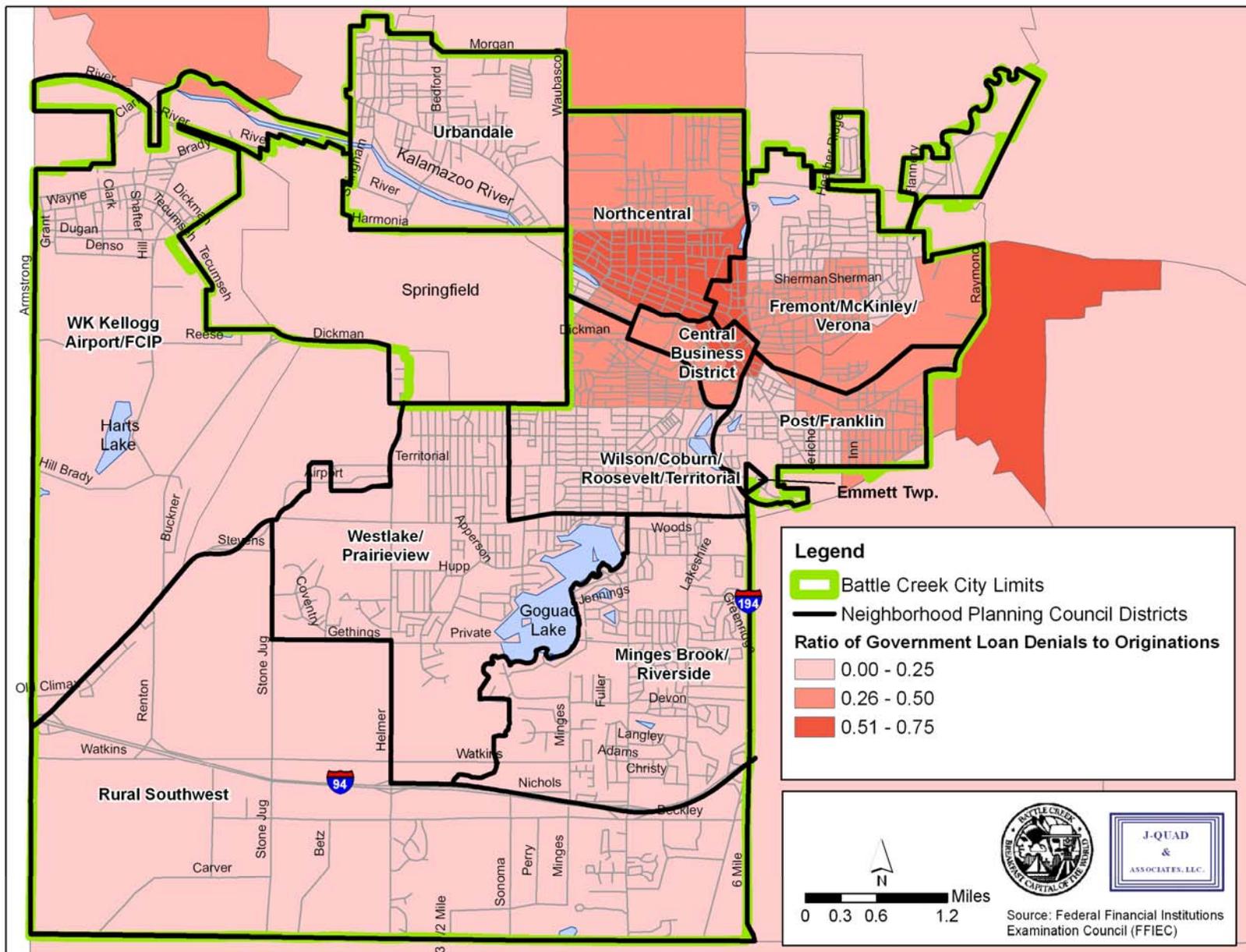
Map 7.1: Ratio of All Types of Loan Denials to Originations, 1997-2004



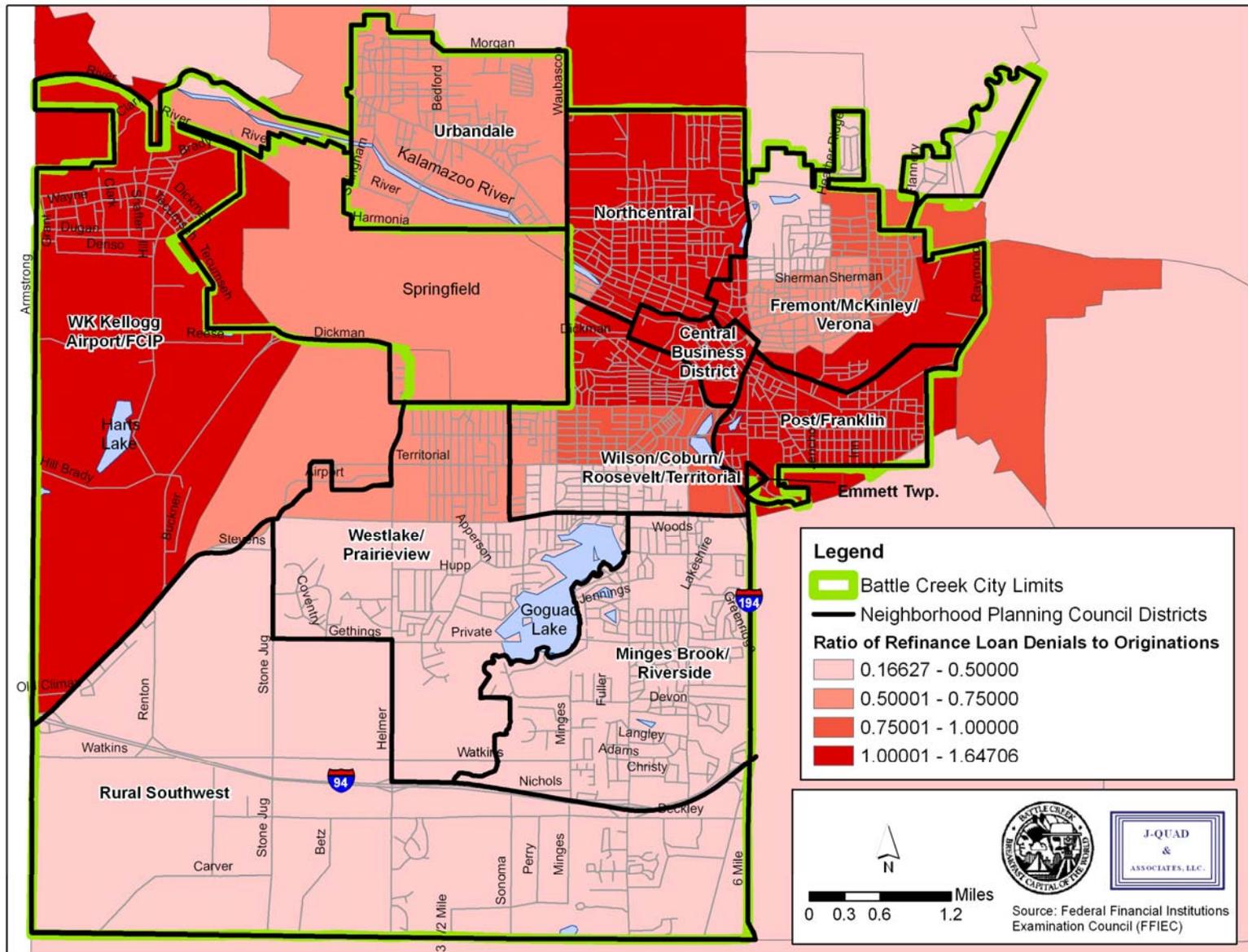
Map 7.2: Total Number of Loan Applications, 1997-2004



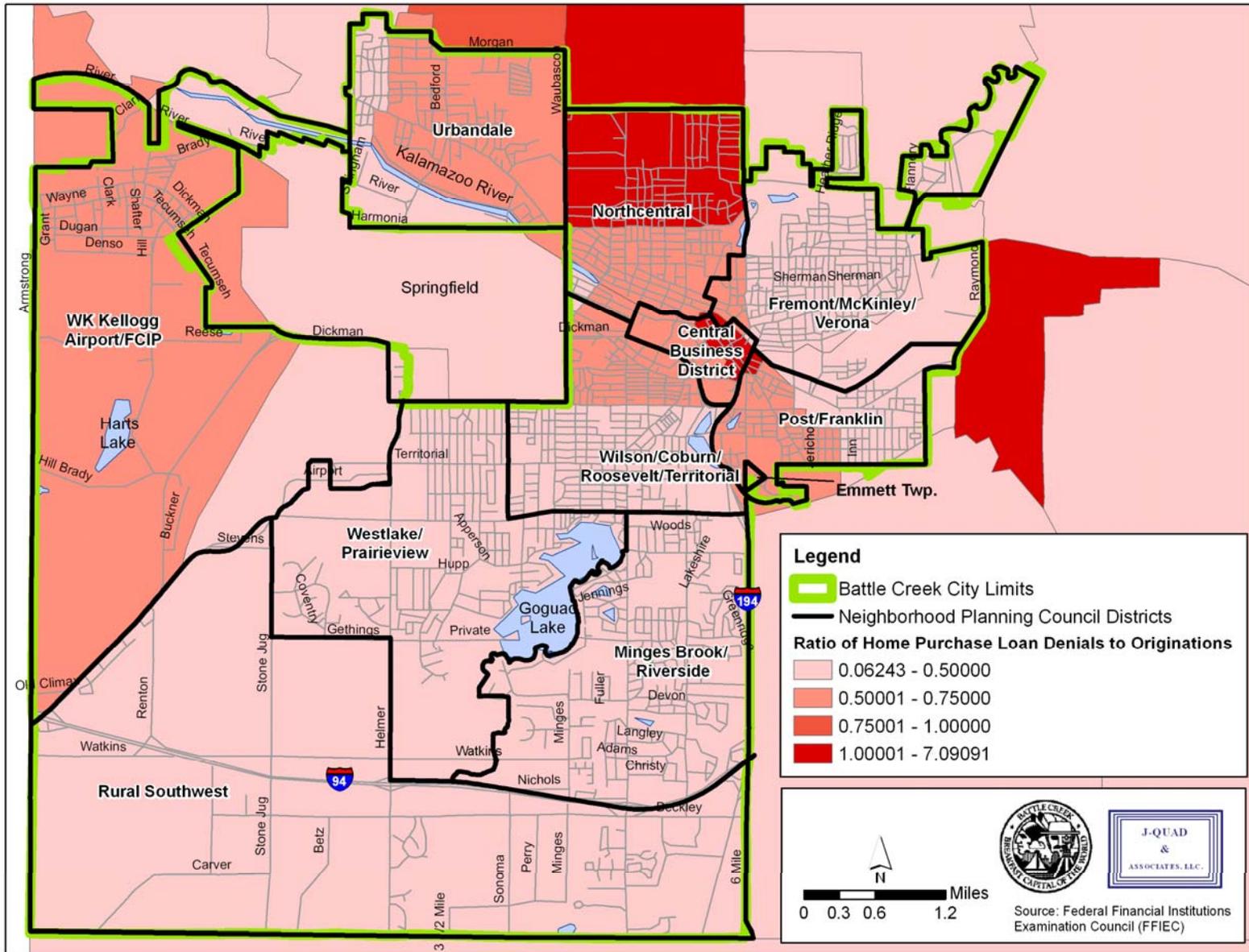
Map 7.4: Ratio of Government Loan Denials to Originations, 1997-2004



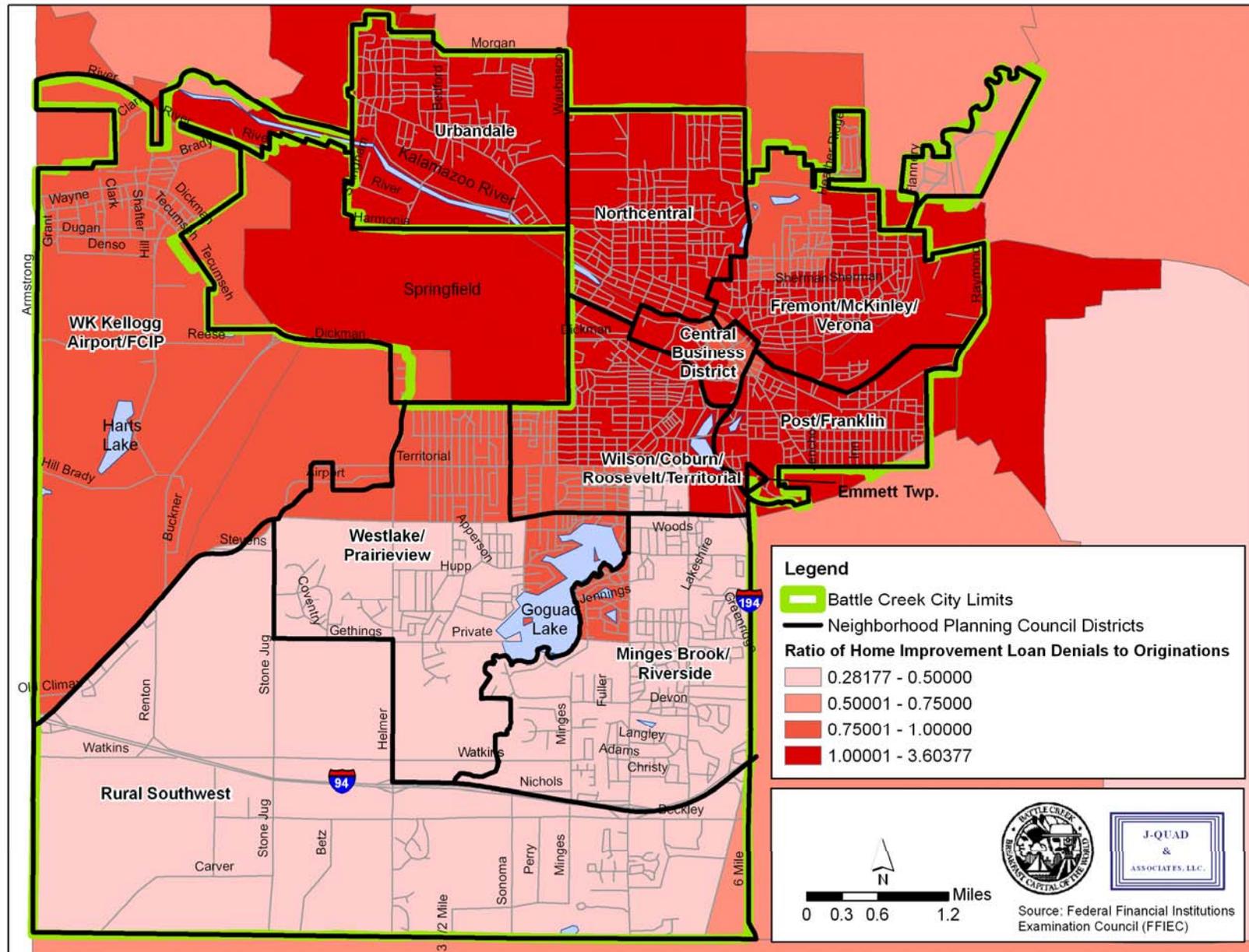
Map 7.5: Ratio of Refinance Loan Denials to Originations, 1997-2004



Map 7.6: Ratio of Home Purchase Loan Denials to Originations, 1997-2004



Map 7.7: Ratio of Home Improvement Loan Denials to Originations, 1997-2004



8. Fair Housing Index

Introduction

The Fair Housing Index is a measure developed specifically for Analyses of Impediments to Fair Housing. The index combines the effects of several demographic variables with Home Mortgage Disclosure Act (HMDA) data and maps the results by census tract. The map provides a general indication of geographic regions within Battle Creek where residents may experience some level of housing discrimination or have problems finding affordable, appropriate housing.

8.A. Methodology

Data for ten variables were gathered, by census tract, for analysis. These ten variables were: percent minority, percent female-headed households with children, median housing value, median contract rent, percent of the housing stock constructed prior to 1960, median household income, percent of the population with less than a high school degree, percent of the workforce unemployed, percent using public transportation to go to and from work, and the ratio of loan denials to loan originations for 1997 through 2004 from the Home Mortgage Disclosure Act (HMDA) report published by the Federal Financial Institutions Examination Council. With the exception of the HMDA data, all data were found in the 2000 U.S. Census of Population and Housing. Each variable contained data for every census tract within and around Battle Creek as defined by the 2000 U.S. Census.

When the database was complete, Pearson correlation coefficients (a statistical measure that indicates the degree to which one variable changes in relation to changes in another variable and ranges in value from -1 to 1) were calculated to assure that all variables displayed a high relationship to each other. It is important, in this type of analysis, that the variables selected are measuring similar aspects of the population. The results of the calculations showed that all variables displayed moderate to high degrees of correlation with other variables in the model, ranging up to 0.9037.

Once the relationship of the variables was established, each variable was standardized. This involves calculating a Z-score for each record by variable. For instance, for the

variable percent minority, a mean and standard deviation were calculated. The mean for the variable was subtracted from data for each census tract and divided by the standard deviation. The result was a value representing the distance that the data point lay from the mean of the variable, reported in number of standard deviations. This process allows all variables to be reported in the same units (standard deviations from the mean) and, thus, allows for mathematical manipulations using the variables.

When all variables were standardized, the data for each census tract were summed with negative or positive values given to each variable to assure that effects were being combined. For instance, in a fair housing environment, high minority concentrations raise suspicions that there may be problems in the area. Therefore, the percent minority variable would be given a negative value. Conversely, one would think that in areas of high housing values, the current residents are not having problems with fair housing choice. Median housing value, therefore, would be assigned a positive value. Each variable was considered in this light and assigned an appropriate sign, thus combining effects. This new variable, the total for each census tract, was then standardized as described for the original ten variables above.

The standardized form of the total variable provides a means of identifying individual census tracts where fair housing choice is at high risk due to demographic factors most often associated with housing discrimination. With the data presented in standardized form, the results can be compared to the standard normal distribution, represented by a bell curve with a mean of 0 and a standard deviation of 1. The analysis shows High risk areas as those census tracts with standard scores below -2.00 . Scores between -1.99 and -1 are designated as Moderate Risk areas. Scores between -0.99 and 0 are reported as below average and above 0 as Low Risk areas. The results are summarized in a map provided at the end of this section.

It should be emphasized that the data used to perform this analysis do not directly report fair housing violations. The data were utilized in order to measure potential risk for problems based on concentrations of demographic groups who most often experience restrictions to fair housing choice. Areas identified as having extreme problems are those where there is a high concentration of minorities, female-headed households, unemployment, high school dropouts, low property values, and, most likely, are areas

where a large proportion of loans (conventional home mortgages, FHA or VA home mortgages, refinance, or home improvement) have been denied.

The results of the analysis are presented in the correlation table (Table 8.1) on the following page. MedValue is the median home value according to the 2000 census. MedRent is the median contract rent. XMinority is the percent minority. XFemHH is the percent female-headed household. XPre60 is the percent of housing built prior to 1960. MedHHI is the median household income. XLessHS is the percent of the population 25 years of age and older that has less than a high school degree. XUnemp is the unemployment rate for the population aged 16 and older considered being in the labor force. XPubTrans is the percent utilizing public transportation to get to and from work. AllRat is the ratio of denials to originations from the HMDA data from 1997 to 2004.

8.B. Findings

Looking first at the correlation table (Table 8.1), on the following page, several high correlations are worth noting. First, the loan denial to origination ratio has a high negative correlation to median household income (-0.8290). This means that in areas with high concentrations of lower income groups, the loan origination rate is very low. There is also a high negative correlation between the loan denial to origination ratio and median housing value (-0.7983) and median contract rent (-0.7175) indicating that in the areas where the housing values and rents are low, the applicants are lesser likely to originate a loan.

Secondly, there is high correlation between percent minorities and percent female-headed households with children (0.8397) indicating that minority households are more likely to be headed by single mothers. The correlation between female-headed households and percent having less than high school education (0.6778) indicates that single-mothers tend to be high school dropouts. There is moderate correlation between median household income and percentage of female-headed households with children (-0.5157), meaning that households headed by single mothers are more likely to fall into lower income groups. High correlations are observed between unemployment rate with percent female-headed households with children (0.7457) and the percent minorities (0.6063) meaning that single mothers and minorities are more likely to be unemployed.

Table 8.1
Correlation Table of Index Variables

	AllRat	XPubTrans	XLessHS	XUnemp	MedHHI	XPre60	MedRent	MedValue	XMinority	XFemHH
AllRat	1.0000									
XPubTrans	0.1851	1.0000								
XLessHS	0.2536	0.3897	1.0000							
XUnemp	0.1609	0.6008	0.6464	1.0000						
MedHHI	-0.8290	-0.3185	-0.4201	-0.4486	1.0000					
XPre60	0.5751	0.4136	0.2448	0.4632	-0.6902	1.0000				
MedRent	-0.7175	-0.0535	-0.1728	-0.1402	0.7531	-0.4721	1.0000			
MedValue	-0.7983	-0.2792	-0.6017	-0.4907	0.9037	-0.7072	0.6940	1.0000		
XMinority	0.3824	0.4440	0.5132	0.6063	-0.4685	0.5413	-0.1727	-0.4384	1.0000	
XFemHH	0.2999	0.4496	0.6778	0.7457	-0.5157	0.5028	-0.1684	-0.5580	0.8397	1.0000

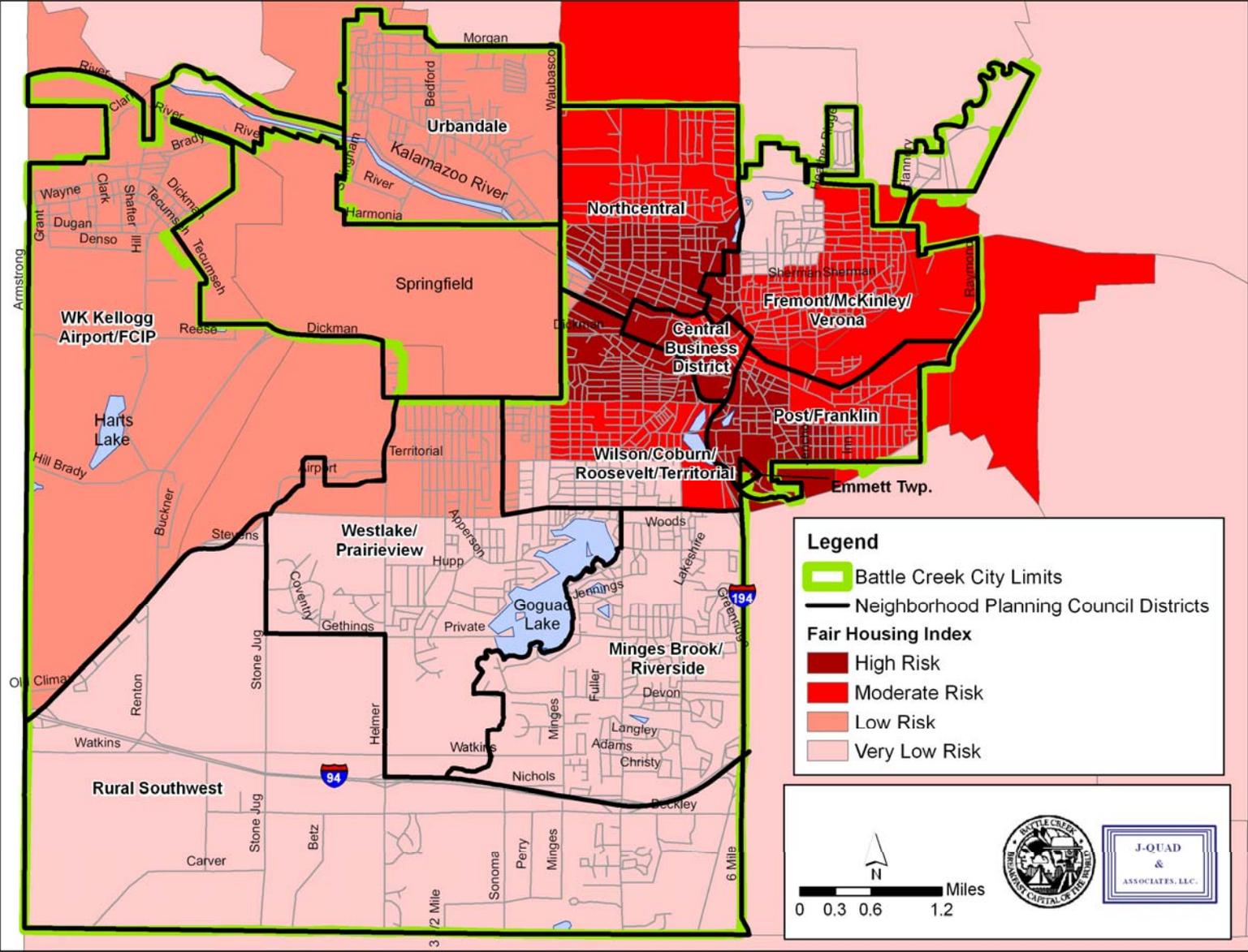
Variable	Definition
XFemHH	% Female Headed Households, 2000
XMinority	% Minority, 2000
MedValue	Median Home Value, 2000
MedRent	Median Contract Rent, 2000
XPre60	% of Housing Built Prior to 1960, 2000
MedHHI	Median Household Income, 2000
XLessHS	% Less than High School Degree, 2000
XUnemp	% Unemployed, 2000
XPubTrans	% Taking Public Transportation to Work, 2000
AllRat	Ratio of Denials to Originations, All Loan Types, 1997 - 2004

Unsurprisingly, there is a strong correlation between incomes and house values (0.9037) and rents (0.7531). Lower income groups live in much older housing stock (-0.6902). As expected, high negative correlation between percent pre-1960 housing stock and median housing value (-0.7072) indicates that older housing stock has low values. The correlation between percent pre-1960 housing stock and percent minorities (0.5413) and percent female-headed households (0.5028) indicates that single-mothers tend to live in older housing stock.

As indicated on Map 8.1, on the following page, the census tracts designated as having extreme to moderate risk are concentrated in the north eastern and central tracts of Battle Creek. The extreme to moderate risk categories are in the Northcentral, Central Business District, Franklin, Fremont, and Wilson NPCs.

These areas of greatest concern contain the oldest housing stock (which is probably in poor condition), with low housing values and rents, and are primarily occupied by minority households (which are often headed by females with children). There is a higher than average unemployment rate and lower than average level of educational attainment.

Map 8.1: Fair Housing Index



9. Fair Housing Impediments and Remedial Activities

This section draws on the information collected and analyzed in previous sections to provide a detailed look at fair housing impediments in Battle Creek. Five major categories of impediments were identified: Real Estate Impediments; Public Policy Impediments; Neighborhood Conditions as Impediments; Banking, Finance, and Insurance Related Impediments; and Socioeconomic Impediments. For each impediment, issues and impacts are detailed and remedial actions suggested.

Introduction

Evaluating fair housing concerns is a complex process involving diverse and wide-ranging considerations. The role of economics, housing patterns, and personal choice are important to consider when examining fair housing choice.

The City of Battle Creek has relatively few impediments to fair housing, however, some problems do exist. The City has made notable efforts to address the impediments identified in their Analysis of Impediment Study conducted in 2000.

Each impediment identified in this section is followed by a discussion of the issues surrounding the listed impediment, the impact the impediment has on the community and the protected classes, and a remedial recommendation. Some of the remedial actions recommended in this section are conceptual frameworks for addressing the impediments. These actions will require further research, analysis, and final design by the City of Battle Creek for implementation.

9.A. Real Estate impediments

Impediment: Limited variety in housing suitable for different types of households.

Issues: Focus group participants pointed out that the city has a limited variety of housing and new housing types are needed to cater to its diverse population and family types. Participants pointed out a need for housing for young professionals, empty nesters, and elderly.

According to the population projections presented in the Battle Creek's Housing Study conducted in 2006, growth in older population cohorts will outpace the population growth of the city as a whole. The study shows that the age cohort with largest projected population growth to 2015 will be in those from '50 to 59 years' of age, increasing by 1,538 persons by 2015. This population trend reflects the aging baby boomer population which will likely demand a different set of housing options. These options include downtown housing and accessible housing. The population projections in the housing study also show that by 2015 the modal population cohort will be '25 to 34 years' of age. As the young, single professional portion of this population seeks housing they will look for a variety of housing options.

Impacts: Familial status is a protected class under the Fair Housing Act. Limited housing choice for certain family types is an impediment to fair housing. Focus group attendees voiced the concern that due to the lack of choice in Battle Creek many of the young professionals and executives choose to live in Kalamazoo and Portage. If there is limited housing choice for students, these populations living with their parents in suburban communities would have longer commutes to educational institutions. Limited housing options in downtown restrict the housing choice of empty nesters and elderly who would like to be connected with downtown activity.

The results of the resident and business surveys conducted for the "Hyette Palma, Battle Creek Downtown Blue Print: 2003" revealed that 45 percent of the survey respondents made frequent trips to downtown (1 to 7 times a week). Downtown is already a destination point and generates a significant number of trips. Based on the field survey conducted by Battle Creek Unlimited, downtown Battle Creek contains only three

residential units with four residents. The population projections show a significant demand exists for housing from seniors and younger groups of the population, who could be accommodated in downtown.

Remedial Actions: The development of downtown housing¹ could be one solution to cater to the housing needs of young professionals, singles, and empty nesters. Because there are no children in their households, downtown living could provide a housing type to aging boomers, retirees, or elderly who may no longer desire or need to maintain a large home. Without the burdens of a large home and lawn to mow, those with smaller households can take advantage of the compact residential options in downtown. Senior citizens who are unable to drive long distances to be part of activities in the central city may choose to live in downtown to take advantage of the pedestrian friendliness and easy access to the hub of cultural activity and shopping. Downtown living offers the opportunity for developments with retail on the ground floor and housing on the upper floors. Because Kellogg Community College is already connected to the downtown via transit, downtown housing could be a popular housing option for students. This environment can connect these target groups to the energy and community living of downtown. This type of development could make the downtown streets vibrant and lively, at all times.

In terms of housing, while many boomers desire to remain in their own homes in retirement, an almost equal number would like to see the development of new housing options. Options mentioned included smaller homes in planned communities, condominium living, and downtown housing opportunities. Both rental and ownership opportunities should be pursued in downtown housing.

The funding sources suggested are: Community Development Block Grant (CDBG) funds for infrastructure improvements, Tax Increment Financing (TIF) for streetscaping, State Historic Preservation Office (SHPO) Tax Credits for re-use of historic structures and Brownfield Incentives for rehabilitation of buildings.

Developers and lenders may not be aware of all the resources available to them. In addition to discovering what developers and lenders feel is lacking, an education

¹ 2006 Battle Creek Housing Study, Key Issues page 166

process may take place where developers discover new funding mechanisms to break ground faster on downtown projects.

Cottage housing could be another solution to the projected senior housing need in Battle Creek. The cottage housing concept combines a group support setting with individual units that provide some degree of privacy and self-reliance. Housing units would be small, accessible, and efficient. The group setting would allow support organizations the ability to meet the needs of several individuals in one trip and provides a sense of community for the occupants. Developments could be managed by non-profit organizations that rent units to eligible individuals. Alternatively, caretakers could purchase units for their family members. A non-profit could provide support services and maintain the common areas.²

Cottage housing could provide an alternative to large family homes with easily maintained smaller unit in an environment where there is a support network and opportunities to socialize with others in similar circumstances.

Impediment: Possible Fair Housing violations in real estate advertising.

Issues: As a test to determine if advertising for the local housing market may be an impediment to fair housing, advertisements in local publications were examined. A review of the magazines from a bi-monthly publication from January 24 to February 7, 2006 and September 19 to October 3, 2006 editions revealed that only five out of 23 advertisements with photographs of potential clients had a minority pictured. It was also found that many of the advertisers did not display the Equal Housing Opportunity (EHO) logo or statement. About half of the advertisers do not advertise with the equal housing opportunity logo or slogan as recommended. Though it is not an extensive review of real estate advertising, over 400 pages of real estate advertising were examined. It is likely that similar trends may be observed in advertising in other magazines and news papers, warranting further investigation. The advertising reviewed showed unlawful activity that violates the Fair Housing Act by various advertisers. Under the Fair Housing Act, it is unlawful to make, print, publish, or post (direct or implied) statements or

² 2006 Battle Creek Housing Study, Key Issues, page 177

advertisements that indicate that housing is not available to members of a protected class.

Impacts: The prohibition in the Fair Housing Act against advertising that indicates any “preference, limitation or discrimination” has been interpreted to apply not just to the wording of advertising, but also to the images and human models shown. Ad campaigns may not include only or mostly models of a particular race, gender, or family type. The systematic exclusion of members of a protected class in advertising sends those excluded persons a message – which is that they are not welcome members of the community.

Remedial Actions: The City of Battle Creek should encourage the local Board of Realtors participation in the Fair Housing Partnership with HUD (formerly VAMA – Voluntary Affirmative Marketing Agreement). The City should encourage continuing education/outreach programs in the realtor community, and aid in expanding the partner base. The National Association of Realtors (NAR) and HUD have developed a declaration of general fair housing principles. This Fair Housing Declaration is available to any realtor to use to promote fair housing to the public and within the firm. One of the fair housing principles listed is to develop advertising that indicates that everyone is welcome and no one is excluded; expanding client's and customer's opportunities to see, buy, or lease property.

The Southwest Michigan Fair Housing Center, in conjunction with Battle Creek Board of Realtors, should provide education / outreach to local newspapers and other publishers on fair housing and advertising in Calhoun County and Battle Creek. Efforts could include an easy to read, quick, two-sided fact sheet on fair housing and advertising; including fair housing laws, court cases, words to avoid, sign of possible discrimination, use of the equal opportunity logo and human models, and an example of a publisher's notice.

9.B. Public Policy Impediments

Impediment: Lack of local fair housing enforcement agency in Battle Creek.

Issues: Currently, Battle Creek does not have a local fair housing center to receive complaints, conduct testing, and promote education and outreach. Effective enforcement is a major barrier to fair housing in Battle Creek. Currently, education and outreach efforts are handled by the Southwest Michigan Fair Housing Center in Kalamazoo, a FHIP agency for a nine county region. Legal Services of South Central Michigan (LSSCM) provides educational materials and outreach on tenant rights and legal services to low-income groups and senior citizens, while it has a range of other target areas such as homelessness prevention, domestic violence, and access to public benefits. Without the presence and efforts of a local fair housing agency it is more difficult to raise awareness of the law and rights granted under the law. Many who are aware of their rights are not aware of how to file a complaint. Although the City is a resource, the low number of complaints³ suggests that many are not aware⁴ of their rights or may not feel comfortable using the City as an advocacy agency.

During 2003-04 program year, the Fair Housing Center of South West Michigan opened a branch office in Battle Creek. The Center utilized space provided by Neighborhoods, Inc. and had one full time employee who conducted outreach and marketing. This individual met with tenants and landlords and worked collaboratively with Legal Services of Southcentral Michigan. The Fair Housing Center representative also met with the local Neighborhood Associations and Neighborhood Planning Councils. Between 2004-05 program year, CDBG funding was provided to the Fair Housing Center in their fair housing education and enforcement efforts. The Fair Housing Center also secured additional funding which allowed them to establish an independent store front office located at 104 Calhoun Street. The Center was closed in May 2006 due to lack of funding.

³ Fair Housing Law - Page 114.

⁴ According to the HUD regional office in Chicago, three fair housing complaints were filed between January 2000 and July 2006. Three complaints in a five year period is likely due to more the lack of awareness of citizen rights and complaint process than due to lack of fair housing issues in the city.

Impacts: The result of inadequate fair housing outreach is a generally uneducated public, unaware of their rights, and easy prey to those who think that the only effect of their actions is to protect their own property. With little knowledge of their rights, potential buyers or tenants do not realize they are being taken advantage of. Without a safe haven or place to call on when rights have been violated, many may feel helpless and continue to suffer the effects of discrimination. A low number of housing discrimination cases does not necessarily suggest that there is a minimal level of housing discrimination; it could suggest that victims of discrimination are unable to register a complaint because there is no place to file within the jurisdiction.

Remedial Actions: The City should consider working to establish a local fair housing ordinance. Once the city has a substantially equivalent fair housing law, they can attempt to become certified as a Fair Housing Assistance Program (FHAP) Agency and receive funds for investigating and conciliating fair housing complaints or they can establish a Fair Housing Initiatives Program (FHIP) Agency and receive funds for education, promoting fair housing, and investigating allegations. An alternative to working on acquiring a FHIP or FHAP certification would be to reestablish the Southwest Michigan Fair Housing Center office in Battle Creek.

A local fair housing center needs to be established in Battle Creek to educate consumers and housing suppliers about fair housing rights, and to monitor and enforce fair housing laws. Sufficient funding must be secured and appropriate to sustain a fair housing center and fair housing activities.

In addition, fair housing programs need to be offered by existing neighborhood organizations that understand the needs and speak the languages of their constituents. Providing more fair housing education and outreach through community-wide education events, like the Fair Housing Conference conducted in Battle Creek in 2005, should be a priority. These educational events will help residents develop an increased understanding of their rights under the law and the many forms of discrimination.

A fair housing web-based complaint system that ties into code enforcement could be established to track incidents of discrimination and to provide information on filing complaints. The City's Golden Service Program allows citizens to enter code complaints

or service requests, request information, and ask questions online. This is a possible tool to incorporate an online fair housing complaint system.

Impediment: A special permitting process is required to establish a State licensed residential facility. This longer process may discourage the development of group homes in residential districts.

Issues: The City of Battle Creek has defined a “State Licensed Residential facility” as a facility constructed for residential purposes, whose structure and staff are properly licensed by the State and provides residential services for six or less persons under twenty-four hour supervision or care. While allowing such residential uses may serve to avoid the negative impacts associated with increased residential density such as increased traffic, the limitation can be seen as a barrier to entry into residential neighborhoods for group homes. Strict enforcement would have a disparate impact on disabled individuals who need congregate living arrangements in order to live in traditional communities. State Licensed residential facilities for more than six residents should have at least one-half acre lot and a front yard of not less than fifty feet. In addition, the ordinance requires a special permitting process to establish group homes. The special permitting process requires that an Application for a Special Use Permit be submitted to the Planning Department. A public hearing should be conducted before the Planning Commission and a notice in the newspaper, as well as notifying property owners within 300 feet of the subject property. The process also takes about 60 to 90 days, and there is a \$600 application fee.

Impacts: Requiring such a special permitting process, along with the additional requirements, discourages the development of group housing in residential districts and increases the costs associated with the home. Reasonable accommodation must be made for group homes for those individuals in protected classes who need congregate living arrangements in order to live in traditional communities.⁵

⁵ Barring these group homes, in light of the Oxford house decision and decisions such as *Hill v. Community of Damien of Molokai* by the New Mexico Supreme Court, would constitute a violation of the Fair Housing Act. In *Hill v. Community of Damien of Molokai* the court found that a restrictive covenant limiting a single-family residence to no more than four unrelated individuals violated the Fair Housing Act.

Remedial Actions: An exemption or reasonable simplification of the special permit process for group homes should be allowed in the zoning ordinance. Premium lot requirements (at least one-half acre) should be retracted so that group homes may locate in any reasonably appropriate housing unit.

9.C. Neighborhood Conditions as Impediments

Impediment: Substandard⁶ rental housing units in minority census tracts.

Issues: A large portion of the current housing stock in Battle Creek’s predominantly minority census tracts was built prior to 1960⁷. There is a correlation between census tracts with large minority population and older housing stock⁸. Much of this older housing has not been maintained over the years and is deteriorating. A large share of the single-family housing stock has been turned into rental housing and supply housing for the very low and low-income population⁹. Many of the landlords are negligent and do not maintain the housing¹⁰; therefore many of the units deteriorate into unsafe and substandard living conditions. The Section 8 program has about 150 families on the waiting list, so most low-income citizens rent affordable market rate housing which is often in substandard condition. Currently, code enforcement primarily conducts inspections on a complaint basis.

Impacts: Without other options in the affordable housing market, many low and moderate-income residents do not complain about these issues in fear of retaliation, such as a raise in rent or eviction. As neighborhoods fall into disrepair, more and more homes drop below the level of repair needed to maintain habitability. Also, without stronger codes and laws in place to penalize neglectful landlords, the problems continue to increase because tenants are afraid to complain and landlords are comfortable not complying because of the high demand for affordable housing. Some focus group participants pointed out that lack of affordability for low-income renters is causing those households to reside in substandard housing. Specifically, Hispanics/Latinos are taken advantage in this situation; these households are living in substandard rental housing because of the lack of ability to pay higher rents.

⁶ “Substandard” refers to the properties that do not meet the minimum property maintenance standards established by the City’s Housing Codes.

⁷ Refer to Map 2.2 on page 33 (Pre 1960 Housing Stock) and Map 1.1 & 1.2 on page 4 & 5 showing that the majority of the older housing stock is located in predominately minority census tracts.

⁸ Fair Housing Index Table 8.1, on page 151, a correlation of 0.5413 between minorities and pre-60 housing stock.

⁹ There were 2,496 single-family attached or detached rental homes according to the 2000 Census, 28.3 percent of all rental units in the city.

¹⁰ Discussed consistently in all Focus Group Sessions, refer to page 118.

The availability of decent and affordable rental housing, both single-family and multifamily, is important in that it typically provides lower-cost housing opportunities for residents not ready or wishing to move to homeownership. The Code Enforcement Department is reactive instead of proactive due to limited staff. Many citizens are not aware of how to complain about substandard interior code violations.

Remedial Actions:

The City needs to find a new way to educate the public on available resources. This may entail a creative marketing strategy. For example, information seminars at the major employers, commercials on the radio, and mailings throughout the community are a few ideas of how to get the word out.

Strategies to improve the condition of single-family rental homes include the creation of a housing rehabilitation program focusing on rental units, enhancing the City's existing rental registration program, and a strengthened citation process for repeat building code violators.

Rehabilitation of Renter-Occupied Housing:

The 2005 – 2009 Consolidated Plan for the City of Battle Creek indicates that the City should support strategies for the rehabilitation of owner-occupied and renter-occupied housing in low to moderate-income areas. The Action Plan for 2005 – 2006 includes resources for the rehabilitation of owner-occupied housing through the Housing Rehab Loan Program (\$400,000), CAA/Minor Home Repair (\$85,633), and Habitat/Homeowner Rehab (\$15,112) programs. The Plan does not designate funds specifically for renter-occupied single-family housing. The City should consider using HUD funding for programs targeting these homes to increase the number of decent residential rental units available to low and moderate-income tenants. Many such programs are operated like homeowner rehabilitation home loan programs, although in coordination with landlords instead of homeowner-occupants. Rental rehabilitation programs provide a financial incentive through a forgivable loan for a portion of rehabilitation costs, up to a certain dollar amount per residential rental unit. In these programs, landlords provide the remainder of the rehabilitation costs to bring the buildings up to code. If certain conditions are not met over the life of the loan, such as rents remaining affordable or code violations noted, the loan loses its forgivable status and loan payments become

due.

*Strengthen Rental Registration Program:*¹¹

To combat the deterioration of renter-occupied single-family housing stock, the City should strengthen its rental registration and inspection program. Registration of all rental property with the City should work to ensure that minimum property maintenance standards are met by landlords. Currently the city does not have a complete registry of rental properties and this list is particularly deficient in single-family rentals. The City should work to increase the number of registered rental properties. One way to do this is to mine existing property data to identify rental properties. Such data mining examples include examining properties not receiving homeowner exemptions or unmatched owner and utility bill information. Maintaining current registration information will be particularly useful in addressing issues associated with absentee landlords.

As part of the current registration and licensing process, owners (or responsible local agents) are required to provide contact information for themselves as well as the local person (within Calhoun County) who will manage the property. A more complete registration list will ensure that persons with the responsibility and authority to maintain buildings can be easily located and, if necessary, served with legal notices, expediting compliance and enforcement actions. Tenants also benefit from being able to readily locate those responsible for maintaining their homes. Strengthening the rental registration program should go beyond expanding the number of registered properties. Currently the registration fee is \$25 if it is voluntarily submitted and \$50 if the City solicits the registration. These one-time fees do not cover the cost of an on premise inspection of the property, let alone any re-inspections. To more adequately ensure improvement in the city's renter-occupied single-family housing the City should consider moving from a one-time registration fee to an annual fee, along with scheduled inspections covered by these fees.

Other cities with strong rental registration programs include Boulder, Colorado, and Crestwood Missouri. Like in Battle Creek, Boulder property owners who wish to rent their property must obtain a license and provide local contact information. A baseline inspection is required as a part of the registration process. The baseline inspection

¹¹ 2006 Battle Creek Housing Study, Key Issues, page 162

includes a general inspection (exterior, egress, stairways, fire protection, lighting, plumbing, and general conditions) and an electrical system inspection. On renewal of the rental license, only a safety inspection is required, provided there has not been a change in ownership during the four-year licensing period. Inspections are not performed by City inspectors, but the City provides a list of licensed inspectors. Both licensed rental properties and pending applications are available through the City's Internet site and can be searched and viewed as a list or through an interactive map.

In Crestwood, Missouri, a suburb of Saint Louis, all existing dwellings that are let, leased, or rented are required to submit a residential rental property re-occupancy permit application for approval. The fee for the permit is \$190 for single-family residences and \$145 for apartments. If the rental dwelling fails the initial inspection, a \$75 re-inspection fee is assessed at the time of re-inspection. Rental properties will not be allowed to be occupied unless all deficiencies are addressed and the property meets current codes.

Repeat Code Violators:

An issue raised with regard to rental housing was that despite repeated code enforcement action in an area, conditions did not seem to improve. Many at the focus group sessions felt that a few bad landlords controlled several properties in an area and these were visited repeatedly before any action was taken. Sometimes existing regulations and enforcement alternatives are not sufficient to deter violators who have a consistent pattern of violating the codes or responding only after regulatory agencies have issued multiple warnings. One method to combat this problem would be requiring code enforcement violators that have repeat violations on the same property in a twelve month period to pay citations as a first action. Graduated fines would be assessed for each successive violation. Multiple or chronic violator enforcement would allow code enforcement officials to file one action for all properties in violation of the codes, when owned by the same entity who has a consistent pattern of code violation. This would result in court actions that assign fines or other judgments that more closely fit the impact that such landlords are having on the community.

9.D. Banking, Finance, and Insurance Related Impediments

Impediment: Credit Issues that limit financing options and the ability to qualify for a loan.

Issues: In many instances, potential homeowners are denied mortgages and financing for homeownership due to a poor credit history or the lack of a credit history. This 'mortgage denial factor' makes it difficult for some residents who are currently renting to transition to homeownership; instead these residents continue to lease rental properties and fail to take advantage of homeownership benefits (i.e. building equity, tax considerations, or becoming financially stable) that accrue over the long term. Without proper financial literacy education, residents may continue to make unsound financial decisions. Financial literacy for teenagers and young adults before their credit becomes damaged and financial education strategies for those who need to repair their credit enables potential homebuyers to qualify for the best credit terms in major purchases and eliminates the major obstacles to loan origination. An early start in managing personal finances can prepare an individual to purchase a home rather than continuing to rent.

HMDA data suggest that the majority of refused applicants were denied home mortgages due to credit history, debt-to-income ratio, and lack of collateral.¹² In Battle Creek, credit history denials included applicants with poor credit or no credit. Approximately 2,830 applicants were denied mortgages due to credit history, which accounts for 42 percent of the total denials reported between 1997 and 2004. Debt-to-income ratio and insufficient collateral each accounted for 1,000 denials or 15 percent of the total denials each. Limited income further complicates an individual's ability to improve their financial portfolio, thus continuing the economic hardship and preventing individuals from qualifying for a mortgage in the future.

Impacts: Financial literacy is an important factor in the successful management of personal finances, which sets the stage for all of life's important purchases such as house, car, etc. A well ordered personal budget enables homebuyers to qualify for the best credit terms in major purchases and eliminates major obstacles to loan origination.

¹² HMDA Analysis Reasons for Denials Page 139

An early start in managing personal finances can prepare an individual for those major purchases.

Remedial Actions: To improve origination rates and reduce the high rate of mortgage denials, the City of Battle Creek should work with the schools to address the importance of financial literacy. In conjunction with banking and real estate professionals, the City should devise a course that educates students on financial planning and credit management. The goal of financial literacy education is to provide timely financial education to students before they enter adulthood and make unsound credit and financial decisions. The City could sponsor a pilot program in CDBG eligible census tracts with the use of entitlement funds as a means of launching and demonstrating such an initiative.

The City should work with housing advocates to continue homeownership counseling and down-payment assistance programs that address topics of credit worthiness, financing, and homeowner responsibilities. Special emphasis should be placed on activities that encourage residents to transition from renters to homeowners.

Battle Creek should encourage lending institutions to market alternative methods for qualifying residents for mortgages. Many lending institutions have qualifying programs that accept utility bills, car payments, and occupational longevity as a means of establishing credit for those lacking credit or with less than perfect credit.

Impediment: Characteristics of redlining.

Issue: Redlining is a practice where mortgage companies are reluctant to do business within the boundaries of certain areas considered to be undesirable. This act is typically racially discriminatory since the areas in question usually contain largely minority populations. The HMDA analysis does not provide conclusive proof that redlining exists, but it does show that loan originations in low-income census tracts are less likely to be granted than loan originations in higher income census tracts regardless of the applicant's income level.

The percent of loan origination rates in the City's low-income census tracts does not exceed 35 percent. According to the 1997-2004 HMDA analysis Table 7.3, large differences are noted between origination rates¹³ between Very Low and High Income Tracts. For example, within High-Income tracts, Very Low-Income applicants generated a 38.7 percent origination rate, 16.1 percentage points higher than Very Low-Income applicants in the Very Low-Income tracts. High-Income applicants generated a 63.7 percent origination rate within High-Income tracts, 29.1 percentage points higher than in Very Low-Income tracts. Chart 7.3, on page 135 shows that high-income applicants did not have as high an approval rate as low-income applicants in higher income tracts. This shows characteristics are consistent that with redlining in low-income census tracts.

Impact: Redlining limits potential investment in areas that are blighted and stagnant. Developers find that lending institutions are less likely to fund development projects in these areas which cancel any incentives that the City may offer developers. As economic development continues to elude these neighborhoods, the neighborhoods continue to decline, families move out, and houses are left vacant.

The reluctance of lenders to lend in certain areas of the city may be either due to a negative perception or stigma associated with certain neighborhoods in the city. At the same time, it may be a fact that lending in those areas would put the lenders at a higher risk due to the conditions of the neighborhood and lower credit worthiness of the residents in those neighborhoods.

Remedial Solutions: The City should host a roundtable discussion with lending institutions to share data from HMDA analysis, specifically highlighting loan originations in low-income census tracts. Part of the discussion should be to emphasize the need to invest in low-income census tracts to stimulate growth and stabilize existing neighborhoods.

Also, efforts should be continued in improving lower income neighborhoods by various activities, such as rehabilitation of existing housing units, construction of infill housing units on vacant lots, and support to community-based economic development projects.

¹³ HMDA Analysis Table 7.3 on page 127 and Chart 7.3 on page 135

9.E. Socioeconomic Impediments

Impediment: Concentration of various socio-economic problems and poverty.

Issues: One issue frequently mentioned was the perception that certain areas of the city are home to a disproportionate number of the city's low-income population. This fact is supported by the Fair Housing Index.¹⁴ The map showed that the concentration of ten socio economic indicators which show the risk of potential fair housing problems are concentrated in the Northcentral, Central Business District, Franklin, Fremont, and Wilson NPCs.

Census data indicate that in 2000 approximately 14.4 percent of the population of Battle Creek lived below the poverty line. Poverty within the city, however, was not distributed evenly among NPCs. Poverty was most common in the Wilson / Coburn / Roosevelt /Territorial, Post / Franklin, and CBD NPCs, all with poverty rates above 20 percent. In the Wilson / Coburn / Roosevelt / Territorial NPC, almost one quarter of the residents were living below the poverty line in 2000.

Impacts: These areas of greatest concern shown in the Fair Housing Index map contain the oldest housing stock (which is probably in poor condition), with low housing values and rents, and are primarily occupied by minority households (which are often headed by females with children). There is a higher than average unemployment rate and lower than average level of educational attainment.

Concentrations of poverty are not only a concern with regard to social equity, but have a significant impact on the condition and quality of housing in a neighborhood. In areas where a majority of homeowners cannot afford to perform routine maintenance, poor housing conditions may quickly become the accepted state of affairs.

Remedial Actions: There are a number of policy options which address the deconcentration of poverty. Policies focused on housing can work to create

¹⁴ Fair Housing Index - Map 8.1 on page 153

neighborhoods with a greater range of values and, therefore, residents with a mix of incomes. Examples of these policies include incentives for mixed-income infill development, inclusionary zoning, and allowing for a variety of lot sizes and zoning categories to create mixed-income areas.¹⁵

Mixed-Income Infill: Incentives for mixed-income infill development may be appropriate as a part of the overall strategy to rebuild older neighborhoods through the replacement of demolished homes. Poorer neighborhoods which are otherwise strong may see an immediate benefit if the vacant lot or vacant house on a block is replaced with a new home. This type of development, known as infill development, places new housing on scattered vacant or underutilized lots in established neighborhoods or in an area within a neighborhood which had previously been left undeveloped. The City promotes infill development and area agencies, such as the Battle Creek Area Habitat for Humanity, have had success in creating new housing in existing neighborhoods. Habitat built 41 new infill homes between 2000 and 2005 and has a goal of 11 homes for 2006.

Mixed-income infill development refers to infill development which does not necessarily focus on low to moderate-income housing. Rather, mixed-income infill looks to create a broader range of infill housing types and values. This type of development does not necessarily mean a one-for-one replacement of residential stock on currently vacant lots, but typically accommodates higher densities and different housing options, including townhome and duplex development, where appropriate. Increasing area density through density bonuses or re-zoning is one possible component of a mixed-income infill strategy. Other components may include:

Generating developer interest:

- Developers may be hesitant to initiate an infill project if their experience in this area is limited. A training program or seminar on infill development, showcasing City incentives for this type of development, may provide developers with the tools to start infill activities.
- Identification of infill priority areas and creating a list of available infill sites. This list showing potential infill sites could be accessed by developers and be similar to the Battle Creek Unlimited properties list, searchable on the BCU website.

¹⁵ 2006 Battle Creek Housing Study, Key Issues, page 151

- Providing examples of successful infill projects.

Reducing development costs:

- Examine the reduction or waving of development fees for infill development.
- Often vacant lots are difficult to develop because doing so involves a lengthier review and approval process not associated with other development. This process may involve soliciting variances from side-yard set-backs and other restrictions which may not be granted. Review the process required to create infill housing for ways to make the process more streamlined and efficient. One way to reduce development costs may include 'fast-tracking' permitting and variance processes for infill status projects.
- Developing one lot is more costly than developing a number of contiguous lots. One strategy includes creating a public land assembly and land write-down program to generate larger impacts than piecemeal development.
- Examine the appropriateness of financial assistance to spur infill development through loan guarantees, tax abatements, and below-market financing.

Generating market awareness:

- An infill strategy will be less likely to be successful if no one is aware of it. Consider a publicity campaign targeting builders, real estate professionals, and lenders, encouraging them to take advantage of the City's infill incentives.
- Provide information on infill development through planning, zoning and permitting offices, and distribute materials explaining the new program through builders associations and the boards of realtors.
- Minimize opposition by lenders to finance infill development projects, which they may be unfamiliar with, by providing information on successful infill development projects.

Inclusionary Zoning:

Inclusionary Zoning refers to a set of strategies that aims to create balanced housing development and mixed-income communities by ensuring that some portion of new housing development is affordable. Mandatory inclusionary zoning is illegal in Michigan. It is suggested strategy to consider a voluntary inclusionary zoning. This strategy may be appropriate to encourage a mix of incomes in the Rural SW NPC where development may create neighborhoods of homogenous home prices and residents of similar incomes. Mixed-income communities broaden access to services and jobs, as well as provide openings through which lower-wage earning families can buy homes in appreciating housing markets and accumulate wealth.

Inclusionary Zoning policies can be voluntary or mandatory. Austin, Texas is an example of a city with a voluntary inclusionary zoning policy implemented through its Safe, Mixed-Income, Reasonably-Priced, Transit-Oriented (SMART) Housing program. The program provides fee waivers and other incentives on a sliding scale according to the share of affordable units included in new developments. An example of a mandatory inclusionary zoning policy is that of Montgomery County, Maryland, which was enacted in 1974. The policy requires developments of more than 50 units to include 15 percent moderately priced dwelling units. Of that 15 percent, two-thirds are sold to moderate-income first-time homebuyers and the remainder can be purchased by the local housing commission or local non-profits for use in their affordable rental programs.