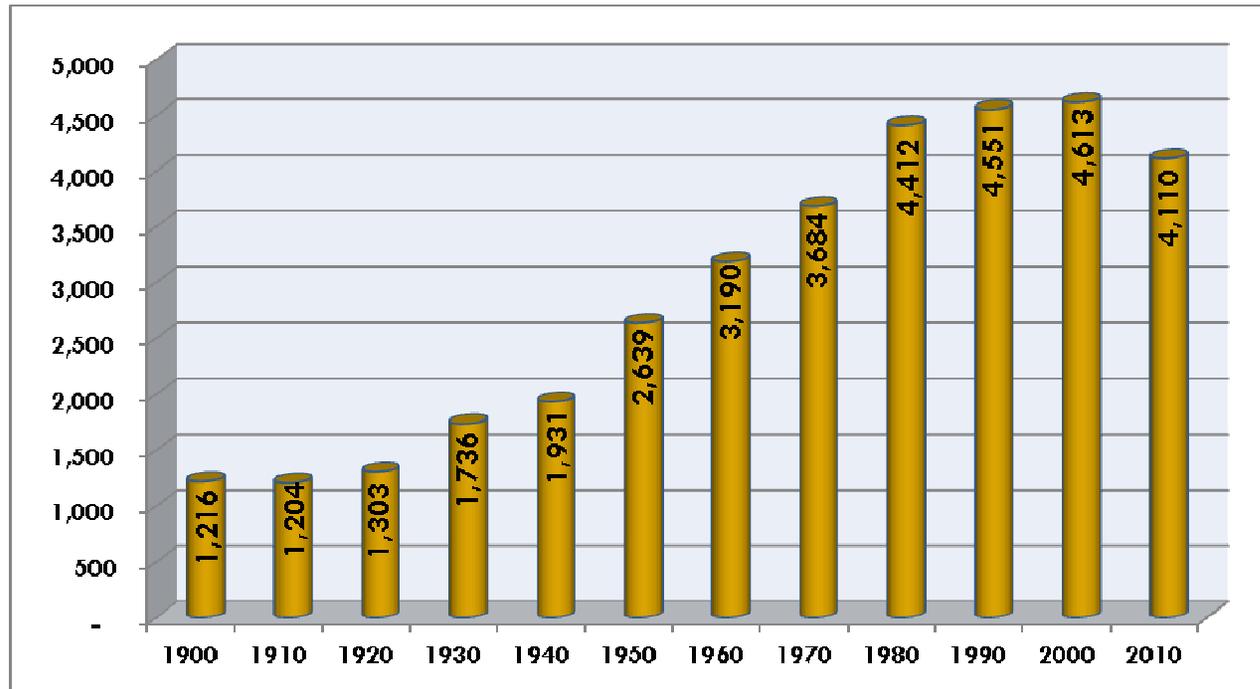




# CHAPTER 4 PEOPLE AND HOUSING

**Figure 4-1: Historic Population, City of Algonac, 1900 - 2010**



Source: U.S. Census Bureau; SEMCOG Community Profile for Algonac, 2013.

## INTRODUCTION

Information regarding present and projected population levels and characteristics is essential in the preparation of a master plan. Such information, related to the city's ultimate population holding capacity, will provide a basis for determining planning implications for transportation, education, health care, recreation, housing and the local economy.

In addition, population projections can provide an indication of the general rate of growth a community is likely to experience in the future. One of the primary roles of elected and appointed officials in Algonac is to effectively manage change. An analysis of trends affecting people and neighborhoods will help decision makers have a better understanding of the community as it works to manage change and implement policies that will carry out the master plan vision.

## POPULATION TRENDS

The identification of population trends taking place in the city will provide a comprehensive understanding of the people that historically and currently reside here. This information will contribute to the determination of the needs and requirements of specific demographic groups in the city and help formulate goals for managing change and development in the future.

For a small coastal community, Algonac experienced 80 years of steady population growth from 1920 to 2000. In fact, it gained population every decade during that time period. During the 30-year span from 1920 to 1950, the city saw its population more than double in size – an increase of roughly 103%. From 1950 to 2000, the population grew another 75%. Figure 4-1 shows the historic population for Algonac dating back to 1900.

Table 4-1 provides a comparison of population size and percentage of change from 2000 to 2010 for Algonac and the surrounding region. As seen in the table, Algonac lost 10.9% of its population between 2000 and 2010, which followed the general trend of population loss in neighboring communities and St. Clair County as a whole.

From 2004 to 2010, the state of Michigan experienced six consecutive years of population loss before holding steady from 2010 to 2011 and increasing slightly (+ 0.1%) from 2011 to 2012 – the state’s first increase in population since 2003-2004.

This population loss – both locally and statewide – can largely be attributed to Michigan’s struggling economy for much of the 2000s. The state experienced a “one-state recession” as the rest of the nation began to recover following an economic downturn in 2001. As the state spent several more years in a recession, another national economic downturn hit mid-decade, ending in June 2009. However, as the nation has been undergoing a slow economic recovery, Michigan’s recovery took even longer. The impact of the one-state

recession on local communities, including Algonac, led to deep employment losses in the automotive sector, leading to higher unemployment and a loss of income that crossed over into a housing crisis that decimated communities with a high number of foreclosures and loss of tax base. Algonac was not immune to these detriments. As people lost their jobs and, in many cases, their homes, they had to move out of the city to find employment opportunities elsewhere.

## POPULATION PROJECTIONS

The future land use plan is directly related to the 2040 population projections for the City of Algonac, making these projections one of the most significant steps in the planning process. The historical growth of the city can provide a basis for future estimates. These projections should be viewed as a guide for the master plan and not as an overarching goal. Thus, as Algonac examines its overall population growth, the future land use plan for the city can be accelerated or decelerated as the level of change determines. For example, if the level of population expected in Algonac in 2040 occurs by 2020, the future land use plan must be accelerated to

**Table 4-1: Population in Algonac and Surrounding Region, 2000-2012**

Jurisdiction	2000 Census	2010 Census	% Change 2000-2010	December 2012 Estimate	% Change 2010-2012
<b>City of Algonac</b>	<b>4,613</b>	<b>4,110</b>	<b>-10.9%</b>	<b>4,074</b>	<b>-0.8%</b>
Clay Township	9,822	9,066	-7.7%	8,763	-3.3%
Cottrellville Township	3,814	3,559	-6.7%	3,498	-1.7%
Ira Township	6,966	5,178	-25.7%	4,995	-3.5%
Marine City	4,652	4,248	-8.7%	4,121	-3.0%
St. Clair County	164,235	163,040	-0.7%	160,182	-1.8%
State of Michigan	9,938,823	9,883,640	-0.6%	9,883,360	-0.0%

Source: U.S. Census Bureau; SEMCOG Community Profile for Algonac, 2013.

meet the transportation, facility and public services needs of the population.

Population projections can be determined through various methodologies. The two projections used in this master plan to forecast future population in Algonac are as follows:

**Linear Growth Projection:** This method forecasts population growth which is modeled by adding a fixed amount each time period, based on a projection equation.

**SEMCOG 2040 Regional Forecast:** The Southeast Michigan Council of Governments (SEMCOG) develops a regional forecast for 233 local communities in Southeast Michigan every five years. SEMCOG's forecast provides a long-range and comprehensive view of future demographic and economic changes. It provides base data for updating the long-range transportation plan and other regional planning projects. Member communities use the data in planning for infrastructure and development needs. The SEMCOG projection for Algonac used in this master plan is based on data from SEMCOG's 2040 Regional Forecast.

A summary of the results of both population projections is set forth in Table 4-2. Given the uncertainty generally associated with

**Table 4-2: 2040 Population Projections for the City of Algonac**

Year	Linear Growth Method	SEMCOG Regional Forecast	Average Projection
2020	4,216	4,315	4,265
2030	4,323	4,528	4,425
2040	4,429	4,497	4,463

Source: Projections based on U.S. Census data, SEMCOG Regional Forecast and St. Clair County Metropolitan Planning Commission data, 2013

population projections, the most likely projection of Algonac's population can be obtained by averaging the results of the projections. According to these projections, the population of the city will reach 4,265 persons by 2020, 4,425 persons by 2030, and 4,463 persons by 2040. While this would represent a 10% increase in population between 2012 and 2040, it would still be 3.3% less than the 2000 population in Algonac.

The amount of population growth that takes place within Algonac depends on a variety of factors. These factors include the economy, lifestyle, commuting habits, housing availability, housing affordability, service delivery and other factors that influence quality of life. Many of these factors are beyond the city's control and others may only be slightly influenced by actions of the community.

## COMMUNITY BUILDOUT ANALYSIS

This section looks at the eventual outcome if Algonac continues to develop according to the current zoning map. This is called a buildout analysis. The projected eventual population that results from a buildout analysis is usually a surprise to local officials.

The St. Clair County Metropolitan Planning Commission performed a buildout analysis for the City of Algonac. The method for performing the buildout analysis was as follows:

- Within the county's Geographic Information System (GIS) framework, staff input zoning data into a zoning database, which included inputting residential densities for each zone in which residences are permitted in the city.
- Computers measured the area, in acres, of each zone in which residences are permitted.
- The area of known unbuildable lands (wetlands, frequently flooded areas, publicly owned lands, etc.) within each zone permitting residences was subtracted to find the number of developable acreage for each zone in the city.

- A potential number of housing units was then developed by multiplying the final buildable area by the number of units permitted per acre in each zone.
- The potential number of households was multiplied by the number of persons per household (based on census data for Algonac) to find the potential population at buildout. In Algonac, the average household size was 2.3 persons in 2010 Census.

Algonac has a buildout population of 11,580 persons if existing zoning is implemented as adopted. The 2012 estimated population is 4,074. The buildout population represents an increase of 7,506 (184 percent) over the 2012 population and 7,117 (159 percent) more than the projected 2040 population for Algonac.

Communities usually never reach the buildout population because of the following factors:

- A portion of the development in the future occurs at a lower density than the site could be developed according to zoning. This could be because the owner does not want to build at the maximum density, because access costs to vacant land are too high, because topography or soils limit further development, or because the market disappears for lots at the maximum density.
- Some portion of the land zoned residential is rezoned for another needed use or is developed in a permitted, nonresidential use.
- Portions of the land zoned residential are purchased for public use, such as for schools, parks or large infrastructure facilities.
- A portion of the land that has been built upon was developed at a density lower than its current zoning.

The following are factors that could push an eventual population closer to potential buildout:

- High demand for living in a particular community.

- High development costs that reduce the size of the lot that is practical to develop.
- Extension of sewer and water into undeveloped areas.
- Placement of regionally significant land uses (mall, school, industry, etc.) in or next to the community.
- Because of location or other factors, there may be demand to build at higher densities than zoned. Many communities face rezoning requests to increase density.

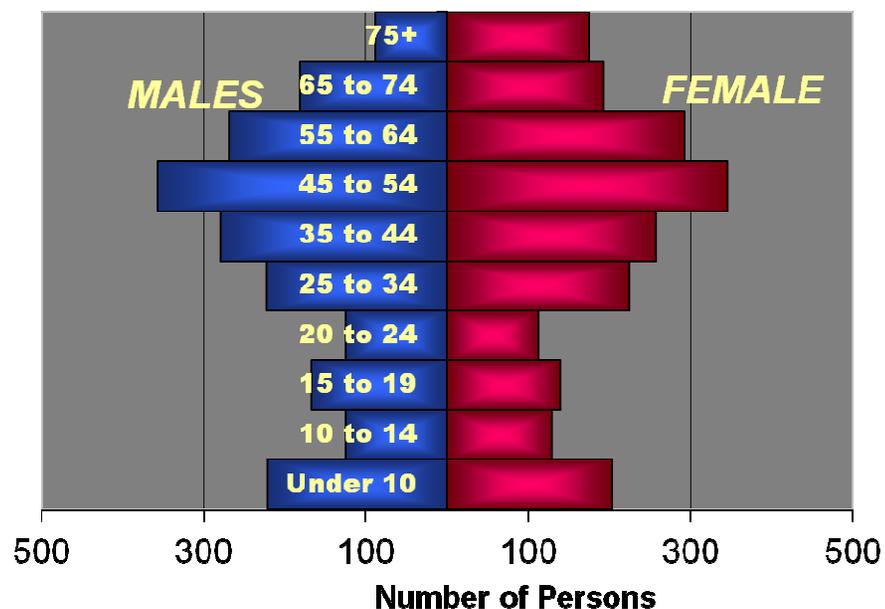
While a community may not reach a buildout population within the lifetime of those living in it now, the information is useful to local decision makers for the following reasons:

- It provides a sense of the effect of existing regulation and policy, and whether it matches community goals.
- For those communities in which a very large increase in population is estimated, it provides a sense of interim changes to the quality of life in the community, far in advance of reaching buildout.

## AGE AND GENDER IN ALGONAC

According to the 2010 Census, 49.6% of the residents in Algonac are male, while 50.4% are female. The median age of residents was 42.3 years in 2010. In 2010, 17.1% of the city's population was between the ages of 45 and 54, making that group the largest in the city. The next largest were the 55 to 64 age group, accounting for 13.7% of the population, the 35 to 44 age group, accounting for 13.1% of the population, and the 25 to 34 age group, accounting for 10.9% of the population. The majority of the residents of Algonac are in what is considered the "baby boomer" generation, which is comprised of persons that were born between 1946 and 1964. As the baby boomers move into their fifties and sixties in the next decade and their sixties and seventies in the following decade, there will be a significant increase in the already expanding elderly population. See Figure 4-2.

**Figure 4-2: Age-Sex Pyramid, City of Algonac 2010**



Source: U.S. Census Bureau, Census 2010

A key implication of Algonac’s aging population is the movement toward “Aging In Place,” which refers to living where you have lived for years, as opposed to living in a health care environment or nursing home. In short, aging in place allows elderly residents to live safely and independently in the home of their choice.

In addition to an increasingly aging population, one-quarter of Algonac residents are age 19 or younger, which suggests that, in addition to providing more services for the elderly within the community, the city may also need to target more services for its youth – including recreational and educational opportunities. An aging population in a community such as Algonac has numerous implications for long-range planning, including health care,

emergency services, transportation, affordable housing, recreation, and shopping.

There are very few residents between the ages of 20 and 24 in Algonac, which parallels the trend seen throughout the entire state of Michigan, which has experienced a “brain drain” of young people who often move out of state upon graduating from college. It also suggests that there are few younger singles, younger married couples, or college students living in the city. “Millennials” - also known as Generation Y - are the demographic cohort with birth dates ranging from the early 1980s to the early 2000s. Typically, they are the children of baby boomers and Generation X (those born between the 1960s and 1980s). Millennials are having an impact on communities nationwide due to their general preferences about where they want to live and what they like to do. Generally, millennials tend to move to a place they want to live prior to looking for a job, and they prefer more urban settings that offer opportunities for walking, bicycling, and other livability amenities.

## HOUSEHOLDS OVERVIEW

Between 2000 and 2010, the number of households in Algonac decreased by 115, or -6.1%. See Table 4-3. Census numbers show that St. Clair County as a whole added 1,769 new households during that time period, an increase of 2.8%. SEMCOG estimates that Algonac will have 2,016 households by 2040, an increase of 260 (14.8%) households from 2010.

There are many factors that can contribute to household growth in a community, including new family formation, families splitting into two households because of divorce, people waiting until they are older to get married, and people living longer after losing a spouse. Conversely, there are also factors that can contribute to fewer households in a community, such as increased unemployment and predatory lending practices that contribute to a higher foreclosure

**Table 4-3: Households Overview, City of Algonac, 2000 - 2040**

	2000 Census	2010 Census	Total Change 2000-2010	% Change 2000-2010	2040 SEMCOG Projection
<b>Algonac</b>	<b>1,871</b>	<b>1,756</b>	<b>-115</b>	<b>-6.1%</b>	<b>2,016</b>
St. Clair County	62,072	63,841	1,769	2.8%	78,486

Source: U.S. Census Bureau; SEMCOG Community Profile for Algonac, 2013



**Table 4-4: Owner- and Renter-Occupied Units, City of Algonac**

	2000 Census	2010 Census	2017 ESRI
Total Occupied Units	1,871	1,756	1,875
Owner- Occupied	1,399 (75%)	1,277 (73%)	1,345 (72%)
Renter-Occupied	472 (25%)	479 (27%)	530 (28%)

Source: U.S. Census Bureau; SEMCOG Community Profile for Algonac, 2013; ESRI, 2013.



**Table 4-5: Average Household Size, City of Algonac, 2000 - 2040**

Jurisdiction	2000 Census	2010 Census	Total Change 2000-2010	% Change 2000-2010	2040 SEMCOG Projection
<b>Algonac</b>	<b>2.46</b>	<b>2.33</b>	<b>-0.13</b>	<b>-5.3%</b>	<b>2.22</b>
St. Clair County	2.62	2.52	-0.10	-3.8%	2.40

Source: U.S. Census Bureau; SEMCOG Community Profile for Algonac, 2013



rate and deteriorating housing stock that cause households to seek out new places to live.

In 2000, 75% of the occupied housing units in Algonac were owner-occupied and 25% were renter-occupied. The 2010 Census data shows that 73% of occupied units were owner-occupied and 27% were renter-occupied (See Table 1-6). The increase in renter-occupied housing from 2000 to 2010 can be attributed to the statewide recession and struggling housing market. As more people have lost their homes to foreclosure, families have had to turn to rental housing. In 2010, just over 61% of all households in the city were family households (where all members of the household are related by birth or marriage), 45% were married-couple family households, and 17% were households headed by a single parent with no spouse present. Additionally, 28% of all households included children and over 28% included individuals age 65 or older. The average family size was 2.92 persons.

## BUILDING PERMITS

The city gained 20 new residential units from 2006 to 2012, all of

which were single family residences. However, during that same time period, there were three demolitions of residential units, giving the city a net loss of one unit. See Table 4-6. In most St. Clair County communities, the number of residential building permits issued has been steadily declining since 2000.

Due to the negative economic trends in the state of Michigan over the past half decade, the housing market in Southeastern Michigan has slowed considerably. This fact helps explain the decline in new residential construction. In addition to a struggling economy, gasoline prices have escalated, which may be contributing to the slowdown in new construction as residents find it necessary to reevaluate their personal budgets. Gas prices are also causing people to look for housing that is closer to their place of employment as longer commute times cost people more money.

## HOUSING MARKET OVERVIEW

During the latter part of the 1990's, interest rates – and therefore mortgage loan rates – were relatively low. This caused a growth in mortgage lending and a general decline in the number of renter

**Table 4-6: Building Permits, Algonac and Surrounding Communities, 2006 - 2012**

Community	2006	2007	2008	2009	2010	2011	2012	Total New
<b>City of Algonac</b>	<b>12</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>20</b>
Clay Township	27	18	7	7	6	4	12	81
Cottrellville Township	5	2	2	3	1	1	1	15
Ira Township	8	7	1	0	3	0	2	21
Marine City	5	0	0	0	0	1	0	6
St. Clair County	447	185	147	52	48	48	57	985

Source: SEMCOG Community Profiles, 2013

households, as even less-affluent households would be able to afford to borrow money to purchase a home. As noted above in the “Households Overview” section, as Algonac moved into the first decade of the 2000s, the number of owner-occupied housing units began to decline and the number of renter-occupied households started to go up. Those trends are linked to the local and statewide economy and longer-than-normal periods of high unemployment that the state experienced in the last half of the decade. Additionally, there has been a nationwide trend of increasing rental preference across all age cohorts.

The loss of jobs brought affected households a decrease in income and more families fell into poverty. The overall pattern of poverty in St. Clair County points to an urban emphasis, in that cities along the St. Clair River (Marine City, Algonac, Port Huron) have relatively high overall poverty rates. As less money is earned by residents, affordability pressures become higher as households struggle to meet shelter costs. Housing costs continue to increase, which is problematic for households near the bottom of the income distribution. As job loss



**Table 4-7: Sheriff's Deeds, Algonac and Surrounding Communities**

Community	2008	2009	2010	2011	2012	Total
<i>City of Algonac</i>	<b>60</b>	<b>58</b>	<b>52</b>	<b>48</b>	<b>42</b>	<b>260</b>
Clay Township	55	68	67	73	40	303
Cottrellville Township	27	23	30	18	19	117
Ira Township	42	30	30	16	19	137
Marine City	63	46	55	40	26	230
St. Clair County	1,182	1,170	1,199	1,211	874	5,636

Source: St. Clair County Equalization Department, 2013

in the county continues to increase, affected households have seen a decrease in incomes as a result. For more detailed information on employment and income trends in Algonac, see Chapter 5, “Economic Prosperity.”

In terms of the housing market, there were 261 single family homes listed for sale with an average listing price of \$123,070 in 2007. Of that total, 72 homes sold at an average sale price of \$95,621. In 2008, there were 229 listings for single family homes, with an average listing price of \$87,292. Of that total, 87 homes were sold at an average sale price of \$51,02. During those years – and into 2009 and 2010 – the housing market was difficult for sellers as foreclosures throughout city neighborhoods drove appraisals and sales prices down. Additionally, sellers came to expect that the home they were selling would be on the market for a long period of time.

Like other cities across St. Clair County and the state as a whole, Algonac experienced a large number of foreclosures from 2008 to 2012 – with a total of 260 properties sold through sheriff’s deeds in that time span. According to data supplied by the St. Clair County



*Blight is one of the primary concerns of residents who participated in the community visioning meeting on March 11, 2013. Overgrown grass, rotting structures, vacant and boarded up homes all adversely affect neighborhood character and contribute to declining property values.*

Equalization Department, the number of sheriff's deeds has been trending down since 2008. There were 52 sheriff's deeds in 2010, 48 sheriff's deeds in 2011, and 42 sheriff's deeds in 2012. Halfway through 2013, the city is on pace to have 34 sales by sheriff's deed, which would be a 20% decrease from 2012. See Table 4-7.

From 2009 through 2011, there was an average of 71 homes sold each year, with the low number of 63 sales through warranty deed in 2010. Warranty deed sales are regular home sales (not foreclosures). In 2012, home sales were on the rise, with the city seeing 82 sales that year. In the first six months of 2013, the city is on pace for 84 sales. Beginning in 2012 and continuing into the first half of 2013, the housing market is rebounding. Southeast Michigan in general is short on inventory due to a high buyer demand. Inventories will typically rise as interest rates begin to increase.

## NEIGHBORHOOD CHARACTER

Neighborhoods in Algonac were developed under the "Neighborhood Unit Concept," where the neighborhood is thought of as a self-contained residential unit which has all the necessary basic service facilities which promote self-containment. Earlier city master plans called for schools, parks and playgrounds to be centrally

positioned at the edge or corners of neighborhoods and, to be most efficient, to serve two or more individual neighborhoods. This development concept is evident in the central neighborhoods in Algonac. Algonac Elementary School is located along St. Clair Boulevard between Smith and Fruit Streets, within walking distance for many of the homes in that portion of the city. Additionally, there are six churches that are interspersed throughout the residential neighborhoods, further strengthening the Neighborhood Unit Concept.

Driving through the neighborhoods in Algonac, one will notice a diverse mix of architectural styles and sizes, including many homes that are historic. There is also diversity in the age of homes, with a variety of homes being built in the 1920s interspersed amongst homes built in the 1960s, 1970s and beyond. Homes are located on streets that are arranged in a typical grid pattern – streets that are lined with sidewalks and mature trees providing a canopy in many areas. However, in recent years, blight has become a pervasive issue in many residential parts of the community. The blight issue is significant in that it was repeatedly discussed during the community visioning meeting, as well as the local leadership survey that stakeholders filled out at the beginning of the planning process. Residents and local officials alike are aware of the presence of blighted properties and the impact those properties have on the surrounding neighborhood.



*The northeast section of the city is marked by a system of canals, stem streets, and waterfront residences.*

Anecdotal evidence, as well as a neighborhood drive-through, show that many homes have fallen into disrepair – particularly older homes that require more maintenance. The blight issue is one that was exacerbated with the foreclosure crisis and the economic recession. As people lost their jobs or earned less money, they did not have the monetary resources to invest in making improvements to their homes. As more and more homes were affected on any particular street, the character of entire blocks was adversely affected by disinvestment. On top of the condition of the structures themselves, properties have overgrown lawns or have junk and other materials stored on the premises. In some cases, blighted properties have the appearance of abandonment.

While blight is an issue affecting the city as a whole, Algonac is better characterized as having a multitude of beautiful homes of varying architectural design and age. This diversity in housing stock adds to the richness of character throughout city neighborhoods.

The northeast section of the city includes homes located on the many canals that line the coastline along the St. Clair River. This area, along the St. Clair River shoreline, along with the residential homes south of St. Clair River Drive in the southwest part of the city, is where the traditional neighborhood grid system disappears. Due to the canals and water features, streets in the northeast section of the city meander in various directions and include a number of stub streets that follow the system of canals or wrap around to provide access to waterfront properties.

Projections indicate that a preference for rental housing will continue to increase (see Table 4-4). Young professionals are more mobile than ever and employment centers often change in the global economy. Active mature adults and empty nesters that no longer have children at home are also choosing the lower maintenance costs and diminished responsibilities associated with rental properties.

Single-family homes that are converted into rental units can affect neighborhood character as well. It is imperative that landlords provide regular maintenance and upkeep on the home and the yard so that the property looks like any of the other homes on the street. The city may want to develop and implement a rental registration program to ensure that rental properties are well-maintained and contribute to, rather than detract from, the neighborhood.

## KEY TRENDS AND FINDINGS

- ➔ The city (and the region) has an aging population which will lead to a number of housing-related issues, primarily the need for new and more options for shelter and “aging in place.”
- ➔ Since the general trend in household size is that it decreases as the household ages, demand for smaller housing units targeted to seniors and “empty nest” households should increase steadily.

- The correlation between high education levels and high income (See Chapter 5) is well-established and, therefore, areas with high levels of attainment would also tend to be areas of higher levels of housing demand.
- Current trends show that some educated populations (young, single professionals, for example) demand different types of housing. A premium is placed on housing developments that have a distinctive pedestrian scale, with nearby opportunities for employment, recreation and shopping. Housing needs among these populations would tend to put a premium on mixed-use developments, lofts and other non-traditional housing alternatives.
- The steady increase in unemployment in Algonac and St. Clair County since the early 2000s has complicated the housing market in terms of two major factors. First, as job loss has occurred, affected households have seen a decrease in incomes as a result. Second, as less money is earned, affordability pressures become higher, as households struggle to meet shelter costs.
- Depending on its condition, the fact that a significant proportion of the city's housing stock is aged could prove beneficial from an affordability standpoint. As older stock tends to be more affordable, a plentiful supply of this type of housing should exist in most city neighborhoods. However, it is also true that older housing generally needs more upkeep, and perhaps some refurbishment to make way for modern amenities and floor plans.
- Table 5-3 in Chapter 5 shows that nearly 12% of Algonac's population and 8% of families fall below the poverty level. Poverty is an important consideration in looking at housing issues, since persons in poverty have less capability to obtain the shelter that they need, in terms of either size or location. Table 5-3 also shows that poverty among the senior population (roughly 16% of people age 65 or older) is a significant issue in the city.
- There are very few residents between the ages of 20 and 24 in Algonac, which parallels the trend seen throughout the

entire state of Michigan, which has experienced a “brain drain” of young people who often move out of state upon graduating from college.

- A preference for rental housing is likely to increase as active mature adults and empty nesters that no longer have children at home are choosing the lower maintenance costs and diminished responsibilities associated with rental properties. Additionally, young professionals and millennials are able to be more mobile in the new economy and are choosing to live in places offering walkable, mixed use developments.