Creating pathways and partnerships for housing in Northwest Michigan.
TODAY’S AGENDA
Housing North Introduction
2020 Housing Market Study Overview
Housing North Legislative Issues
Homes for Our Future Campaign
Discussion

VISION
Northwest Michigan will be a place where families of all income levels can find homes that are safe and affordable.
We know we need more housing. Why not just build it?

**SOLUTIONS**
- Grants, low interest loans, financial partnerships
- Land donations
- Tax incentives
- Zoning changes for more diverse housing options
- Build public support and understanding
- Legislative or policy change to create more tools and revenue

**BARRIERS**
- Construction costs
- Infrastructure
- Labor shortage
- Taxes
- Zoning that restricts the type or amount of homes that can be built
- Public opposition
- Grant requirements designed for urban areas
AWARENESS
Outreach, messaging & communications tools for communities, developers, other partners

ADVOCACY
Identify and influence policy that impacts development opportunities in rural Michigan

CAPACITY & RESOURCES
Work with partners to develop and share new tools and explore funding options for housing
Success: Not Just New Housing Units

Communities, developers and other stakeholders use our tools to make progress.

A common language to use across the region.

Communities are actively participating in advocacy efforts.

More diverse housing is considered.

Statewide organizations, legislators and other influential stakeholders look to us for input and/or endorsement.

Revenue is more available for housing choices.

Housing is a part of community “infrastructure” conversations.

Awareness of housing impacts/solutions leads to new partnership.

Housing choices are celebrated.
AWARENESS
✓ Communications strategy
✓ Campaign development
✓ Target market analysis update

ADVOCACY
✓ Broad regional Advocacy Committee
✓ Advocacy strategy
✓ Implementation

CAPACITY & RESOURCES
✓ Technical support for cities & nonprofits
✓ Develop local capacity for “Housing Readiness”
✓ Local & regional funding options
Our communities need new housing of all kinds

TOTAL ESTIMATED DEMAND
for Housing in Wexford County in 2020

1,402 Rental Units
1,860 Total Units in Demand
458 Homeownership Units

NOTE: Income and rental categories provided in the survey represent amount ranges.
Our communities need new **RENTAL UNITS** at a variety of price points

2020 PROJECTED RENTAL DEMAND
by monthly rental amount and income category in Wexford County

- **Represents people living in and moving within Wexford County now and people that might move here if housing is available**
- **Could include new construction and rehab/conversion of existing homes**

**Unit Rent =**
- \( \leq \$650/\text{mo.} \) for incomes \( \geq \$26K/\text{yr.} \)
- \$700-\$1,000/\text{mo.} \) for incomes \$28K-$40K/\text{yr.} \)
- \$1,050/\text{mo.} + \) for incomes \$42K +.

1,402 Rental Units in Demand

**NOTE:** Income and rental categories provided in the survey represent amount ranges.
Our communities need **NEW HOMES TO BUY** at a variety of price points

**PROJECTED HOMEOWNERSHIP DEMAND**

by home value and income category in Wexford County in 2020

- Represents people living in and moving within Wexford County 
  **now** and people that **might move here** if housing is available
- Could include new construction and rehab/conversion of existing homes

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Home Value $\leq$ $150K
for incomes $\geq$ $60K/yr.$

- 87%

Home Value $175K$-$250K
for incomes $70K$-$100K/yr.$

- 9%

Home Value $\geq$ $275K$
for incomes $\geq$ $110K/yr.$

- 4%

**NOTE:** Income and rental categories provided in the survey represent amount ranges.

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Housing North 2019
Housing North Policy Pillars

**TAXES**
Develop a new and innovative tax structure for property owners seeking to provide long-term (greater than one month) rental housing for the workforce

**QAP FOR RURAL**
Amend the MSHDA Qualified Allocation Plan (QAP) to better address rural housing needs

**VACATION RENTALS**
Mitigate impacts of short-term rentals on year-round housing stock

**FUNDING**
Create new and preserve existing revenue streams that can be used for housing initiatives

**RURAL INTERESTS**
Ensure that rural housing and related needs are considered part of the structure of state government
Housing North Policy Initiatives: Advocating for Legislation

**TAXES**

Develop a new and innovative tax structure for property owners seeking to provide long-term (greater than one month) rental housing for the workforce

- **Employer housing tax credit** based on Illinois model
  - ...50% income tax credit on the value of a donation to a housing project
- **12-year tax abatement** based on Industrial Facilities Exemption
  - ...Local governments establish districts; individual property owners can apply for 50% tax abatement
  - ...Qualifying housing development would follow locally-established parameters
- **Regional Housing Authority** to allow for multi-jurisdictional housing millage
  - ...Revenues could be used for a broad range of housing/homeless services, development, programs
  - ...Based on transit authority legislation/Colorado housing authority model
- **Tax abatement** for qualifying workforce housing in rural areas (all of NW Michigan)
  - ...Expand the concept of payment-in-lieu of taxes (PILOT) to housing developments not funded by state or feds
  - ...Would allow higher incomes than those currently addressed by PILOT
QUALIFIED ALLOCATION PLAN (QAP) guides MSHDA investment in housing projects

- Northern Michigan projects are uncompetitive because of preferred financing structure, densities, locations in QAP
- Housing North recommendations for 2020 QAP update process:
  ... Flexibility for walkability requirements
  ... Lower points for certain financing approaches
  ... Flexibility for transit requirements
  ... Tier structure for proximity to amenities
Housing North Capacity Initiatives: Exploring Options for Housing Funds

Housing Funding

Create new and preserve existing revenue streams that can be used for housing initiatives

Local and regional funds can...

- Pool and leverage resources and investment from CDFIs, private donors, and local governments
- Meet development needs that are harder to fund – like predevelopment or site control
- Work in tandem/partnership with land bank authorities and other partners
Housing North Capacity Initiatives: Charlevoix & Emmet Housing Ready

- Coordinate local housing networks and partners
- Develop and implement local work plans
- Raise awareness with the Homes for Our Future campaign
- Identify key development sites and incentives
- Identify and coordinate development partners and resources – including public officials, lenders, investors, and nonprofits
  - ... Assist with tax abatements, infrastructure investments, land bank or brownfield incentives, opportunities for public-private partnerships
  - ... Collaboration with nonprofits to build, finance and market subsidized housing
  - ... Act as a single point of contact for housing
  - ... Work with partners to create new financing vehicles
The Homes For Our Future campaign is a **CALL TO ACTION** for the public, local governments, employers, and community organizations. It aims to offer clear courses of action and resources for how to participate in housing solutions:

- Advocate
- Endorse the campaign
- Become a Housing Ready Community
- Learn about housing needs, solutions, best practices, and success stories

Visit [www.homesforourfuture.org](http://www.homesforourfuture.org)
CLEAR MESSAGE & COMMON LANGUAGE

- Communications resources for advocates, local governments, and others to support conversations about housing
- Information in the toolkit (and online) includes:
  - Definitions
  - Income levels
  - Housing needs/studies
  - Talking points
  - Messaging “frame”
  - Links to resources
GETTING READY FOR CHANGE

- The Housing Ready Checklist asks local governments to review policies and practices as they relate to housing.
- It includes best practices, case studies, and questions about communities’ current housing practices around:
  - Housing assessments
  - Zoning policies
  - Plans
  - Incentives
  - Property inventory
  - Partnership opportunities
How can I help?

- Get Involved! **Show Up** *(you’re doing it right now)* and **Speak Up** *(share what you learn)*
- Endorse the campaign with a resolution of support
- Ask your local government to endorse the campaign and complete the Housing Ready Checklist
- Share your story
Housing North: What’s Next

- Fund Development
- Homes for Our Future Promotion
- Housing Ready Program Expansion
- Staffing Changes
Housing North Partnerships

We need local and regional support for our regional advocacy, communications, and capacity-building work

- Support housing communications, awareness and education, and legislative advocacy
- Opportunities for leadership and strategic organizational guidance
- Recognition of your organization’s participation in housing solutions
Questions & More Info

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Data available at:
www.housingnorth.org
www.homesforourfuture.org
Appendix
Housing which is deemed affordable to those earning less than 60% of the area median income. According to HUD*, those who pay more than 30% of their income for housing are considered “cost-burdened” and may find it difficult to pay for life’s necessities.

*U.S. Department of Housing and Urban Development
Michigan.gov/MSHDAimpact
WHO LIVES IN AFFORDABLE HOUSING?

1.8 PEOPLE
Average family size

$16K
Average income

53.2%
White

46.8%
Non-white

52 YEARS
Average age of the head of household
HOW DOES AFFORDABLE HOUSING HELP THE ECONOMY?

In FY 2017, MSHDA financed $344.5 million in affordable housing in Michigan, resulting in:

- $52.1 million in wages paid
- 4,160 new housing units
- $16.8 million federal and state taxes collected
- 1,668 new jobs
HOW IS AFFORDABLE HOUSING FUNDED?

Affordable housing is supported by financing from a variety of private and public sources, including:

- Taxable and tax-exempt direct lending programs
- GAP financing program
- Low-income housing tax credit program
HOW DOES AFFORDABLE HOUSING HELP COMMUNITIES?

Positively affects property values

Design styles fit in with the neighborhood

Does not increase crime
WHAT IS THE HOUSING CHOICE VOUCHER PROGRAM?

This federal program provides rent subsidies for very low-income people.

31 THOUSAND

In 2017 MSHDA administered vouchers to 31,345 families paying 30-40% of their income on rent.
WHERE IS AFFORDABLE HOUSING IN MICHIGAN?

*as of April 2019.*