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A Framework For

Housing Choices

In Northwest Michigan



**FRAMEWORK
FOR OUR FUTURE**

A REGIONAL PROSPERITY PLAN
FOR NORTHWEST LOWER MICHIGAN

2014 REPORT

DRAFT

A *Framework for Housing Choices in Northwest Michigan* was prepared as part of the *Framework for Our Future: A Regional Prosperity Plan for Northwest Michigan*, a regional resource for local governments, community organizations working to meet local goals. The *Framework* was developed as part of Michigan’s Regional Prosperity Initiative, as initiated by Governor Rick Snyder and signed into law as a part of the FY 2014 budget. The Regional Prosperity Initiative encourages local private, public, and non-profit partners to identify regionally aligned growth and investment strategies for the State of Michigan to support, not the other way around. It also provides the framework for streamlining state services and highlighting the regionally defined goals and strategies that will further Northwest Michigan’s success.

The *Framework for Our Future* includes information and tools that can help stakeholders address issues such as housing, transportation, land use, energy, arts and culture, workforce and economic development, community health, food and farming systems, and natural resources. Data and information will help communities supplement their local deliberation,

planning, and decision-making processes, and will help to identify the steps a community can take to address a local issue, if desired.

The *Framework for Our Future* was developed by the Northwest Michigan Council of Governments (NWMCOG) with input and partnerships from a variety of community stakeholders and members of the public. An intensive community outreach process featured a wide variety of opportunities for participation from the public: events, surveys, focus groups, online forums, and public discussions were held region-wide throughout the process. Outreach activities and engagement opportunities included a series of community dialogues, interviews, and other events designed to obtain input from individuals with disabilities, minorities, youth, those in poverty, and others that have historically been underrepresented in planning processes. Public input was used to identify priority community issues and concerns, and to help develop goals, strategies, and actions.

The goals, strategies, and actions included in the *Framework* were built upon public input heard throughout the process, as well as on existing

and adopted goals from local plans and planning initiatives. Strategies are not intended as recommendations, nor do they supersede and local government decision-making. Moreover, the *Framework* is not intended for, nor shall it be used for, infringing upon or the taking of personal property rights enjoyed by the residents of Northwest Michigan. Rather, the information included in the *Framework* is instead intended to serve as a compilation of best practices to help guide local decision-makers who would like to address the issues identified in the *Framework*.



FRAMEWORK FOR OUR FUTURE

A REGIONAL PROSPERITY PLAN
FOR NORTHWEST LOWER MICHIGAN

Let Our Resources Work For You.



In This Report

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➔ Housing Choices: Introduction

Housing is one of our most basic needs: where we live affects our health, our budgets, our access to opportunity, and our quality of life. Without safe, adequate, affordable housing, individuals face serious challenges in meeting other needs related to health, nutrition, transportation, employment, and education.

When many residents struggle to meet their housing needs, impacts are felt throughout the community—on its roads, as residents commute farther between work and home; in its schools, which struggle with declining enrollment as young families leave communities to find more affordable housing; and in its businesses, which lose customers when residents have less disposable income because of high housing costs.

Ensuring an adequate supply of housing choices for residents is a key element of the *Framework for Our Future*. With an adequate supply of housing choices, all residents—including working families and individuals, disabled individuals, seniors, and low income households—have quality homes that they can afford. These housing choices could include traditional homes on large yards or in the country. They could include homes on small yards in town, apartments and townhomes, or housing that includes barrier-free features that make homes accessible to those with disabilities. But no matter where the homes are located, and no matter what size, they should meet both the financial and physical needs of existing and future residents.

However, many communities struggle to meet those different housing needs. Shortages of affordable housing exist throughout the region, and many families must live far from jobs, schools, or shopping in order to find homes they can afford—requiring long commutes into town that result in high transportation costs. Many households



With an adequate supply of housing choices, all residents have quality homes that they can afford.

also struggle with deteriorating housing or homes with high energy costs; and a focus on large-lot single-family home development has limited the types of homes available, which results in fewer housing choices for small households, the growing number of seniors in the region, and those with disabilities. And, finally, an inadequate supply of affordable and supportive housing contributes to a growing homeless population.

The region is served by public agencies, nonprofits, and private sector interests that strive to address the full spectrum of these housing shortages, needs and challenges, from homelessness to homeownership. Local and regional non-profit organizations work to build and manage emergency shelters, quality long-term affordable homes, supportive housing units, and a variety of rental assistance programs. Local and county governments have contributed to housing efforts by updating zoning ordinances, providing development tools, and partnering with housing providers to meet needs. Developers and other private sector interests, meanwhile, have made enormous contributions to meeting

affordable housing needs, through private tax-credit-based projects, market rate housing, and partnerships with private and public agencies. And, finally, in all of these efforts, state and federal housing agencies have been essential partners: the Michigan State Housing Development Authority (MSHDA), US Department of Housing and Urban Development (HUD), and US Department of Agriculture (USDA) Rural Development have provided critical financial and technical support in developing and providing affordable housing over the years.

But, despite the dedicated efforts of these many organizations, a number of barriers persist in preventing providers from meeting changing and increasing housing demand:

- High land costs, complex development processes, and limited infrastructure limit options for affordable housing development in key areas.
- Deteriorating housing issues are often not addressed by local policies.

- Limited capacity and funding for nonprofit housing activities severely restricts local nonprofits' abilities to meet demand.
- Some planning and zoning policies raise the costs of housing and limit the types of housing that is available in some communities.
- Lack of awareness of housing issues and needs, among both

the public and policy makers, sometimes contributes to opposition to housing efforts that can curtail or shut down new affordable housing development.

Addressing these challenges and meeting our region's housing needs will require long-term commitment from many stakeholders—public, private, and nonprofit. *A Framework*

for Housing Choices in Northwest Michigan identifies some of the various roles and potential activities for all these stakeholders as they work to meet our communities' diverse housing needs.

Data in this report was derived from the county housing inventories conducted in 2014 as part of the *Framework*.

➔ Housing Diversity: Choices For A Changing Population

The type of housing that a community needs is driven in large measure by the age, income, employment, household size, and other characteristics of its population. These basic population indicators affect individual decisions about the price, type, location, and size of the housing that residents choose to live in, and about whether they rent or own their home.

In Northwest Michigan, population trends are changing the face of housing and demand; and the housing stock available in many communities may not reflect the changing needs of residents. Home construction in Northwest Michigan has been historically focused on single-family homes, often built on large lots in rural areas. But, as our population ages, family size declines, and economic issues continue to constrain many households, a larger variety of housing types will be needed. Small homes, rentals, accessible housing, and senior housing are all now in short supply, with demand for these units expected to increase.

Household Characteristics

The number of families in Northwest Michigan has declined significantly over the last ten years, as seniors increase as a percentage of the population. Throughout the region, population growth is occurring almost entirely among those over age 55, while the numbers of those

under age 45 are declining. As the numbers of residents age 60 and up increase at a substantially higher rate than Michigan's older population as a whole, the number of young people in the region has declined (see chart on page 5). Between 2000-2010, while the region suffered the consequences of a severe statewide recession, the number of individuals aged 25-34 declined substantially, as many residents left the area due to economic pressures or unemployment. Because this age group includes the heads of many young families, the numbers of both families and individuals under age 18 also declined (see chart on page 5).

As the numbers of families decline, households change in other respects as well. Older households tend to be smaller, with many seniors living in either single-person or two-person households. This trend drives demand for smaller homes and multifamily housing like apartments or townhomes. While single family homes will continue to make up the majority of the region's housing stock in the coming years, the short supply of other types of housing means that many seniors and other small households struggle to find homes that meet their needs.

Rentals

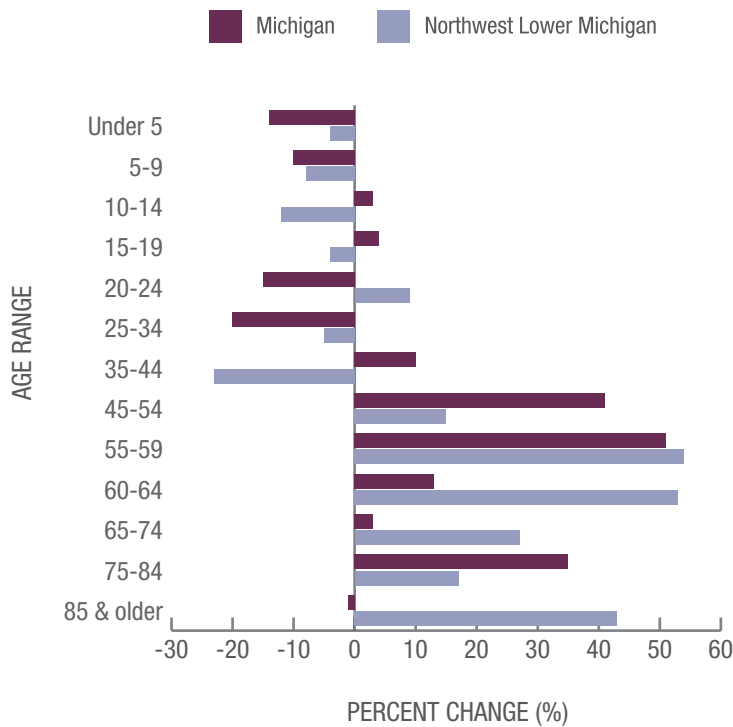
While homeownership remains a high priority for many Americans, rental demand is expected to outpace growth in homeownership in the

near future. Economic conditions—including foreclosures—have had personal credit impacts that prevent some individuals from purchasing homes. In addition, many younger households experience difficulties with heavy student loan debt or a tight job market, impacting their ability to afford or purchase a home; and nationwide surveys and studies indicate that many seniors expect to sell their homes and live in rentals.¹ These trends have created pressures on the rental market, increasing both the demand and cost for rentals. Residents and stakeholders throughout the region report serious difficulties among all age and income groups in finding adequate rental housing, with a particular emphasis on small rental shortages. Lower-income households have added difficulties in finding adequate rentals, as the shortage of rentals in all price ranges leaves many lower-income households competing for affordable rentals with higher-income households.

Accessible Housing

Accessible or barrier-free housing is needed by anyone who currently experiences, or who may experience in the future, a disability. Despite significant numbers of disabled residents, particularly among American Indian and senior populations, there is very limited availability of accessible units throughout the region. Data indicates that only a small proportion of rentals

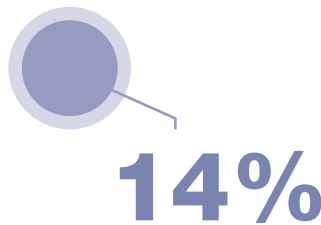
CHANGE IN POPULATION BY AGE COHORT, 2000-2010



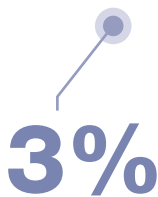
Source: 2010 U.S. Census



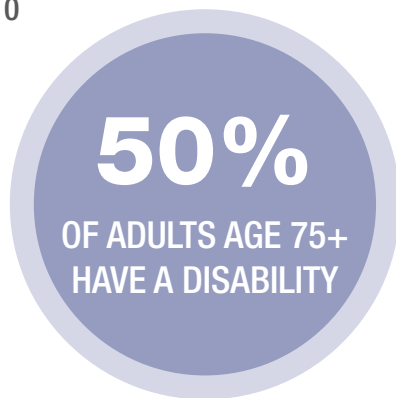
24%
INCREASE IN POPULATION
AGED 75+, 2000-2010



14%
OF INDIVIDUALS IN
TRAVERSE CITY & CADILLAC
REGIONS HAVE A DISABILITY



3%
OF RENTAL UNITS
ARE BARRIER-FREE
OR ACCESSIBLE



50%
OF ADULTS AGE 75+
HAVE A DISABILITY

Source: Disability data from the American Community Survey. Barrier-free data from analysis of Michigan State Housing Development Authority data.

Housing Data

A variety of housing analyses and reports were developed in order to provide context and data for the *Framework for Our Future*. These reports are available as resources for communities, nonprofits, the private sector, and others working to understand and address local housing needs.

Housing Inventories

Housing reports were prepared by NWMCOG for all ten counties in Northwest Michigan, to provide the informational foundation for a the housing component of the *Framework for Our Future*. The inventories provide an overview of housing affordability, type, and condition, as well as information on related factors such as energy and transportation costs, vacancies and foreclosures, and homelessness. Documents are available online at www.nwm.org/rpi

Target Market Analyses

A residential target market analysis is available for each county in Northwest Michigan. These reports include specific recommendations relative to market demand for various types of housing, based on demographic characteristics, for communities in each county in Northwest Michigan. These market recommendations present important opportunities for attracting new housing development and investment to the region. Target market analyses are available online at www.nwm.org/rpi

in the region include accessibility features, and stakeholders report significant challenges and long wait times for disabled individuals that are looking for accessible rentals. And, because many seniors experience disabilities, demand for accessible or barrier-free rental units is expected to grow as the senior population increases.

Senior Housing

Seniors are the fastest growing population group in the region, and the proportion of seniors as a percentage of the population is expected to continue to increase: in addition to natural age increases as the Baby Boomer generation reaches retirement age, positive press about the region's desirability as a retirement destination continues to attract retirees. These factors are contributing to growth rates among the senior population that are nearly double the increases among the senior population statewide.

While there are a variety of options available for senior housing in the region, service providers report that senior housing demand—particularly demand for affordable senior homes—is growing as retirees relocate to the area.

Supportive Housing

Supportive housing refers to housing that is linked to support services such as mental health care, substance abuse treatment, employment or job training assistance, or other services that support independent living. Supportive housing is made affordable to residents through rental vouchers or housing subsidies.

A number of housing providers work to provide long-term supportive housing in Northwest Michigan, including housing commissions, the Northwest Michigan Community Action Agency, Goodwill, Northwest Michigan Supportive Housing, and Addiction Treatment Services. However, input from focus groups, community discussions, agencies,



The quality and condition of housing can significantly impact the physical and economic health of residents.

and the public indicates that the number of housing units available is not adequate to meet the demand demonstrated by waiting lists and requests for assistance. Waiting lists for supportive housing assistance can range up to several years, and even when renters are able to obtain assistance, renters and agencies struggle to find rental units that are affordable and adequate. Shortages and need are emphasized in rural counties, which typically have very limited supportive or transitional housing services. The need for additional supportive housing has also been stressed as a means to address the region's growing homeless population, as supportive housing has been shown by many studies to provide long-term, cost-effective, and successful solutions to homelessness.

Migrant Housing

Migrant housing makes up a small percentage of the region's housing stock, but several counties—Leelanau, Grand Traverse, and Benzie—have several hundred units that are needed to house migrant and seasonal farm workers. The 2010 Michigan Report on the Conditions of Migrant

and Seasonal workers reports a number of issues with migrant housing statewide, including reports of substandard and overcrowded conditions. The report also indicates that local government restrictions may prevent upgrades to or replacements of aging migrant housing units.

Housing Condition

A home that is in poor repair, unsafe, unsound, or of poor quality can result in health and safety hazards, financial burdens, or housing instability. Public input heard throughout the *Framework for Our Future* process stressed the challenges associated with poor-quality housing in the region and identified substandard or poor-quality housing as a primary concern during public input and social equity discussions.

In Northwest Michigan, where shortages of affordable housing exist in many employment centers, many lower-income residents look for housing in rural areas, where homes are cheaper. However, many of these more "affordable" homes may cost less because they're aging, deteriorating, or of poor quality. Rather than being cheaper over the long run, poor-quality, deteriorating, and physically inadequate

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housing can come with added financial costs and can affect the health and well-being of household residents.²

Poor-quality or substandard homes can create serious health concerns, negatively affecting our most vulnerable populations—seniors, children, and the disabled. It has been shown to increase residents' exposure to allergens, indoor air pollutants, and exposure to extreme temperatures, which in turn can lead to the development of chronic and infectious diseases. Studies have also shown that substandard housing can negatively impact the educational attainment of children, and housing

issues such as the lack of plumbing or inadequate heating have been cited by local agencies as contributing factors in child welfare cases.

While most of the region's housing stock is in good condition, local tax data and American Community Survey data show that hundreds of homes in the region experience serious physical issues or are deteriorating, and stakeholders throughout the region identify deteriorating homes as a primary housing concern. For renters living in substandard housing, options for repair or improvement may be limited. Escrow accounts may be used by

some renters to address needs for housing repair or rehabilitation, but renters may lack the awareness or expertise needed to establish escrow or bring legal action for neglect of rental housing issues. Further, due to the pressures of a tight rental market, many renters may not press landlords on needed repairs, out of fear that they may lose their housing. Often, these homes may be the only option for many low-income households that can't find safe or adequate homes that they can afford.

Alternative Senior & Supportive Housing Models

As our population ages, innovative approaches to senior housing can help individuals 'age in place', that is, to remain independent in their homes and communities as the age. These approaches include; co-housing, senior villages, collocated housing and services, and normally occurring retirement communities.

Housing Inventories

Co-housing

Co-housing refers to a housing community that is collaboratively owned and managed in order to foster community interaction. Homes may be clustered around shared facilities that provide jointly purchased or managed services; or suites in a common house can be offered to individuals willing to provide on-site services.

Co-located housing & services

Co-located housing and service models allow developments to provide social services on-site or nearby. Service providers may choose to locate near certain residential developments because of demand; or they may occur through outreach by residents or property managers.

Villages

Senior housing villages provide fee-paying members access to services that allow them to remain in their homes and communities as they age. Small staffs and volunteers coordinate the services, while members oversee management of the village organization.

Naturally occurring retirement communities

Naturally-occurring retirement communities are developments or neighborhoods in which older adults make up a large share of the residents. Such communities are not initially developed to serve an older population, but the communities develop as residents have aged in place. These communities present a natural venue for the efficient delivery of services. Residents and property managers may collaborate with nearby service providers to develop programs that address the needs of aging populations.

Opportunities: Housing Diversity

Both the quality and the type of the region's housing choices are directly linked to local plans and ordinances. Zoning ordinances define where, what type, and how much of housing is built. In Northwest Michigan, local zoning ordinances focus overwhelmingly on the construction of single-family homes; many ordinances also require large lot development throughout much of their jurisdiction. Without regulatory support for smaller and more diverse housing types, it will be difficult for communities to meet the needs of their changing populations. Additionally, local policy can impact the quality of housing, through measures including blight ordinances, rental inspection codes or ordinances.

Local plans and zoning ordinances—which define where, what type, and how much of housing is built—are key in adding to the diversity of a community's housing stock. To diversify housing stock, communities can consider zoning changes that, for instance, allow multi-family

living in their homes; and alternative models for senior housing, such as co-housing, offer more diverse options for living independent senior living (see sidebar on page 7).

Housing design and accessibility features are largely driven by construction codes and private developers or builders. However, nationwide, some cities and counties have mandated minimum access requirements, such as wider door and hallway widths, in their construction codes, while states including Kansas, Minnesota, Florida, and Vermont have passed statewide legislation addressing accessibility needs. Other, non-regulatory options include creating or enhancing programs for retrofits that will provide barrier-free features to existing homes.

Migrant housing, which is regulated by the State of Michigan, is not subject to county construction codes or enforcement. However, local governments can help to ensure that farmers and others are able to provided

The quality and type of the region's housing choices are directly linked to local plans and ordinances.

housing construction such as apartments or townhomes; create opportunities to add small homes to existing neighborhoods, through techniques such as cottage zoning or accessory dwelling units (see sidebar on page 13); or plan for higher densities in areas with infrastructure and good access to nearby services or jobs.

Community-led initiatives and policies can also help to address housing concerns for specific population groups, such as seniors and the disabled. Nationwide, many communities are preparing for the needs of a growing senior population through zoning and other policies that can help seniors to "age in place," that is, allow them to remain in their own homes for as long as possible. These policies focus on the ability of seniors to easily meet their daily needs, through transit, pedestrian connections to services, and new home designs that provide barrier-free access. Some community-led initiatives are helping seniors to remain in their homes through programs that provide in-home services such as help with home maintenance and repair, personal care, or medical assistance. Additionally, new health care models are designed to provide care via networks of health care professionals and other service providers for seniors

adequate homes for migrant and seasonal farm laborers by addressing migrant housing in their zoning ordinance.

While housing inspection, rental inspection, and blight ordinances exist in some communities, inspections and enforcement activities are largely complaint-driven and may not address or identify a significant number of homes. The situation is especially difficult when the property is a rental: currently, rental inspection ordinances exist only within several cities regionwide, leaving little recourse for renters or residents in other communities that are living in substandard or deteriorating homes. Enacting rental inspection ordinances in other communities—particularly in those with higher numbers of rentals and/or deteriorating homes—may provide some recourse for renters while improving the quality of homes in the community. Additionally, communities can also take advantage of a variety of home repair or rehabilitation programs available through state or federal funding sources, that provide low-interest loans or grants to homeowners and property owners that are working to improve housing units.

➔ Housing Affordability: Choices for Our Workforce

The term “affordable housing” means many things to many people. It is often used to refer to homes that are affordable, either at market rate or through subsidies, to lower-income households. However, at its simplest, the phrase “affordable housing” simply refers to housing that costs 30% or less of a household’s income. This means that the cost of an affordable home varies depending on a household’s income: an affordable home for a family earning \$100,000 per year will be substantially more expensive than a home that is affordable for a household earning only \$20,000 per year.

The *Framework for Our Future* reviewed housing affordability for all parts of the community, with a special emphasis on lower-income households and those in poverty.

Public input heard throughout the *Framework* process emphasized the issue of affordable housing shortages for low- and average-income households in all parts of the region, and the impact of these shortages on working families and individuals in poverty. Data analysis underlines this public input, and further points to shortages of both rental and homeownership affordable housing for a wide spectrum of the region’s residents, particularly for lower-income households. Low-income households make up an important part of the region’s workforce—including many of those working in the region’s tourism or service-based industries—but many of these households confront significant challenges in finding affordable housing. But, even average- or moderate-income households in many communities struggle to find homes that they can afford.

Owner-Occupied Homes

While owner-occupied housing units are affordable to an average household in some parts of the region—primarily in rural counties—many moderate- or

8,356 LOW-INCOME HOMEOWNERS

5,609 HOMES AFFORDABLE TO THOSE EARNING LESS THAN \$20,000

5,085 LOW-INCOME RENTERS

2,095 HOMES AFFORDABLE TO LOW-INCOME RENTERS

Source: Data from 2010 American Community Survey

lower-income households struggle to find homeownership opportunities that they can afford, particularly in or near employment centers. And, even homebuyers earning average incomes are priced out of the housing market in many counties and communities throughout the region. Affordability issues are particularly pronounced in the region’s cities, villages, and shoreline communities—which provide many of the region’s employment opportunities.

When homebuyers can’t afford to purchase homes in or near employment centers, many “drive til they qualify” - that is, relocate to more rural areas with cheaper homes. But, because these locations are far from employment centers, these cheaper homes often come with longer commutes, higher transportation costs, and

higher heating or utility costs.

Rental Housing

Rentals, too, are out of reach to low-income households throughout the region, with even average-priced rentals unaffordable to most renters. Extremely low income households (those earning \$20,000 or less per year) confront extreme shortages of rentals that they can afford, forcing them to rent more expensive homes and in turn reducing the availability of affordable housing for other income groups. Large majorities of low-income renters currently live in unaffordable housing. While rental assistance is available through some state and federal programs, high demand and limited funds mean that wait times to access that assistance can be up to several years long. In addition, high demand for rental housing

in Northwest Michigan creates an added pressure on all renters, but particularly those with fewer financial resources. With stiff competition for rentals throughout the region, many “affordable” rentals are occupied by higher-income households and lower-income households that struggle to provide security deposits or pass credit checks often can’t compete with higher-income households for available rentals. In addition, projections indicate that significant percentages of future rental households are expected to be earning low or moderate incomes, exacerbating affordability shortages in the future.

Shortages of affordable rental housing have far-reaching community impacts. Employers in some communities are reporting difficulties in finding workers, due in part to the lack of affordable housing and rental choices. Homelessness needs have also increased, as many individuals struggle with issues connected to finding, affording, and maintaining stable housing situations. Stakeholders report that even when housing assistance or income is available to help transition individuals out of homelessness, the needed rental housing is not available.

Creating Affordable Housing

The need for affordable housing in all communities in the region has been well-documented by local and regional studies, and the need is emphasized by public input in all parts of the region. Providers of housing services cite long waiting lists to access affordable housing units or vouchers, as need increases while the funding available for housing assistance programs declines.

Creating more housing stock is a priority expressed by many communities throughout the region; but the solutions to affordable housing issues are complex. Local policies have major impacts on the type, location, and amount of housing that’s built in a community, and can work



Affordable housing integrated throughout the community can strengthen businesses by allowing potential workers to live close to places of employment and can give lower income workers the opportunity to decrease excess spending on transportation costs and travel time.

to either encourage or discourage new affordable housing development. In some communities, local policies discourage the types or scale of housing development that could help correct affordable housing shortages; and complex development processes and high costs for land limit options for builders and developers.

Funding and development capacity are perhaps some of the most significant barriers to creating more subsidized affordable housing. The region is served by only several housing nonprofit developers, all of which operate with limited capacity that is directly linked, in many cases, to their ability to obtain state and federal funding. Limited organizational capacity and lack of funding resources create difficulties in meeting the region’s rising demand for affordable homes, even when local policies support the construction of new affordable and moderately-priced homes. Many affordable housing providers struggle to meet funding needs in the face of rising demand and policy changes associated with funding. State and federal funding for rural areas is declining, while demand

rises; and stiff competition, policy changes, and grant administration requirements result in an increasingly difficult financing environment.

Oftentimes, affordable housing initiatives are limited by more than just policies or funding. Stereotypes of affordable housing often give rise to public opposition of new housing initiatives, preventing new homes from being built or even new policies from being adopted by a local community. Input received from local government stakeholders indicated that public opposition plays a large role in the ability of local governments to plan and zone for affordable housing.

Housing & Poverty

With shortages of affordable housing even for a household earning an average income, lower income households and those living in poverty face even greater challenges. Data, focus groups, surveys, community dialogues, and discussions held throughout the *Framework for Our Future* process identified a variety of housing issues that are faced by those living in poverty.

- There are limited rental options in small villages and rural areas; while the high costs of housing near employment centers leave many residents without access to adequate housing.
- Rentals that are available are typically priced within the range of \$650-\$800; these homes are often occupied by individuals or families with higher incomes, leaving lower-income households with fewer options.
- In shoreline communities, where many homes are seasonal, rentals may be available during the winter months, but tenants must move in the summer months.
- In some cases, rental access is limited by a potential occupant's credit, work history, prior evictions, or criminal record. These residents have very limited options and may end up living in substandard housing or with friends or family; in some cases, these conditions may contribute to homelessness.
- Housing for residents with no incomes is also a major barrier, due to limited resources and vouchers that can provide assistance with rental costs. Waiting lists can range from 6 months to several years, leaving those in need with few options for housing assistance.

For lower-income residents that would like to purchase a home, credit requirements act as a barrier, particularly for those with seasonal income. And for homeowners, assistance with mortgage payments is not available until, in many cases, it's too late to prevent the initiation of the foreclosure process.

Other region-wide housing difficulties include the high transportation and energy costs associated with much of the region's "affordable" housing. Much of the region's "affordable" housing is located in areas far from employment, services, and infrastructure. Residents of these areas need private vehicles or transit to access jobs or services; and transportation costs are typically higher in these areas due to longer drives to access those jobs or services. When households are already spending 50% of their income or more on housing alone, high transportation costs can be financially crippling. Transit is a poor choice for many residents in these areas, due to limited availability of bus service and lengthy travel times. For those without a vehicle, transportation to and from appointments, employment, shopping, and services can be a significant challenge due to limited transit options. Further, many of these areas lack access to natural gas infrastructure, forcing a dependency on delivered fuels such as propane. Costs for propane can be as much as three times the cost of natural gas heat, particularly in Antrim and Kalkaska Counties, where propane is the predominant heating fuel.

65 

HOURS A MINIMUM-WAGE WORKER WOULD NEED TO AFFORD AN AVERAGE RENTAL IN NW MICHIGAN

\$12.19

HOURLY WAGE NEEDED IN ORDER TO EARN ENOUGH TO AFFORD AN AVERAGE RENTAL IN NW MICHIGAN

\$25,360

ANNUAL WAGE NEEDED IN ORDER TO EARN ENOUGH TO AFFORD AN AVERAGE RENTAL IN NW MICHIGAN

Opportunities: Housing Affordability

A wide variety of community-led and policy-based strategies are being used locally, regionally, and nationwide to address affordable housing need. While there is no single solution or silver bullet to the issue of affordable housing, a cohesive community-led approach that includes a variety of strategies can help to meet increasing need.

A foundational activity for any planned affordable housing activities is that of identifying public concerns around affordable housing and addressing negative stereotypes. Often, these stereotypes are based on inaccurate information around the potential impacts on property values, crime, or traffic. Many residents are also often concerned about the aesthetics of affordable housing. However, affordable housing today is carefully designed and managed, and often can't be distinguished from neighboring homes or apartments. Further, a number of national studies have indicated that contrary to having a negative effect on property values, affordable housing development can spur investment and increase property values.

In addition to planning and zoning changes, communities can also help to support funding needs, through tools such as housing trust funds. Housing trust funds dedicate local, public funds to local housing programs. These funds are typically more flexible than other sources of funds, and are designed to address a community's specific housing needs.

A number of opportunities may also exist to expand or enhance the capacities of local nonprofits and housing providers. Partnerships between organizations can allow nonprofits to maximize resources, and many nonprofits have explored partnership activities that would expand their capacities. Others have begun to engage in supplemental revenue generation through private sector, for-profit activity. In some communities nationwide, these capacity issues are also addressed through community development organizations or community development corporations (CDCs) that offer technical assistance to small nonprofit or community-based housing organizations in development, fundraising, and grant application processes.

National studies have indicated that affordable housing development can spur investment and increase property values.

For communities that choose to support affordable housing through policy changes, a number of zoning techniques can make room for additional housing, by allowing more homes to be developed in a given area, allowing smaller homes, or by providing incentives for builders that provide affordable units (see sidebar on page 13). Other policy-based solutions include the use of incentive programs like brownfield redevelopment authorities and land bank authorities to aid in the development of affordable housing. Land bank authorities exist in some counties in the region, and are used primarily to address tax foreclosed properties. However, they also offer opportunities for housing development, with incentives and development tools available to help with elements like site preparation activities, infrastructure costs, and land purchases. In some cases, they may make tax-foreclosed properties available at a low cost to nonprofits for the purposes of housing development, and has also partnered in property purchase to lower the costs of development.

Public/nonprofit and private partnerships offer another opportunity to enhance affordable housing development capacity. The private sector plays a critical and irreplaceable role in the development of all types of housing, including subsidized affordable housing. Through programs such as the Low Income Housing Tax Credit program, private development interests have successfully built and managed a significant proportion of the region's affordable housing. The private sector can also work with local nonprofits and other housing agencies to expand capacity: partnerships between private and nonprofit developers have been successful in integrating affordable housing into largely market rate developments. Communities can support these private-sector developers or partnerships with tax incentives like payment-in-lieu-of-taxes (PILOT) or other programs.

Zoning for Housing Affordability

A number of zoning changes can help communities make room for more types of housing, while simultaneously providing options for property owners and reducing development costs:

- In existing residential areas, particularly those with sewer, water, and natural gas infrastructure, and with good connections to jobs and services, density increases can offer more potential for affordable housing. Higher residential densities lower the costs of land and create more opportunity for housing development, and also create greater economies of scale for builders. Similarly, allowing additional types of multi-family housing, like apartments or townhomes, can provide more opportunities for affordable housing development. Design guidelines can help to ensure that new development is consistent with, and makes a positive contribution to, existing neighborhood character.
- Zoning flexibility can also serve to create more residential development opportunity. Even minor changes to dimensional regulations, such as minimum lot sizes, parking requirements, or setbacks may provide added incentives for developers and can help reduce needed acreage and subsequently lower land costs in some communities.
- Inclusionary zoning or incentive zoning refers to zoning techniques in which developers are encouraged or required to include a certain amount of affordable housing in development projects. Inclusionary or incentive zoning ensures that new growth includes a range of housing types and prices, while providing the added benefit of integrating different housing types throughout new developments and existing neighborhoods.

To encourage builders to participate in inclusionary programs, most of these ordinances offer incentives that can offset development costs and provide valuable flexibility for a project. Density bonuses, which allow a developer to build more units than normally allowed, are

a common incentive; but incentives may also include flexibility for parking, height, and setback standards. Some ordinances also allow the developer to take advantage of inclusionary incentives, without building any affordable homes within the development. Instead, the regulations may allow the developer to build affordable homes off-site, or to pay a fee in lieu of constructing the homes. These fees may then be used by the community to finance affordable housing projects and programs.

- Cottage zoning allows for developments of small, single-family homes that are clustered together around a common area, often with shared parking. Homes in a cottage housing development are generally less than 1,000 square feet in size. Their compact size can result in lower homeowner costs while providing important options for singles, empty nesters, seniors, and other small households. Cottage housing developments are often built within existing neighborhoods under provisions that permit higher densities than regulations might normally allow, with design guidance that limits the impact of added density.
- Accessory dwelling units (ADUs) are small homes created on a lot with an existing home. Often referred to as granny flats or mother-in-law apartments, ADUs might be located within the home, as a detached unit, or above a garage or other accessory building. Because zoning generally restricts their size, ADUs are typically more affordable than full-size homes. They offer opportunities to integrate new housing options in existing neighborhoods with minimal impacts to neighborhood character.

➔ Energy & Transportation Costs

Because a home's location affects a household's transportation needs and costs, some organizations are beginning to consider the cost of housing as only one factor in the housing affordability equation. For an average household, transportation makes up the second-largest expense, following housing costs, in a typical household budget. But, when homes are located in areas far from jobs or services, transportation costs can approach or even exceed housing costs. For households that "drive til they qualify"—that is, move farther into the country in order to find a home they can afford—these added transportation costs can become a major financial burden. Homes might be sold or rented at lower costs in rural areas, but the distance that households must then travel to jobs or services quickly create added transportation expenses. Thus, considering housing affordability in the context of both housing and transportation costs can help to create a more complete and accurate picture of affordability.

In addition, related factors such as heating and utility costs are likewise connected to a home's location and affordability, and have major impacts on a household's budget—and, in some cases, on their housing stability.

Transportation Costs

Traditionally, housing has been considered to be "affordable" if it costs 30% or less of a household's income. New benchmarks for affordability suggest that households should pay no more than 45% of their total income on the combined costs of housing and transportation.

In Northwest Michigan, limited transit options and scattered development patterns leave many residents dependent on private vehicles, which leads to higher transportation costs. Data from the Housing + Transportation Affordability Index indicate that combined costs of housing and transportation for an average household

in Northwest Michigan consume over half of a typical household's income. For lower- and moderate-income households, the economic burden is even heavier: moderate-income households spend 73% of their income solely on the combined costs of housing and transportation. Moderate-income households in rural areas struggle with even higher costs for housing and transportation.

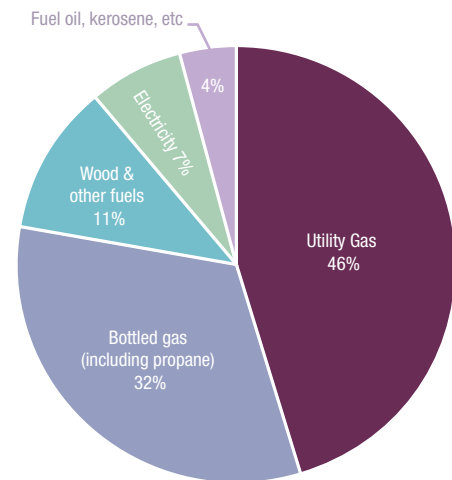
When considered in the context of other housing costs, such as heating and utilities, the combined costs of housing and transportation for an average regional household leave little left in the budget for other basic needs like food and medical expenses. These untenable financial situations can result in crisis situations, with many lower-income residents forced to choose between traveling to work, paying utility bills, making monthly mortgage payments or rent, purchasing necessities like food, or making needed repairs to the home.

Energy Costs

In addition to coming with higher transportation costs, many of the region's more "affordable" homes are also located in areas where natural gas infrastructure is unavailable, leaving many lower-income households dependent on expensive heating fuels and struggling with higher energy costs. Energy costs, primarily for heating, pose a significant challenge to many household budgets. Data collected for the six county region of Antrim, Benzie, Grand Traverse, Kalkaska, Leelanau, and Wexford counties as part of the 2013 Energy Baseline Assessment indicated that the average household pays \$3,329 for energy costs annually. Housing instability—that is, an inability to make needed rent or mortgage payments, thereby jeopardizing the family's housing situation—arising from energy costs is a reality for many residents of the region.

Public input frequently stressed the challenges associated with energy costs in low income households. Propane

HOUSE HEATING FUEL IN NORTHWEST MICHIGAN



Source: Data from the American Community Survey

costs were of particular concern, as is the limited availability of energy efficiency/weatherization programs that could help residents address the financial burdens of high energy costs. Propane, a heating source that costs substantially more than natural gas, is the dominant heating fuel in areas not served by natural gas infrastructure. In addition to higher costs, the propane market lacks the same regulations as natural gas, and there are no price controls, resulting in unpredictable costs. For low-income households, these unregulated costs present substantial problems: those with lower credit scores may be charged higher rates, and costs must be paid up-front—a large bill that many households may not be able to afford.

Some household energy costs can be mitigated by energy efficiency measures or programs. While weatherization programs are currently available to help low-income residents meet energy efficiency goals, funding for these programs is limited, and far fewer households are eligible for the programs than what's needed. Waiting lists can range up to seven years in some counties.

57%

AMOUNT OF INCOME SPENT BY AVERAGE HOUSEHOLD ON COMBINED COSTS OF HOUSING & TRANSPORTATION

\$16,076

AVERAGE ANNUAL TRANSPORTATION COSTS FOR AN AVERAGE HOUSEHOLD IN BENZIE, GRAND TRAVERSE, KALKASKA, LEELANAU, MISSAUKEE, AND WEXFORD COUNTIES

Source: Data from H&T Affordability Index

73%

AMOUNT OF INCOME SPENT BY MODERATE-INCOME HOUSEHOLD ON COMBINED COSTS

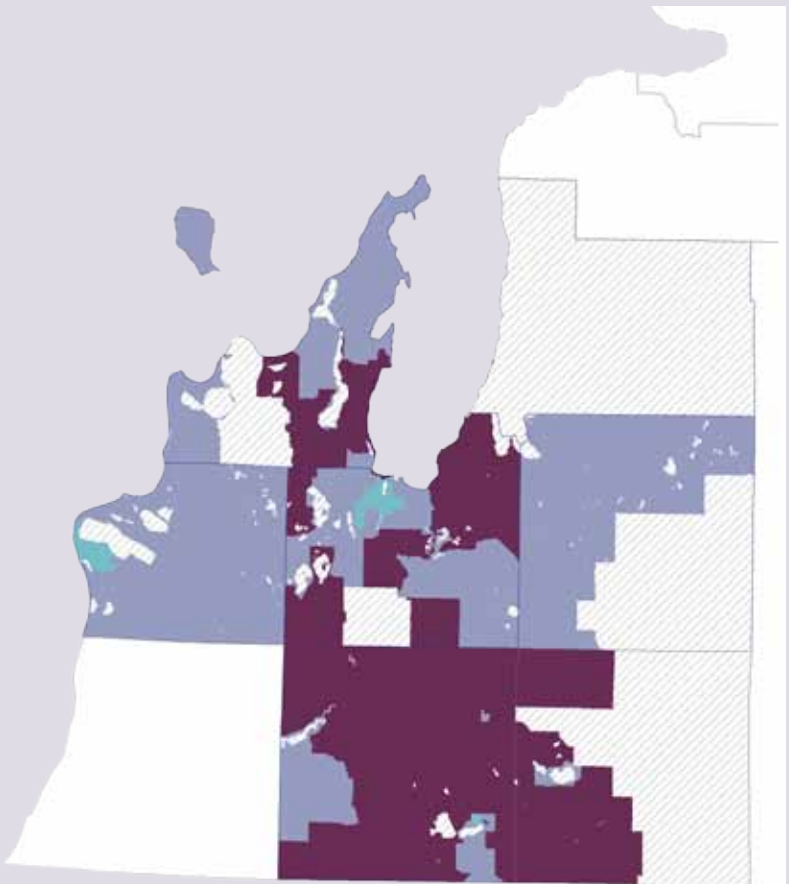
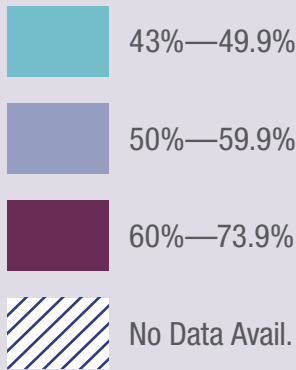
Source: Data from H&T Affordability Index

\$3,329

AVERAGE ANNUAL ENERGY COSTS PER HOUSEHOLD IN ANTRIM, BENZIE, GRAND TRAVERSE, KALKASKA, LEELANAU, AND WEXFORD COUNTIES

Source: Data from the 2011 Energy & Emissions Baseline report prepared by SEEDS, Inc.

Combined Housing & Transportation Costs As Percent of Average Household Income



Data from Center for Neighborhood Technology H&T Affordability Index

Map prepared by Northwest Michigan Council of Governments (2014)

Opportunities: Energy & Transportation Costs

Planning and zoning policies contribute in many ways to high transportation costs. Zoning regulations often require the separation of land uses, resulting in the development of new homes built in neighborhoods that are not connected to commercial areas, employment centers, or schools—leaving many residents dependent on a vehicle. Development limitations or complexities in cities or villages can restrict the amount or affordability of housing in these areas, leading to shortages of affordable housing in urban areas. These affordable housing shortages

Improving pedestrian and bicyclist safety along connecting routes can also encourage more residents to walk or bike, reducing their dependence on a car. In rural, auto-dependent areas, transit changes that offer greater connectivity and more efficient travel times may make transit more accessible and realistic for rural residents that are currently dependent solely on a private vehicle.

Some gaps in weatherization programs, along with other energy efficiency needs, can be partially

Planning and zoning for new housing, or higher-density housing, in areas close to jobs, services, and shopping can create more opportunities for new residential development in locations with lower transportation costs.

force many families and individuals to “drive til they qualify,” that is, commute farther into the countryside where homes are cheaper. Planning and zoning for new housing, or higher-density housing, in areas close to jobs, services, and shopping can create more opportunities for new residential development in locations with lower transportation costs.

Communities can also work to develop sidewalk or trail connections between residential neighborhoods and commercial areas or services, in order to provide alternative transportation options for residents.

addressed through community-based programs that offer discounted or competitive rates for energy audits and improvements. Housing organizations are also working to ensure that new homes are energy efficient, by building energy generation—such as solar panels—and efficiency features into new affordable homes. Other, more long-term changes include the extension of natural gas infrastructure to areas currently not served. Communities can also work to advocate for regulatory changes that govern the sale of propane.

Habitat for Humanity’s Energy-Efficient & Affordable Homes

Habitat works with volunteers, funders, and homebuyers to build homes for low-income families. Recognizing the substantial impact that energy costs play in housing affordability, Habitat for Humanity Grand Traverse has incorporated energy efficiency measures into all of its new homes. Homes built by Habitat for Humanity focus on creating a tight building envelope, to ensure that as little heat is wasted as possible.

Habitat for Humanity has taken their energy efficiency measures a step further with the Depot Neighborhood, a project being constructed in a partnership with Homestretch in 2014. The Depot Neighborhood is located in the heart of Traverse City, within walking distance to grocery stores,

schools, libraries, and other services. The Neighborhood will feature a transit stop and is located immediately adjacent to a non-motorized trail system, offering important opportunities for alternative transportation. In addition, like all Habitat homes, the housing units are designed and built to be energy efficient, with added features making them “net-zero-ready.” Net-zero homes are designed to use as much energy as can be produced on site by sustainable means. The Habitat for Humanity homes will be able to take advantage of solar energy and potential other energy producing opportunities.

These measures will dramatically reduce utility and transportation costs for low-income residents of the buildings.

➔ Housing Vacancies & Seasonal Homes

Economic and market trends over the last several years have combined, on a national level, to create a number of issues around housing vacancies and foreclosures. Northwest Michigan did not experience housing vacancies and foreclosures to the extent seen in more urban areas, but these national market trends did have substantial impacts on the region's home prices and property values, vacancies, and foreclosure rates. In addition, the region experiences substantial housing vacancy issues related to seasonal homes.

Seasonal Housing

Seasonal housing makes up the vast majority of the region's vacant housing, comprising nearly a third of all housing in some counties. In communities with significant amounts of shoreline or public land, seasonal housing can account for well over half of the total housing stock.

The resort and vacation destination character of the region is an important economic driver, and plays a major role in the region's housing market. While new housing construction declined and in some cases halted following the national housing market crash, new seasonal units continued to be built even during the recession. New seasonal homes accounted for nearly a quarter of the region's total growth in housing units between 2000-2010, and upwards of 40% of

total housing growth in Charlevoix, Benzie, and Antrim counties. In contrast, between 1990-2000, seasonal housing units only made up only 10% of total housing unit change.

Seasonal properties affect the region's rental market. While data isn't available to provide details on rental terms, anecdotal reports indicate that many seasonal homes are rented on a short-term lease basis during the winter months, providing temporary—often affordable—rental housing for families for part of the year. However, during the summer, these homes are likely to come off the long-term rental market, as property owners move to the area for the summer and/or rent the property on a daily or weekly basis, and families must look elsewhere for long-term rental housing. As significant numbers of renters move out of this seasonal housing, and as seasonal or temporary workers move to the region for the summer, added pressure is placed on the rental market, creating additional difficulties for those seeking affordable rental housing.

Vacancies and Foreclosures

In 2008, rising home values, subprime lending, and rising unemployment combined to set off a wave of foreclosures nationwide, a phenomenon that led to declining property values, high homeowner vacancy rates, and blight in communities throughout

the country. In Michigan, the issues were exacerbated by consistently high unemployment rates over a longer period than those experienced nationwide. With homeowners facing few employment options, and with property values experiencing a rapid decline, the state of Michigan recorded some of the nation's highest rates of foreclosures and home vacancies.

While Northwest Michigan didn't experience rates as high as those found in other parts of the state, the region nevertheless experienced dramatic increases in foreclosure beginning as early as 2006, and property values declined in most communities in the region—in some cases by as much as 30%.

Between 2005 and 2010—the height of the region's foreclosure activity—the number of sheriff's deeds, recorded foreclosures, rose from 673 annually to over 1,700 per year. By 2012, a total of nearly 11,000 foreclosures had been recorded in the ten-county region.

Most of the region's foreclosures were located in communities with high numbers of subprime loans, such as adjustable rate mortgages, which are considered to have a higher risk of default. Many Census tracts with higher rates of risky home loans and foreclosures were located in or near neighborhoods with higher-than-average unemployment rates, poverty rates, seniors, and single-parent households. These foreclosures contributed to dramatic increases in vacancy rates between 2000-2010, when compared to those between 1990-2000.

Buoyed by a strong seasonal home market and a strong demand for shoreline and waterfront homes, the region's housing market is recovering in many areas. However, stakeholders in some communities report that many foreclosed homes remain vacant, creating subsequent issues with property values and blight.



Seasonal housing comprises a significant portion of affordable rentals in the winter months, but creates rental instability and shortages as seasonal homes switch over to short term vacation rentals in the summer.

Opportunities: Housing Vacancies & Seasonal Homes

As communities nationwide grapple with unprecedented levels of foreclosures, local, state, and federal policies have been developed to address some related to vacancies, blight, and abandonment. While there are no communities within Northwest Michigan that qualify for these programs, some organizations in Northwest Michigan have worked together with banks and communities on a very limited scale to purchase and restore or redevelop foreclosed properties.

Another tool being used by many communities to address foreclosure-related issues is a new governmental entity known as a land bank authority. These are public authorities that are established by county governments to acquire, hold, manage, and develop tax-foreclosed properties. Because they were designed to address issues associated with tax-foreclosed properties, they have a number of financing and legal tools designed to handle title complications, blight, or contamination, which can help facilitate the development, re-use, or redevelopment of properties in a way that will achieve

community goals. While they were designed around tax-foreclosed properties, the tools and incentives available through a land bank authority are versatile, and could also be used to address mortgage foreclosures, vacancies, and blight arising from property abandonment or foreclosure. Land bank authorities can:

- Clear “dirty” titles in order to prepare properties for sale
- Qualify for brownfield status and funding, including tax increment financing, for eligible activities
- Partner or enter into contract with private, public, or nonprofit agencies for redevelopment
- Hold properties tax-free until they’re ready for development
- Retain proceeds from the sale or rental of a property
- Collect a portion of a specific tax on property sold by the land bank
- Borrow money, issue bonds, apply for and accept grants, and invest in property

➔ Homelessness

Homelessness is often the result of many factors. Housing instability—caused by factors such as unaffordable housing, high energy or transportation costs, substandard housing, or housing discrimination—may result in the loss of housing through eviction or foreclosure. Compounding housing instability issues are a host of other issues that can cause or contribute to homelessness, such as alcohol or other drug abuse; divorce, separation, or other personal relationship issues; discharge from a hospital, jail, or prison; domestic or family violence; disability—including mental health conditions, chronic illnesses or medical conditions, or physical or developmental disabilities; and loss of income or unemployment.

Shortages of affordable housing, housing discrimination, foreclosures and evictions, lack of supportive housing, and housing instability arising from high energy or transportation costs all increase the risk of homelessness. As the region contends with these various housing challenges, stakeholders report increasing numbers

of homelessness and demand for services throughout the region. Yet, emergency housing options are scarce in rural areas, which are often served by regional agencies that provide the majority of services in larger communities like Traverse City, Cadillac, and Grayling. With few services available in their home counties, individuals experiencing homelessness in rural counties have serious difficulties in meeting basic needs. Public input heard throughout the *Framework* process indicated that the lack of services for homeless individuals is a challenge for many residents in the region that need to stay within their home county, where they have employment or family and friend support. Comments indicate that homeless individuals must often choose between refusing services or relocating to other counties for shelter. Input also indicated that limited shelter availability for families leaves many homeless families reluctant to seek services, in part because of fears that their families will be separated.

187



CHILDREN HOMELESS
ON A GIVEN NIGHT IN
CHARLEVOIX, EMMET,
MANISTEE, MISSAUKEE,
& WEXFORD COUNTIES



678

MEN, WOMEN, AND
CHILDREN HOMELESS
ON A GIVEN NIGHT IN
NORTHWEST MICHIGAN

Opportunities: Homelessness

Ending and preventing homelessness depends on the availability of housing for those that are experiencing chronic homelessness and housing instability. However, the region's shortages of affordable housing mean that competition for market rate units is high, and waiting lists for rental assistance programs are long. This leaves the homeless population—which includes some of our community's most vulnerable citizens, with the fewest resources available—at a distinct disadvantage when seeking housing.

Homelessness has impacts and costs that extend beyond the individual and throughout the community. In some communities, the costs of providing long-term affordable and supportive housing have been shown to be less than the costs of addressing homelessness—which includes shelter costs, jail stays, and health needs associated with homelessness.

Over the long term, it will be critical to expand the region's supply of affordable and supportive housing. Local initiatives to update zoning to support affordable housing, enhance the capacity of housing stakeholders to add to the region's affordable housing stock, and encourage private investment in affordable housing will help to alleviate some of the causes of homelessness—and will also provide options for those currently on the street.

While long term goals may be focused on permanent affordable housing solutions, meeting existing homelessness needs remains a priority. Seeking opportunities for partnerships or expanded services can help meet emergency shelter needs in other counties. Other options may include the replication of successful shelter models, such as SAFE Harbor, which provides emergency shelter in participating churches during winter months, wet houses which provide shelter and services for chronic alcoholics in communities throughout the region, and/or in rural areas.

↻ Local Implementation Checklist: Housing

Planning and zoning are important implementation tools for communities that are working to meet housing needs. The Local Implementation Checklist identifies some examples of how communities in Northwest Michigan and other parts of Michigan have addressed housing needs in their local policies. Communities may consider this language, and/or *Framework for Our Future Strategies*, when updating their own local policies.

Master Plan Goals and Objectives

A master plan is a guide that's intended to shape local decisions about managing resources, directing growth, and how development should be designed. Master plans help the community understand current conditions, build a vision for the future, make recommendations about actions to take on various community issues, and act as the foundation for zoning ordinances.

Master plans region-wide call for a range of housing choices. Some communities include more detailed objectives that address specific community issues and concerns, such as shortages of affordable housing, substandard housing, or an aging population. Elements to consider in reviewing and updating master plans include:

Provide for a range of housing types, sizes, and densities to ensure housing options for all incomes, ages, household sizes, and abilities

- Encourage housing infill development in existing residential areas
- Consider zoning changes to allow for smaller homes, such as cottages, accessory dwelling units, or apartments
- Consider zoning changes to adjust minimum lot sizes to allow for infill or other residential development in appropriate areas
- Consider zoning changes to allow mixed-use commercial and residential development and/or residential development in commercial districts
- Consider zoning changes that provide incentives for affordable, supportive, accessible, or other diverse housing options
- Consider zoning changes to permit cottage housing developments in appropriate neighborhoods
- Consider zoning changes to expand areas in which apartments or other multi-family housing is permitted

- Consider zoning or procedural changes to ensure that development decisions are fair, timely, and predictable

Ensure new housing development is well-designed and compatible with the community's unique character and existing neighborhoods

- Orient new residential development to locations that are served by sewer, water, and natural gas infrastructure.
- Ensure that new housing developments provide non-motorized pathways/connections to schools, jobs, shopping, services, and recreation
- Encourage new residential development that includes barrier-free or accessible features
- Encourage non-motorized connections to adjacent neighborhoods, parks, lighting, and other placemaking enhancements in existing developments and neighborhoods
- Consider zoning changes that incorporate residential design guidance from New Designs for Growth Guidebook
- Encourage developers to incorporate design guidance from New Designs for Growth guidebook
- Consider zoning code rewrite or updates to incorporate form-based zoning elements (*note that community goals for form-based zoning require additional support throughout the master plan relative to community design. See the Framework for Our Future Action Guide for additional guidance*)

Maintain and improve the quality of existing housing stock

- Maintain fair and reasonable, yet aggressive, property maintenance inspection efforts.
- Consider adoption of a rental inspection ordinance
- Work with community partners to provide and promote housing rehabilitation programs and incentives
- Consider tools such as neighborhood enterprise zones to encourage new residential development or improvements to existing housing.

Local Implementation Checklist: Housing

Develop, maintain, and support partnerships with community organizations, and regional, state, and federal partners to collaboratively address local housing needs

- Regularly conduct and/or review housing needs studies to inform local policy and zoning changes
 - Participate in regional discussions and programs to identify opportunities to address unmet housing needs
 - Work with and support organizations and efforts to promote and develop housing that meets community needs
 - Work with and support local community organizations to provide shelter and others services to individuals who are homeless or at risk of being homeless
 - Explore opportunities for and/or support local efforts to obtain grant funding for housing needs
 - Establish, participate in, and/or support local or regional housing trust funds that provide funding for local housing needs and programs
- Allow for accessory dwelling units
 - Density bonuses provide for developments that include affordable housing
 - Include affordable housing as a standard for approval in planned unit development ordinances

Zoning Ordinance Elements

Zoning ordinances are local laws that regulate land and buildings in order to protect the health, safety, and welfare of all citizens. They define how properties are used, what new buildings look like, and how much development can occur in a community.

All zoning ordinances include provisions for residential development. However, many limit the sizes, types, and densities of housing in most areas of the community; as a result, large-lot single family housing makes up the majority of the region's housing stock. Communities can review their zoning ordinances to determine if there are opportunities to add to the type or amount of housing in the community, or to create more opportunities or flexibility for development, in order to meet the needs of changing local populations. Some elements to consider in reviewing and updating ordinances include:

- Permit residential development by-right in commercial districts
- Allow for mixed-use development, permit higher density
- Higher densities permitted in neighborhoods with close access to services/mixed uses
- Consider smaller lot sizes

↪ Framework Strategies

As a resource for communities in Northwest Michigan, the *Framework for Our Future* identifies a number of strategies and actions that communities can take locally to address their specific needs. Because each community identifies their own goals, through public input, local discussions, and need analyses, the strategies and actions identified in the *Framework* are not intended as recommendations for any communities to implement or adopt. Rather, they are provided as a resource list of potential actions that, if desired, can be taken locally and/or used as model language for local master plans, organizational strategic plans, and other policy documents, to address various community needs.

The strategies and actions in the *Framework* were developed from public input and local, regional, statewide, and national sources. Many are based on public input obtained during the *Framework for Our Future* process in events, focus groups, interviews, online discussions, and community dialogues, and were also drawn from or based on master plan language from existing adopted master plans within and outside the region. Others reflect state or national best practices designed to address specific issues. Strategies are grouped around four major themes that reflect needs and potential actions for each community issue.

- **Education, Data & Outreach.** Often, taking action on a community need requires a solid understanding of the need, as well as public consensus on the appropriate course of action. *Education, Data, & Outreach* strategies address data gaps, outreach needs, and educational opportunities that can help to improve community understanding and awareness around a particular issue.
- **Planning & Policy.** Many community issues can be addressed in part by local policy, such as master plans and zoning ordinances. *Planning & Policy* strategies identify broad policies goals and specific changes to master plans or zoning ordinances that can impact a particular issue.
- **Funding & Incentives.** Communities can use funding and incentive tools to encourage private, public, and nonprofit initiatives and activities that meet local goals. *Funding & Incentives* strategies identify opportunities that can enhance organizational capacities, as well incentives that may help communities work with the private sector and others to meet local goals.
- **Development & Implementation.** Goals for each community issue center around programs, development or initiatives that directly and tangibly impact community needs. *Development*

& *Implementation* goals include specific strategies designed for on-the-ground activities and bricks-and-mortar implementation.

Each strategy includes additional information intended to aid in implementation, organized as follows:

Why?

Each strategy is designed to address a certain issue. Information is provided to detail specific community needs that might be met through implementation of the strategy.

Actions

To implement each strategy, communities can take action in a number of ways. This section identifies some specific actions that communities might consider to reach local goals.

Tools & Resources

A number of existing tools or resources are available to partners that are interested in taking action on a particular strategy. This section identifies, and provides links to, tools and resources such as:

- Research or background studies that can help communities identify specific community needs in order to develop appropriate policy or initiatives
- The **Framework for Our Future** Action Guide, which provides details and implementation guidance for planning and zoning actions identified in the **Framework**
- Guidebooks and workbooks that provide step-by-step information on actions and the implementation process
- Examples of where the action has been implemented regionally
- Local, regional, state, or national reference documents that can provide additional guidance

Links to all resources are available online at www.nwm.org/rpi.

Measures

Communities can track progress toward these goals and actions by benchmarking data identified in this section. While some measurement data will be locally generated and tracked, data for many indicators can be accessed on the regional data portal www.benchmarksnorthwest.org.

Housing Choices: Data, Education & Outreach

Improve knowledge and understanding of housing issues and existing programs

Strategy 1	Raise awareness of housing needs and issues	
Why?	Public opposition to affordable housing often prevents projects or policies from moving forward. Often, this opposition is based on negative stereotypes about affordable housing or its residents. Providing information on what affordable housing is, who it's for, what it looks like, and why it's needed may address some concerns and help to build support.	
Actions	Develop public awareness resources	Participate in a media campaign
Tools & Resources	<i>NWMCOG Citizen's Guide to Housing Solutions</i>	NWMCOG Housing Inventories
	www.thegrandvision.org	National Housing Conference Messaging and Framing Toolkit
Measures	Community survey results	
Strategy 2	Raise awareness and ease of use of programs among the public and service providers	
Why?	A wide variety of housing programs are available to residents – for rental assistance, home purchases, transitional or emergency shelter needs, or home repair and maintenance. These programs may be difficult to access or even to locate, both for residents and service providers. Greater awareness of available programs and assistance can help to connect residents to the services they need.	
Actions	Provide timely information in a clearinghouse format to the public and service providers	Participate regularly in housing networks such as the Housing Solutions Network, Continuum of Care, and county human service collaborative boards
	Work with media to print regular column on affordable housing resources	
Tools & Resources	www.nwmhousingsearch.com 2-1-1	Goodwill Housing Resource Guide
Measures	Website hits; number of program users	
Strategy 3	Improve landlord, tenant, and community communication & understanding of rental issues	
Why?	Many tenants experience issues related to deteriorating housing that are not addressed by landlords. Landlords, on the other hand, experience problems related to poor tenant behavior, non-payment of rent, and property damage. Ensuring that all parties are aware of and have recourse to resources may alleviate some issues, while providing accountability for renters.	
Actions	Provide regular education for landlords on rental topics and needs	Network with landlords to increase awareness of community needs

DRAFT

Actions	Create a rental referral system to connect qualified renters and landlords	Provide education to renters on budgeting, maintenance, and upkeep
Tools & Resources	Landlords & Tenant’s Rights and Responsibilities handbook	Housing Solutions Network
Measures	Number of workshops	Number of participants in workshops
	Number of properties/landlords in rental referral system	
Strategy 4	Raise awareness among developers and local units of government of affordable housing needs and opportunities	
Why?	High land and development costs, combined with the complexities of development processes and local regulatory barriers, limit options for developers working to provide affordable housing. Various incentives are available to facilitate development, and local action can address some of the barriers encountered in the development process. Ensuring that all players in the development process have access to relevant information can facilitate and ease the development process.	
Actions	Create an informational and permitting one-stop shop for developers	Provide technical assistance to aid developers in accessing funding or programs to aid in affordable housing development
	Provide regular education on available programs, incentives, and approval processes for affordable housing development	Work with state and regional partners to offer/provide/participate in regular workshops, webinars, packaged training, & presentations on housing needs and incentives
	Provide regular information to local units of government on housing issues	
Tools & Resources	Housing Solutions Network	Land Bank Authorities
Measures	Number of workshops; number of participants in workshops	
Strategy 5	Ensure housing actions and initiatives are guided by relevant and up-to-date housing data, research, and studies	
Why?	Housing development and housing-related policy changes rely on accurate and up-to-date data on market trends and residents’ needs. Providing and maintaining accurate housing research can result in more effective and impactful housing initiatives.	
Actions	Update and maintain affordable housing inventories and market analyses	Develop and regularly update special housing studies to assess specific needs for supportive housing and senior housing needs
	Develop a regional “cost of homelessness” study to identify costs and impacts of various solutions to homelessness	
Tools & Resources	NWMCOG Housing Inventories	Northwest Michigan Housing Target Market Analyses
Measures		

Housing Strategies: Planning & Policy

Coordinate planning & zoning policies that encourage greater housing choices

Strategy 1	Planning & zoning policies that provide for a greater variety of housing types		
Why?	Some planning and zoning regulations limit opportunities for needed types of housing, such as apartments, townhomes, or smaller homes. Amending zoning to allow a greater diversity of housing types can provide options for developers and property owners while meeting the needs of seniors, small households, the disabled, empty nesters, low-income households, and others that need smaller, nontraditional housing types.		
Actions	Consider zoning changes that allow a variety of housing types, such as apartments, townhomes, or co-housing in appropriate areas		Consider zoning changes to allow for cottage developments
			Consider zoning changes to allow accessory dwelling units
Tools & Resources	<i>NWMCOG Community Housing Choices Best Practices</i>		
Measures	Number of districts or acres zoned for multi-family housing	Number of districts allowing cottage developments	Number of districts allowing accessory dwelling units
Strategy 2	Planning & zoning policies that encourage affordable housing types		
Why?	Some planning and zoning policies can raise the costs of development or create complexities that limit opportunities for affordable development. Zoning changes that streamline certain types of development, or provide incentives for affordable housing development, can encourage developers and others to engage in affordable housing development		
Actions	Consider zoning changes to require or incentivize affordable housing in new developments		Consider zoning changes to include affordable housing as a standard for approval in planned unit development ordinances
Tools & Resources	Leelanau Township PUD ordinance	Traverse City affordable housing bonus ordinance	<i>NWMCOG Community Housing Choices Best Practices</i>
Measures	Number of inclusionary zoning ordinances		Number of PUD ordinances citing affordable housing

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Strategy 3	Planning & zoning policies that encourage residential development in target areas/growth and investment areas	
Why?	Development and redevelopment in existing cities and villages often encounters more obstacles than development in “greenfields,” or undeveloped spaces outside of town. Offering incentives or changing zoning can encourage housing investment and development in walkable neighborhoods with access to services and infrastructure.	
Actions	Consider allowing mixed-use development by right in commercial districts	Consider zoning changes that permit and/or streamline infill residential development
	Consider zoning changes that allow higher density in appropriate areas	
Tools & Resources	A Framework for Our Future Action Guide	New Designs for Growth
Measures	# rental inspection ordinances adopted	
Strategy 4	Enact and enforce ordinances to ensure housing is safe and adequate	
Why?	Many residents throughout the region live in deteriorating housing, which can have impacts on residents’ health and safety. When residents are renters, there are limited options to address the issues. Rental inspection ordinances and other policies provide some recourse for renters and communities that are working to improve the quality of housing.	
Actions	Consider adoption and/or enforcement of nuisance and blight ordinances to address structure housing issues	Consider adoption and implementation of rental inspection ordinances
Tools & Resources	Restoring Michigan Communities, Building by Building (Michigan Municipal League)	Manistee Rental Inspection Ordinance; City of Traverse City Rental Inspection Ordinance
Measures	Number of rental inspection ordinances adopted	

Housing Strategies: Financial Incentives

Support, enhance, and expand financial and programmatic capacities for housing development

Strategy 1	Enhance and support local and regional housing development capacity	
Why?	Limited capacity and funding for nonprofit housing activities severely restricts local nonprofits' abilities to meet affordable housing demand, while high land costs and complex development processes limit options for private sector developers' engagement in affordable housing development. Community partnerships and support to affordable housing partners can offer opportunities for filling gaps in local capacity.	
Actions	Work with state agencies and stakeholders to develop regionally specific housing policies and flexible programs	Facilitate public, private, and nonprofit partnerships
	Investigate the potential for a regional community development corporation (CDC) to help fill gaps in capacity	
Tools & Resources	Grand Traverse County Land Bank Authority Strategic Plan	Grand Vision Housing Solutions Network
Measures	Amount of grant dollars received regionally; number of units constructed annually	
Strategy 2	Develop and support local funding sources	
Why?	Affordable housing providers and developers depend on support from state and federal agencies to respond to housing needs. However, housing policies offer little flexibility for communities to respond to changing trends, while decreases in funding leave many agencies struggling in the face of increased demand. Local or regional funding sources can provide resources tailor-made to meet community needs while filling funding gaps.	
Actions	Establish local and/or regional housing trust funds	Encourage and support new regionalized lending programs
	Build and capitalize local and/or regional housing trust funds	
Tools & Resources	Grand Traverse County Affordable Housing Trust Fund ordinance	
Measures	Dollars in local housing trust funds	

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Strategy 3	Encourage and support private sector engagement in affordable housing	
Why?	Private developers and other private sector interests have made enormous contributions to meeting affordable housing needs, through private tax-credit based projects, market rate housing, and partnerships with public and nonprofit agencies. However, high land costs and other development complexities impact the feasibility of affordable housing development for many builders. Community support and incentives can reduce some financial or procedural burdens in order to encourage greater private sector engagement.	
Actions	Consider the use of brownfield, downtown development authority, corridor improvement authority and other avenues of tax increment financing to incentivize infrastructure and improvements for housing development	Consider ordinances allowing for payment-in-lieu of-taxes (PILOT) programs to incentivize affordable rental development
	Consider establishing neighborhood enterprise zones to encourage housing rehabilitation and new homeowner development	
Tools & Resources	Model PILOT ordinances	MEDC NEZ fact sheet, Traverse City ordinance
Measures	# PILOT ordinances	# NEZ districts

Housing Strategies: Development & Implementation

Support and encourage new housing development that is affordable, well designed, & compatible...

Strategy 1	Expand supply of quality affordable homeowner & rental housing			
Why?	Affordable housing need is consistently higher than the availability of programs, homes, or assistance. A balanced housing market that provides housing options affordable to all incomes has significant positive impacts on residents, the local and regional economy, transportation and traffic patterns, and quality of life.			
Actions	Ensure new housing development meets existing and projected needs RE affordability etc	Focus new affordable development in areas close to services and employment	Consider infrastructure availability when siting new homes	Consider shared-equity or turn-key approaches to affordable housing development
	Expand use of project-based vouchers in target areas	Consider models to convert vacant homeownership units to rentals	Facilitate additional partnerships to expand supportive housing options	
Tools & Resources	Target market analyses	Walkscore.com	Northwest Michigan Housing Inventories; Commercial Corridor Inventories	
Measures	Number of affordable homes vs. low-income households			
Strategy 2	Expand supply of senior and supportive housing			
Why?	As the population ages, needs and demand for senior housing will increase. At the same time, needs for supportive housing are growing. New models for housing and service delivery will be needed to accommodate the needs of these populations.			
Actions	Encourage new models for senior and supportive housing such as co-housing and village or networked models		Develop, support, and facilitate partnerships to link services for all ages and abilities to housing	
Tools & Resources	Northwest Michigan Target Market Analyses		Northwest Michigan Housing Inventories	
Measures	Number of supportive housing units		Number of senior housing units	

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Strategy 3	Maintain an adequate and immediate response to emergency shelter needs		
Why?	With growing shortages of affordable and supportive housing, homelessness is increasing; and finding homes for the homeless is becoming increasingly difficult. Meeting the basic needs of all residents can have positive community wide impacts while improving residents' quality of life. Seek long-term solutions to safely and permanently house the region's homeless.		
Actions	Establish a safe haven system that adequately addresses community needs by replacing traditional shelters with service-enhanced short term solutions that link people with permanent housing		
Tools & Resources	Annual Continuum of Care Point in Time Homeless Count		
Measures	Number of shelter beds	Number of homes with barrier-free features	
Strategy 4	Integrate accessibility features into new and existing housing		
Why?	The region is home to a significant and growing disabled population; yet only a small proportion of the region's housing choices include accessibility features.		
Actions	Expand or take advantage of existing programs to incorporate accessibility features into existing homes	Ensure new homes include accessibility features	
Tools & Resources	Federal Home Land Bank		
Measures	Number of homes with barrier-free features		
Strategy 5	Integrate energy- and transportation-efficient features into new and existing housing		
Why?	High transportation and utility costs, when combined with high housing costs, can create significant financial burdens for many households throughout the region that can result in housing instability. Consideration of transportation costs and energy-efficiency in new and existing homes can help to reduce living expenses for residents.		
Actions	Facilitate coordination between transit providers and housing initiatives or developments	Facilitate coordination between energy efficiency programs and homeowners and landlords	
	Provide retrofits to provide energy efficiencies in existing homes	Consider alternatives to propane for homes lacking access to natural gas infrastructure	
Tools & Resources	PACE	TC Saves	
Measures	Average combined costs of housing and transportation	Annual household energy costs	% households using propane heat

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Strategy 6	Repair, rehabilitate, and when necessary replace deteriorating homes	
Why?	Substandard and deteriorating housing is a concern throughout the region, having significant impacts on the health, safety, and quality of life of residents. Limited financial resources are available to address housing deterioration issues, necessitating partnerships or other innovative activities.	
Actions	Develop and enhance programs for home repairs, improvements, replacements, and weatherization	Rehabilitate and replace homes as necessary
	Deconstruct or demolish vacant, deteriorated buildings	
Tools & Resources	PACE	
Measures	Annual energy costs	
Strategy 7	Enhance existing housing choices and future development opportunities through placemaking efforts and infrastructure enhancements in target areas	
Why?	Some communities with higher-than-average proportions of affordable housing lack placemaking amenities such as sidewalks, street lights, or convenient access to parks. Community improvements and infrastructure could provide important connections to nearby services or jobs, reduce living costs, and improve quality of life.	
Actions	Encourage and support enhancements or expansions to sewer, water, and natural gas infrastructure in target areas, in coordination with housing development	Support placemaking efforts such as lighting, landscaping, and streetscape improvements in existing residential neighborhoods
	Encourage and support the development of pedestrian infrastructure to provide connections between residential neighborhoods and nearby services or employment	
Tools & Resources	Land Bank Authority	Low Income Housing Tax Credits
Measures	Infrastructure availability, miles of sidewalks, trails	

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