



Rental Preservation Program

Conversion of northwest Michigan's housing inventory to seasonal housing and short-term rentals has increased at an alarming pace, drastically limiting housing options for our neighbors and devastating our region's economy by hindering businesses from attracting and retaining talent.

Program Goal: Preservation of Year-Round Rentals

In its pilot year, the Rental Preservation Project will facilitate a minimum of two affordable housing projects in Leelanau County, as well as create a replicable public-private model for other regional entities to address their communities' housing crises. Leelanau County has the highest rate of short-term rentals and more than 46% of the population is considered ALICE, Asset Limited, Income Constrained, and Employed, or in poverty.

The housing will be permanently restricted to long-term rental activity. The project will take advantage of underutilized financing tools that include tax increment financing (TIF) in partnership with a county or state land bank authority to create below-market rate housing.



In July of 2022 the Consumers Energy Foundation awarded a \$100,000 matching challenge grant for a pilot program to launch the program. We met this challenge by December 2022 and are using the funding to develop phase I of this pilot program.

Phase I involves loaning the amount from the matching challenge (\$200,000) to Peninsula Housing, a Community Land Trust (CLT), to preserve an existing duplex as a long-term rental property. Within five years, the loan will be fully repaid. The duplex will remain under the ownership of the Community Land Trust whose model is to preserve affordable housing in perpetuity. In Phase II, there will be an opportunity to build an additional duplex on the adjacent parcel in partnership with a developer.



OPPORTUNITIES

- 🏠 Develop relationships with property managers (landlords) to secure year-round rentals through a revolving loan program and/or land acquisition
 - This depends on future funding for the program
- 🏠 Encourage property owners to join the program in each of our 10 counties
 - Encourage deed restrictions through Housing North's Deed Restriction Program and/or
 - Develop agreements to sell their property to a local nonprofit or Community Land Trust prior to converting it to a short-term rental
- 🏠 Work with our regional partners and provide education and resources for those interested in becoming a year-round property manager
 - [Fair Housing Center of West Michigan](#)
 - [Northwest Michigan Community Action Agency \(NMCAA\)](#)
 - Community Land Trusts
 - [Peninsula Housing](#)
 - [Northern Homes Community Development Corporation](#)
 - [Frankfort Area Community Land Trust](#)
 - Other nonprofit partners and businesses
 - [Homestretch](#)
 - Habitat for Humanity
 - [Goodwill of Northern Michigan](#)

This project will ultimately provide the seed funding to incubate a Regional Fund to support housing projects throughout our 10-county region. We will continue to fundraise for this program and are working on a business plan and structure for this fund in 2023.

The success of this pilot project will garner statewide interest and recognition due to its immediate impact and its demonstration of best practices and the financial efficiency of this model. A successful project has great potential for continuing to create housing solutions throughout northwest Michigan and across the state, while allowing Housing North to leverage additional funding to reinvest in this critical work. Subsequent housing projects in northwest Michigan will include work in surrounding communities including Grand Traverse, Benzie and Antrim counties.

Thank you to the Consumers Energy Foundation, private donors and the HP Foundation for making this program possible. To learn more about this program email yarrow@housingnorth.org or zach@housingnorth.org

To donate to support this program and more projects [click here](#) or visit housingnorth.org.