

NORTHWEST MICHIGAN

HOUSING READY CHECKLIST

HOUSING NORTH



Northwest Michigan
Rural Housing Partnership
housingnorth.org



HOUSING READY CHECKLIST

ABOUT HOUSING NORTH

Housing North is a nonprofit organization formed in 2018 to build awareness, influence policy, and grow capacity and resources so communities can create housing solutions that meet their unique needs. While we do not place people in housing or build the housing, we play a vital role in our region leading the Regional Housing Plan and connecting our communities to housing solutions. We are governed by thirteen Board of Directors that represent each of our counties including background in business; philanthropy; local, county and tribal governments; workforce development; and housing agencies from throughout the ten-county region of Northwest Lower Michigan. www.housingnorth.org

Northwestern Michigan is experiencing a shortage of housing. Particularly, rental housing that is affordable to a broad range of income levels. The short supply of available housing leaves many families with a few choices to live in deteriorating, inadequate, unsafe, or unaffordable homes if they stay or move to the region at all. Families and young people may choose to live elsewhere, limiting nearby and often lost potential new recruits to businesses where more affordable housing options are available. Quality housing means quality employees.

Without spending significant resources, local governments and communities can help by ensuring that there are opportunities for development that can create a variety of housing options for all people in the community. Local and county governments can work in partnership with developers and community organizations and businesses to support housing goals and smart, sustainable projects.

This checklist is designed to help communities evaluate their own standards, strategies, plans and ordinances to ensure they are designed in a way that meets local needs for workforce housing. It is adapted from the Housing Ready Checklist developed by the Leelanau Housing Action Committee, which was based on practices that have been used in many communities' local plan and zoning ordinances to create more development opportunities and support workforce housing initiatives.

LOCAL GOVERNMENT ROLES

Planning commissioners and elected boards, like city councils and township boards, make decisions about zoning and development in villages, townships, and some counties in Northwest Michigan. This means local governments are essentially the 'gatekeeper' for directing and determining what type, how much, and where workforce housing is built in your community. Without proper regulations and policies, developers are forced to pursue expensive, time-consuming rezoning or variance requests interfering with project schedules, creating project uncertainty, and often litigation or abandonment of their project.

HOUSING READY CHECKLIST

LOCAL GOVERNMENT ROLES

Using the Housing Ready checklist, we can begin local conversations about how to ensure that our communities' policies are fair and predictable and that they allow the types of housing we need, while preserving the local character that makes Northwest Michigan such a desirable place to live.

MICHIGAN ASSOCIATION OF PLANNING TOOLS FOR ZONING REFORM

Zone District	Form and context	Processes
Collapse Zone Districts	Reduce Minimum lot width and area requirements	Eliminate or reduce elected body approvals.
Rezone for mixed-use/multifamily in commercial districts.	Reduce or eliminate Minimum Dwelling Unit Size	Expand Administrative Review
Expand allowable uses	Reduce or eliminate minimum parking requirements	Pre-approved plans
Performance standard uses	Missing Middle Housing (Including ADUs)	More flexible approach to nonconformities
	Density/Height bonuses	Police Power Ordinance to regulate Nuisance
	Form and Site Standards	

HOUSING READY CHECKLIST

HOW TO USE THIS CHECKLIST?

Very few, if any, communities will be able to answer “yes” to every question on this checklist-and not every community will want to! Each community’s plans, policies, and procedures are unique to local circumstances, and the inclusion of elements on this checklist doesn’t necessarily mean they’re appropriate for your community. Rather, the checklist can be a starting point for examining how your community plans for housing choices.

WHERE DO WE START?

Advocates of officials can suggest or request that their local planning commissions and/or elected boards complete and/or review the checklist at a study or working session, or even at a joint meeting of the planning commission and elected board. Local housing networks or Housing North staff can help facilitate the checklist completion process and conversation. Once the checklist is complete, local officials may identify some elements that can be added or modified in local plans and policies as a “to-do” list for action.

UNDERSTANDING THE TERMS IN THIS DOCUMENT

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WE KNOW WHAT WE NEED TO CHANGE! NOW WHAT?

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WHAT IS WORKFORCE HOUSING?

Generally speaking, workforce housing means housing our workers can afford-our teachers, restaurant employees, firefighters, electricians, and others making around the County’s median income. Nearly all experts agree that a household’s housing costs should not exceed 30% of its income. Therefore, workforce housing commonly refers to housing that costs less than 30% of the area’s median income and that housing is becoming harder and harder for the workforce to find.

COMMUNITY NEEDS ASSESSMENT

Understanding the needs for housing and the barriers standing in its way is an important first step in determining which changes are needed in your community's plans, policies and procedures.

HAS YOUR COMMUNITY TAKEN STEPS TO UNDERSTAND LOCAL HOUSING NEEDS?

1. Has your community expressed an interest or need for more housing options? Y ☐ N ☐
2. Have the following stakeholders participated in discussions regarding the need for workforce housing?
☐ employers ☐ school districts ☐ families ☐ local residents ☐ nonprofits
☐ other jurisdictions ☐ developers ☐ land owners
3. What methods have been used?
☐ questionnaire/survey ☐ public comment ☐ online options ☐ public meetings
☐ presentation of options with discussion ☐ focus groups ☐ other

PLANNING STRATEGIES

BEST PRACTICE HIGHLIGHT

A plan was created for the Village of Kalkaska in 2022 after working with the Village to create a survey and understand their housing needs and goals. It included a public engagement process and incorporating some of the new housing tools.

[Here is a link to that plan.](#)

The legal framework for determining where and what type of development occurs through zoning but zoning must be based on an adopted community master plan. Plans are an important way to begin conversations about housing and can provide guidance about how housing needs should be addressed and accommodated in local policies and zoning ordinances.

HAS YOUR COMMUNITY CONSIDERED PLANNING INITIATIVES OR AMENDMENTS TO ADDRESS HOUSING?

1. Y ☐ N ☐ Creating a Master Plan that advocates for housing that meets the needs of all residents.
2. Y ☐ N ☐ Setting a goal for an amount of workforce housing needs (as a number of units or as a percentage of total housing) and developed a method to track progress.
3. Y ☐ N ☐ Mapping priority development areas in and adjacent to villages and settlements where workforce housing is to be included with other housing types
4. Y ☐ N ☐ "Pre-permitting" selected sites within the designated priority development area(s).
5. Y ☐ N ☐ Becoming "Redevelopment Ready Certified" to access Michigan Economic Development Corporation (MEDC) financing, resources and marketing.

ZONING STRATEGIES

Development begins with zoning, which is a locally adopted law that regulates where, how, and what type of development is allowed in a community. The right zoning can create a clear, predictable path for developers to follow, resulting in the type of housing that a community wants and needs. But it can also be a barrier preventing the construction of many types of in demand homes, increasing development costs, or requiring complex and lengthy approval processes. It's important for communities to make sure that their local zoning ordinances are up to date, fair, predictable and reflective of the community's needs and preferences for housing.

DOES YOUR COMMUNITY'S ZONING ORDINANCE INCLUDE/ALLOW THE FOLLOWING:

1. Y[] N[] An established, simple, and easily accessible development approval process
2. Y[] N[] Lot splits
3. Y[] N[] Single-family homes to be converted to multi-family units
4. Y[] N[] Expanded boundaries of high density residential districts
5. Y[] N[] A mixture of densities and dwelling types that are allowed by right (preferably) or by special use, especially in priority development area(s), including:
 - Y[] N[] Multi-family housing (townhomes, condos, apartments, duplexes, multiplexes, etc.) with the same/similar lot dimension requirements as single family homes when practical
 - Y[] N[] Small minimum dwelling size (450 sq. ft. or less is suggested) for all housing types
 - Y[] N[] Zero lot lines
 - Y[] N[] Dormitory housing or boarding room housing in certain districts under defined conditions
 - Y[] N[] Mixed-use buildings that allow housing in commercial districts
 - Y[] N[] Accessory dwelling units (ADUs) or granny flats
 - Y[] N[] Cottage developments
6. Y[] N[] Definitions that distinguish between "long-term rental" and "short-term rental"
7. Y[] N[] Single-room (long-term) rentals in single-family homes
8. Y[] N[] An ordinance that regulates short-term rentals, including limiting or prohibiting short-term rentals of non-owner occupied homes in districts targeted for workforce housing
9. Y[] N[] An ordinance that allows Planned Unit Developments (PUDs) through a clear, fair, predictable process that encourages inclusion of workforce housing
10. Y[] N[] Form-based zoning in districts that have been designated as priority development area(s)
11. Y[] N[] Encourage or incentivize energy efficiency and sustainability to maintain affordability
12. Y[] N[] Overlay districts to delineate priority development area(s) for workforce housing

ZONING STRATEGIES

DOES YOUR COMMUNITY'S ZONING ORDINANCE ALLOW INCENTIVES FOR WORKFORCE HOUSING INCLUDING:

1. Y[] N[] Density bonus when retaining open space
2. Y[] N[] Density bonus when a percentage of units are set aside for workforce housing
3. Y[] N[] Reduced number of parking spaces required
4. Y[] N[] Reduced utility hookup fees
5. Reduced minimum dwelling and lot width and size for:
 - [] Below market-rate housing
 - [] Districts targeted for workforce housing
 - [] In-fill development
6. Y[] N[] Height bonuses if residential is incorporated in a mixed-use building
7. Y[] N[] Emphasizing incentives in priority development area(s)

HAS YOUR COMMUNITY CONSIDERED THE FOLLOWING REGARDING ACCESSORY DWELLING UNITS (ADUS OR "GRANNY FLATS"):

1. Y[] N[] Minimal restrictions on ADU height, dwelling size, lot area, ratio of ADU size to primary residence size, maximum number of bedrooms/occupants and parking
2. Y[] N[] ADUs for long-term rentals allowed by-right
3. Y[] N[] One attached and one detached ADU is allowed on same property
4. Y[] N[] Limit or eliminate short-term rental of ADUs in districts targeted for workforce housing

BEST PRACTICE HIGHLIGHT: CITY OF FRANKFORT

The City of Frankfort has shown a strong commitment to sustainable housing through progressive zoning and innovative initiatives. In 2011, it updated zoning regulations to allow Accessory Dwelling Units (ADUs) in all residential districts, duplexes in most districts, and townhomes in specific areas, alongside a building height increase to encourage mixed-use development. Furthering its efforts, the City established a Housing Commission in 2019 and the Frankfort Area Community Land Trust (FACLT) in 2022. In 2023, zoning amendments enabled seasonal workforce housing using trailers or RVs, and introduced Article 8 to promote diverse housing solutions like smaller footprint structures, increased density, and ADU-inclusive projects across all districts. Additionally, new tax incentives were created through the Attainable Housing Facilities District and Residential Facilities Exemption District, focusing on key areas like the M 22 and Main Street corridors.

FUNDING AND FINANCING

When building homes that are affordable to the workforce, there is almost always a gap between the costs of construction and a price that's affordable to the end buyer or renter. Builders and partners have to find a way to fill that gap, often with grants, low-interest loans, donations of land, tax incentives or waived infrastructure or other fees. It often takes a significant investment of time and expertise to find and secure that gap funding or subsidy. Local governments can help by approving tax incentives or other tools, or even providing a local source of funding that can be applied to predevelopment activities and/or financial gaps in a project. These activities demonstrate local commitment and reduced project risk to funders and can leverage significant investment from public or private sources.

HAS YOUR COMMUNITY CONSIDERED OR IMPLEMENTED:

1. Y ☐ N ☐ Working with community development finance institutions (CDFIs) to provide financing for developers and buyers when banks won't lend
2. Y ☐ N ☐ Adopting an ordinance and clear approval procedures for payment in lieu of taxes (PILOT) incentives
3. Y ☐ N ☐ Establishing a Neighborhood Enterprise Zone to provide tax incentives for home rehabilitation and new residential development
4. Utilizing the following to acquire land or fund the development of workforce housing:
 - ☐ Michigan or county land bank authority ☐ Brownfield Redevelopment Authority
 - ☐ tax increment financing ☐ housing tax exemption ☐ Payment In Lieu of Taxes (PILOT) ☐ private/government grants ☐ private land trusts ☐ local investment groups ☐ private and public donations ☐ other

ENSURING LONG-TERM HOUSING AVAILABILITY AND AFFORDABILITY

Whenever communities work to encourage more housing choices, it's important to consider how and for how long that housing will be made available to the workforce and other long-term residents. There's often a concern that new homes created under these housing initiatives will be marketed or "flipped" for a windfall profit, and/or that they'll be converted into short-term rentals.

These practices can be easily avoided with a little forethought and some partnerships with housing agencies and others, through mechanisms like deed restrictions, second mortgages, and community land trusts. These practices require that homes are only eligible to be sold or rented to income-eligible households at an affordable price and that they'll be occupied only by the owner or primary renter. Local governments, developers, and community organizations can enter into partnerships with nonprofit developers or housing agencies that routinely manage these types of requirements. Community Land Trusts (CLT's) are the only way to ensure affordability in perpetuity. More information on community land trusts and shared equity homeownership is available [here](#). Our region is fortunate to have [Peninsula Housing](#), [Northern Homes CDC](#) and [FACLT](#) working towards housing for all in our communities!

DEVELOPMENT OPPORTUNITIES

A hallmark of successful workforce housing projects is participation and support from a variety of partners: private developers, local governments, community development finance institutions, state agencies, volunteers and nonprofits. Because development is so expensive, and often requires different funding sources, projects tend to be complicated and require help from multiple partners. Your community can play a key role in streamlining the development process by convening those partners and coordinating projects, while ensuring that local assets and infrastructure are “housing ready.”

HAS YOUR COMMUNITY CONSIDERED OR IMPLEMENTED:

1. Y[] N[] partnerships with nonprofits, businesses, schools, and private developers to advance workforce housing development?
2. Y[] N[] Working with partners to market housing development opportunities?
3. Y[] N[] Whether your current infrastructure supports increased housing density?

Identifying factors that limit density:

☐ parking ☐ roads ☐ soil conditions ☐ Brownfield(s) ☐ septic/sewer ☐ other

5. Y[] N[] Opportunities to rehab deteriorated, abandoned or unused buildings or properties for workforce housing?
6. Y[] N[] A transparent, easy to follow “developer’s checklist” of zoning and other requirements that must be met before a project is launched?
7. Y[] N[] Forms and permits that are simple, easy to access and make the development process as transparent and efficient as possible?
8. Y[] N[] Establishing or using the county or state land bank authority as a development tool and partner?
9. Y[] N[] Creating an inventory of local government owned properties, redevelopment-ready properties, or other sites available and appropriate for housing development?

NATIONAL COALITION FOR COMMUNITY CAPITAL

Community capital is a set of strategies that allows people of any economic status to invest in their community. The National Coalition for Community Capital is a network of organizations and individuals working to democratize economy & grow community wealth.

COMMONGROUND COOPERATIVE



Commongrounds is a a real estate cooperative cultivating a more empowered community through cooperatively-owned places (and bird puns).

BEST PRACTICE HIGHLIGHTS

HOUSING PARTNERSHIPS: LEELANAU AND BENZIE

Leelanau County is home to a number of local partners that work closely together on housing initiatives. They are now working with Housing North, The Leelanau Peninsula Economic Foundation and Sleeping Bear Gateway Council as a Collaborative with community engagement to create a Housing Action Plan.

Housing North is also engaged with the Benzie County Collaborative formed in 2022 when a group of local residents and advocates approached Housing North to start a kick off meeting. The monthly collaborative continues to meet the last Thursday of the month at Grow Benzie and is working on a communication and action strategy with our Housing Ready team.

THE MANISTEE HOUSING ACTION TEAM

Formed in 2022 in preparation for the Housing Ready Program Coordinator to be placed in Manistee County, through the Manistee County Community Foundation and the Human Services Collaborative Body or HSCB, the group brings together partners and stakeholders to aid the Manistee Housing Ready Program Coordinator facing priorities and looking for housing solutions for the community.

**WANT TO LEARN MORE ABOUT
THE HOUSING READY PROGRAM?**

**MEET THE TEAM
AND REACH OUT!**

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