

## **MI Affordable, Healthy Homes Proposal:** **Get the Facts**

**Michiganders across the state are paying more to rent, buy and live in their homes than ever before.**

- According to an independent report, the fair market value for [a two-bedroom rental in Michigan is \\$964](#) which means a Michigander making minimum wage would have to work two full-time jobs to afford it.
- Michiganders struggle to afford housing, and the effects of the pandemic on the market has only placed housing even more out of reach. [Half of Michigan renters and 14% of homeowners](#) are paying unaffordable amounts for housing (over 30% of their income).

**Utility bills continue to climb with energy costs increasing.**

- In Michigan, low- and moderate-income families on average spend [between 6% to a whopping 21% of income on energy bills](#). For example, a low-income family living in Grand Rapids making \$50,000 a year would spend between \$3,000 and \$10,000 on its energy bill.
- Heating costs are on the rise as methane gas prices increase. Experts project that heating your home could [cost 50% more than in past years](#) as energy prices rise.

**Our homes, schools, and businesses contribute greenhouse gas emissions that add fuel to the fire of climate change, and fossil fuel appliances contribute to poor indoor air quality and put the health of our families at risk.**

- As of 2019, Michigan's buildings and appliances accounted for [almost 18% of the state's total greenhouse gas emissions](#), the third highest-emitting sector after the power and transportation sectors. Most of these emissions are from using fossil fuels to heat and to cook with.
- [Two out of five homes on a typical Michigan block were built before 1960](#) and need energy-efficient updates, roof repairs, and remediation of toxins like lead and asbestos. Meanwhile, supply chain issues have driven up the price of new housing.
- In Michigan, [25% of homes](#) that were eligible for weatherization help couldn't access it because of structural challenges and toxins. This barrier is even higher in older communities like Detroit where that number is closer to 75%.
- We spend [90% of our time indoors](#) where there is little to no regulation of air quality. Often, indoor air can be more polluted than outdoor air.

- Gas appliances, like gas stoves, are a primary source of combustion pollution inside the home, especially when unvented. In comparison to homes with electric stoves, homes with gas stoves can have [50 to 400% higher-than-average nitrogen dioxide \(NO2\) concentrations](#).
- Children are at higher risk for the impacts of poor air quality due to their activity levels and because their bodies are still developing. A recent analysis showed that children in homes with gas stoves have a [42% increased risk of asthma symptoms and a 24% increased risk of being diagnosed with asthma](#) by a doctor than children living in homes with electric stoves.
- A 2017 study shows that air pollution from burning fuels in buildings lead to [an estimated 841 early deaths and \\$9.419 billion in health-impact costs](#) in Michigan.

**Investments in housing will increase the share of affordable housing in Michigan and will reduce utility costs and make existing homes more comfortable, eliminate greenhouse gas emissions, and improve indoor air quality.**

- For every \$100 invested in energy efficiency upgrades for our homes and business, we see [\\$300 in savings](#). On average, weatherization saves Michiganders [about \\$450 each year](#).
- As of 2020, replacing a gas furnace with a heat pump [reduced carbon emissions in 99% of US households](#), including Michigan.
- [According to research](#), at least 39% of Michigan households—or 1.5 million—could save a total of \$710 million a year on energy bills if they were using modern heat pumps, space heaters, and heat pump water heaters instead of their current electric resistance, fuel oil, or propane appliances. That’s an average savings per household of \$460 each year. Half of the households with immediate savings potential are considered low- and moderate-income.
- Because of [the age of Michigan’s housing stock](#), many homes lack exterior wall insulation, have leaking windows and are drafty. Having an airtight home dramatically improves comfort by reducing unwanted temperature variations. Building envelope improvements also protect residents against the extreme weather events we are already experiencing due to climate change.

**The [MI Affordable, Healthy Homes proposal](#) is a comprehensive set of budget investments that will ensure all Michiganders have access to affordable housing options that are healthy, protect us from the elements, and combat climate change.**

- Our proposal calls on decision makers to invest \$1.65 billion in existing federal COVID-19 and infrastructure dollars, along with state funds, to build new, affordable housing and renovate existing homes.

- The proposal complements and builds off the Michigan State Housing Development Authority's first [statewide housing plan](#), which calls for Michigan to increase the supply of safe, affordable, and attainable housing.
- The MI Affordable, Healthy Homes proposal includes \$300 million to provide gap funding and increase the amount of affordable housing in Michigan. This investment would help Michigan build approximately 11,000 to 15,000 new multifamily and single-family homes.
- About 10,000 existing, subsidized, affordable rental homes in Michigan are at risk of being lost in the next five years since they will reach the end of their Low Income Housing Tax Credit agreement and could revert to market rate. Our proposal will enable the state to keep around 1,000 existing units affordable for another 10 years.
- The proposal also calls for investing \$1 billion in a whole home retrofit program that will improve quality, safety, and affordability of existing affordable and low-income housing.
  - This investment will fix roofs, plumbing, and address toxins like lead and asbestos in approximately 20,000 Michigan homes.
  - It will fix drafty windows and missing insulation in 24,000 Michigan homes, saving the average family \$840 each year on its utility bill;
  - It will electrify 10,000 homes, eliminating harmful indoor air pollution from fossil fuel appliances.
  - It will enable just over 5,000 low-income Michiganders to purchase solar for their property.
- As the Michigan Legislature negotiates the state's budget, it is critical lawmakers seize this opportunity to transform Michigan's housing stock and tackle the many challenges facing Michiganders as they seek housing.

## **Investing in homes will create economic development opportunities for Michigan businesses and workers.**

- Prior to COVID-19, Michigan's clean energy sector supported [more than 125,000 jobs](#), with 68% of those jobs in the energy efficiency sector.
- A recent report on impacts of electrification on all 50 states found that electrification alone [would create 7,500 installation jobs in Michigan](#).
- The MI Affordable, Healthy Homes proposal includes a \$50 million investment in training, attracting, and retaining building sector and construction workers. It would devote \$45 million to paying new workers as they learn on the job and to keeping skilled workers in Michigan. This amount of money could offer 8,000 Michigan workers on-the-job training and offer another 1,000 retention bonuses. A further \$5 million would fund a new decarbonization accelerator training program to help contractors keep on the cutting edge of heating and cooling technology.

\*\*\*All estimates on the impacts of the MI Affordable, Healthy Homes proposal are based on calculations done by Michigan Environmental Council staff with the input of experts and practitioners.

Compiled by the [Resilient Homes Michigan Coalition](#).