



HOMES FOR OUR FUTURE COMMUNICATIONS TOOLKIT





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. It's governed by a ten-county Board of Directors that represent business; philanthropy; local, county, and tribal government; workforce development; and housing agencies from throughout the ten-county region of Northwest Lower Michigan.

www.housingnorth.org



homesforourfuture.org * housingnorth.org

HOMES FOR OUR FUTURE

COMMUNICATIONS TOOLKIT



Housing is a complex challenge. For new homes to be built, developers require adequate funding, public services, regulatory support, labor, and more—from the private sector, local governments, state agencies, and a variety of other partners. Coordinating all of those considerations and stakeholders is a daunting prospect—and becomes even more so when you consider that an unsupportive public can affect decisions on nearly every one of those factors. Indeed, public support for housing initiatives is a central ingredient to success. Without it, the success of housing projects or other solutions is never certain.

Yet, public support for housing solutions can be elusive. Housing debates are intensely personal and emotional, and housing proposals and initiatives have been divisive in many communities. While community members are quick to agree that more housing is needed, there's often disagreement about what types of housing are needed and where, what resources should be provided to make housing a reality, and who should or should not be a part of the solution. Many times these conversations are based on conjecture, rumor, misinformation, and deeply-ingrained stereotypes about what "affordable," low-income, or workforce housing might be, or how it might impact a neighborhood.

It's understandable that this happens. With a topic as complex and emotional as housing, it's easy for messages to be garbled, facts to be distorted, or objectives and end goals to be lost. Housing conversations are full of confusing terms that are used differently by different people; acronyms; data; and assumptions on either end. What's more, many people on both sides of housing debates are prone to react emotionally to the topic. In this environment, it's difficult to make objective decisions or judgments about the questions at hand.

Solutions to the hugely important issue of housing require a more constructive frame for communications about it—which requires a better understanding of how we interpret and communicate information.

THE ART & SCIENCE OF HOUSING MESSAGES

While it's tempting to believe that clear, rational messages and good data will convince a skeptical audience and build public support for housing, research and experience prove this is far from the case. Research from the Frameworks Institute cites studies showing that we hold more tightly to our ideas when new data is presented that contradicts those ideas. Some of this is connected to the phenomenon of "confirmation bias"—the tendency to accept arguments that confirm our views. Some of it has to do with the way we identify, as individuals, with our beliefs—and how data that calls our beliefs into question also calls our identities into question. And some is related to the way our brains process information. We need a compelling alternative explanation to replace the information we use to explain the world, or we feel unmoored and uncertain—and hang on more tightly to our false beliefs.

Understanding how we communicate and process information is important when talking about emotional topics like housing. We all see issues like housing in many ways, or through different “frames” or cultural narratives that we use to interpret the world around us. For instance, many of us subscribe to the cultural narrative that we are all “self-made,” or that each of us is solely accountable for our own circumstances. While mindsets like the “self-made” concept often contain important truths in certain contexts, in the context of housing, it may lead us to believe that a family’s inability to find housing has to do with their inability to save or manage money, or that they’ve made poor choices—when the reality is much more complicated, having to do with national and even global issues like supply and demand, development financing, and more. Whatever the reality might be, however, frames like these are deeply ingrained mindsets that aren’t easily changed by data or rational arguments.

Working within these frames, and using them as way to understand we interpret the world, can help us engage people in discussions and solutions. The resources in this toolkit consider housing in the context of those frames. They’re intended to help advocates and leaders build consistent messages around housing in public dialogues, and include memorable data points, clear messages about solutions, and context for how housing impacts our shared values. The guide includes communications frames developed on behalf of Housing North by Avenue ISR in 2019 and based on research from the Frameworks Institute, along with data and information about housing needs and solutions from a broad range of sources. It is not intended to be a complete toolkit on housing solutions—such as funding sources, zoning techniques, or policy initiatives; however, where available, resources on these solutions are referenced in the toolkit for further reading.

RESOURCES

Links to all resources are available on www.homesforourfuture.org.

You Don’t Have to Live Here

This report by the Enterprise Community Foundation and the Frameworks Institute identifies the challenges in housing communications and new research about which messages work, and how to use communications to expand the public discourse on housing issues.

Housing Toolbox for Massachusetts Communities

The Citizens' Housing and Planning Association and the Massachusetts Housing Partnership developed guidance as part of a statewide initiative to support local officials and volunteers in their efforts to provide more affordable housing opportunities in their communities. It includes strategies and best practices for the creation and preservation of affordable housing—including tools and resources for building local support and improving communications.



COMMUNICATION TIPS



Consider the frame. How issues are framed can change how people respond to it. Talking about housing as a “right” or about creating housing for others may trigger an “us versus them” reaction. But if the message is framed as a matter of fairness so that gives everyone access to housing they can afford, or as an issue that affects our shared values and future, messages are received more openly.

Fill in gaps in understanding. Be sure that audiences understand the “why” of the issue. The public often has little context or only a basic understanding of the complex causes of housing shortages, or how they can be solved. Messages should clearly and simply outline the factors that have contributed to this issue—and how things are different today than it was when our audiences first bought or rented homes.

Messengers matter. People listen to people they trust. Members of the clergy, police or emergency responders, military personnel, school officials, business owners, and other well-known and broadly-trusted community members can be powerful advocates for housing messages.

Focus on solutions. Many of us suffer from “crisis fatigue.” We become so overwhelmed by the many complex problems in our world that we give up on solutions, not knowing what steps to take as individuals or even if we have the power to act in any meaningful way. Efforts to engage the public should be clear and directive—with a message of hope that solutions can address our housing needs.

Use social media carefully. Social media is a powerful communications tool—and potentially destructive. Misinformation can spread like wildfire, and community dialogues can quickly descend into personal attacks. Therefore, it’s important for clear, simple, memorable messages to be shared in a proactive way, even before a specific proposal arises.

Make data meaningful. Messages can get bogged down in data that isn’t presented in a meaningful way, or that is too abstract for people to make clear connections to its impact. Using a few key data points that are framed in a compelling message about what it means, or the impact it has, is more powerful than overloading the audience with data that they may or may not be able to effectively interpret.

Words matter. Using certain words—and avoiding others—can help the audience with shared values while avoiding strongly ingrained opposition to certain social positions. For instance, the term “housing” is an abstract concept that’s not tied to a predictable image. It can mean anything from a cozy single-family home to a massive, imposing apartment building, so it’s easy for imaginations to run wild when the term is used. On the other hand, we all have a personal connection to the word “home.” Most everyone has, or wants, a home. But who wants to live in “housing?”

EMPHASIZE

Homes
Work
Young Families
Working People
Middle Class
We, Us, Our

DE-MPHASIZE

Affordable Housing
Low-Income Housing
Housing as a Right
Deserving
Public Policy

USE SPARINGLY

Housing
Housing Options
Housing Alternatives
Community Housing
They, Them, Theirs

WHAT'S AFFORDABLE?



How “affordable” a home is depends on how much it costs in relation to a household’s income. To categorize and determine affordability levels in the context of income, funders and others use an income measure known as “area median income” (AMI), which is the household income for a median (typical) household in the county. AMI varies not only by county but also by household size.

Public housing subsidies are often directed towards households within certain income brackets, which are categorized as low-income, very low-income, or extremely low-income, based on a comparison with the AMI. Different subsidies may be available for different income levels. Charts showing income levels by county in Northwest Lower Michigan are available online at homesforourfuture.org.

| Income Group | What housing programs may they be eligible for? | What type of household is this? | How much can they afford to spend on housing each month? |
|---|---|---|---|
| 0-30% AMI Extremely low income \$0-\$19,683 family of 4 \$0-\$13,791 single person | Public housing Housing Choice Voucher CDBG* Local housing programs | People who are unable to work due to disability or age Seniors on fixed incomes Low-wage workers, including many retail, restaurant, and day care workers | \$0—\$492 family of four \$0—\$345 single person |
| 30-50% AMI Very Low Income \$19,683-\$32,805 family of four \$13,791-\$23,214 | Public housing Housing Choice Vouchers CDBG* LIHTC** Local housing programs | One person working as an home health care aide, nursing assistant, or bartender Two workers in retail, restaurant, or child care sectors | \$492-\$820 family of four \$345-\$575 single person |
| 50-80% AMI Low Income \$32,805-\$50,885 family of four \$23,214-\$36,516 single person | CDBG* LIHTC** Local housing programs | One or two workers in entry level jobs, including EMTs, administrative assistants, and teachers | \$820-\$1,266 family of four \$575-\$887 single person |
| 80-100% AMI Moderate income \$50,885-\$65,610 family of four \$35,516-\$46,630 single person | Local housing programs | One or two workers in entry- or mid-level jobs, including police officers, fire fighters, school teachers, and IT support personnel | \$1,266-\$1,640 family of four \$887-\$1,149 single person |

*Community Development Block Grants

**Low Income Housing Tax Credit program

WAGES & AFFORDABILITY



A home is “affordable” if it costs less than 30% of a household’s income. If households spend more than that, they’re considered “cost overburdened.” Cost-overburdened households are at greater risk of eviction, foreclosure, or homelessness, and lower-income households are more likely to be cost overburdened. State and federal guidelines define “low income households” as those earning 80% or less of the area median income (AMI), with income guidelines established and published for each county in Michigan annually by the Michigan State Housing Development Authority (MSHDA). Low-income households make up a significant and critical portion of the workforce, including workers in tourism industries, construction, child care, education, and health care. Many of these workers struggle to find homes that are affordable.

| OCCUPATION | MEAN ANNUAL WAGE | AFFORDABLE RENT |
|----------------------------|------------------|-----------------|
| Dishwashers | \$22,030 | \$551 |
| Housekeepers | \$23,130 | \$578 |
| Bartenders | \$23,900 | \$598 |
| Childcare Workers | \$24,580 | \$615 |
| Home Health Aides | \$25,950 | \$649 |
| Bank Tellers | \$27,500 | \$688 |
| Waitstaff | \$28,400 | \$710 |
| Janitors | \$28,820 | \$721 |
| Nursing Assistants | \$29,980 | \$750 |
| Phlebotomists | \$31,260 | \$782 |
| Reporters | \$31,280 | \$782 |
| EMT | \$31,880 | \$797 |
| Construction Laborers | \$33,930 | \$848 |
| Admin. Assistants | \$34,430 | \$861 |
| Dental Assistants | \$37,100 | \$928 |
| Preschool Teachers | \$37,930 | \$948 |
| Firefighters | \$40,180 | \$1,005 |
| Mechanics | \$40,650 | \$1,016 |
| Welders | \$41,210 | \$1,030 |
| Truck drivers | \$44,420 | \$1,030 |
| Protective service workers | \$45,040 | \$1,126 |
| IT Specialist | \$45,040 | \$1,126 |
| Teachers | \$47,740 | \$1,194 |
| Electricians | \$47,740 | \$1,194 |

Source: Bureau of Labor Statistics, 2018



HOUSING TERMS



| TERM | ROLES | WHAT INCOMES DOES IT SERVE? | ALSO KNOWN AS... |
|----------------------------|--|---|---|
| Affordable Housing | Housing that costs 30% or less of a household's budget. | All | Low-income housing Workforce housing Attainable housing Supportive housing |
| Attainable Housing | Homes that are deemed "affordable" to a group of people within a specified income range. Often, this term is used interchangeably with "workforce housing." | There's no "official" income level. Depending on the market, it may include incomes up to 150% of the area median income. | Affordable housing Attainable housing |
| Low-Income Housing | Rental or for-sale housing that's made affordable, through subsidies, to low- and moderate-income households. Deed restrictions or other controls limit the resale price or rent for a specified number of years. Affordability may be guaranteed for periods of time ranging from 10 years to perpetuity. | 605 of area median income (rental) 80% of area median income (ownership housing) | Affordable housing |
| Market Rate Housing | Housing sold at full market value. | All | |
| Supportive Housing | A combination of housing and services that cost-effectively helps people live more stable, productive lives—especially those facing complex challenges such as homelessness or very low incomes, and/or serious, persistent issues like substance abuse or addiction, mental illness, disability, dementia, and HIV/AIDS. Supportive housing is coupled with social services like job training, life skills training, alcohol/drug abuse programs, and case management to populations in need of assistance. | Supportive housing often serves low-income households (60% AMI or less) | Affordable housing |
| Workforce Housing | Housing that's affordable to parts of the workforce earning low, moderate, and entry-level incomes such as teachers, police officers, medical technicians, construction workers, office workers, and retail and restaurant staff. Workforce housing may include both rentals and homeownership opportunities, and is generally located near employment centers. It may be either subsidized or unsubsidized. | There's no "official" income level. Depending on the market, it may include incomes up to 150% of the area median income. | Affordable housing Attainable housing |

FRAMING THE MESSAGE



Housing North’s communication strategy establishes a straightforward “frame” to create persuasive and inviting messages about housing. The following structure provides a starting point for introductory housing conversations. Additional talking points, data, and messages are provided in the following pages for advocates and leaders to use in more in-depth housing discussion with a variety of audiences.

| Message Frame | Messaging Tips | Sample Messages |
|-------------------------------------|--|--|
| Establish values & common ground | <ul style="list-style-type: none"> • Begin with statements of values that engage the audience • Help them understand the issue in the context of these values | <ul style="list-style-type: none"> • We want communities where hard working people can afford to live. • We want our children and grandchildren to be able to live here if they choose. |
| Connect the problem to these values | <ul style="list-style-type: none"> • Why is today different from yesterday? • Be factual, not “fact-full” • Make it personal with relatable stories • Use language that invites shared common ground – this is “US” not “Them” | <ul style="list-style-type: none"> • Because of long-term trends, there is a real shortage of homes. • Many middle-class workers young and old are no longer able to live in our towns and rural areas. • We risk creating communities where only the wealthy can live. |
| Show solutions that work | <ul style="list-style-type: none"> • Lay out a reasonable path to get there • Show examples of solutions that inspire and dispel fears | <ul style="list-style-type: none"> • Through common sense policies, we can create new housing options. • Housing ready communities are already making a difference in our area. • There are many creative solutions that businesses and citizens can use to help. |
| Tell audiences what they can do | <ul style="list-style-type: none"> • Talk about possible solutions and specific participation roles • Ease and encourage action paths • Assign a task • Ask for a commitment | <ul style="list-style-type: none"> • Local leaders, business people, and citizens can all play a part. • Visit www.homesforourfuture.org to learn more. |





HOMES FOR OUR FUTURE: TELLING THE STORY

Housing North's Homes for Our Future position statement can be used as a basic message to introduce the Homes for Our Future campaign and housing issues to a broad range of audiences. The message can be customized to appeal to specific audiences and their values, including environmental impact, homelessness, health, and social equity. The following pages offer talking points, data, and messages that can help advocates and leaders organize their communications within and around the Housing North Homes for Our Future position statement.

HOMES FOR OUR FUTURE POSITION STATEMENT

In Northern Michigan most of us believe that if you work hard and save you should be able to live in a safe home. We want communities where our children and grandchildren are able to live or return. But Northern Michigan is becoming a more and more difficult place for young families and working people to live. Not enough new homes are being built. Homes for rent are being pulled off the market for short term rentals like Airbnb. For these and other reasons, housing costs have surged past local incomes and there is a real shortage of homes. Teachers, health care workers, first responders and other middle class workers young and old are not able to live in our communities. They have to drive from farther and farther away to work or they leave our region altogether. We run the risk of creating communities where only the most wealthy can afford to live. This shortage of homes can be solved! By working with developers, making common sense updates to zoning and helping employers and citizens to create new housing options, we can ensure that our communities remain places where all people can live, work, raise families and thrive.



UNDERSTANDING THE NEED

Messages should clearly and simply outline the problem we're facing, and how it impacts the values that we share— providing opportunities for our workforce, children, and grandchildren to live ; building a stronger economy; and preserving the things we love about our communities.

Because of long-term trends, there is a real shortage of homes. Many middle-class workers young and old are no longer able to live in our towns and rural areas. We risk creating communities where only the wealthy can live.

High Demand for Homes

- A 2019 market study shows a potential demand in the region for 10,880 new rental homes, and 4,660 for-sale homes. Demand is high because the number of jobs and households in our region has been growing for years—while development has been constrained by high land values, construction costs, and tax rates; complex development processes; and public opposition.
- A 2017 Home Builders Association of Michigan report shows that new home costs are higher in the Greater Grand Traverse Area than anywhere in Michigan - with a median new home price of more than \$437,000. To qualify for a house at that price, a household would need to earn over \$116,000 per year.

Personal & Community Impacts

- Without housing they can afford, many individuals and families are forced to live in deteriorating homes that are unsafe and unhealthy.
- Many individuals and families move farther from work and school, where long commutes result in high transportation costs. An average household in our region spends well over half their income on the combined costs of housing and transportation. When people

live farther from jobs, they can spend two-thirds or more of their income on those two costs alone.

- Long commutes create added traffic on the roads and higher public costs for services like sewer, water, and emergency response.
- Building homes in existing communities, or building in higher densities, creates the “critical mass” needed to support effective transit services and other public infrastructure.

Economic Impacts

- Housing is an economic stimulus, creating jobs and tax revenue. Data from the National Institute of Home Builders estimates that building 100 affordable homes generates \$11. million in local income, 161 local jobs in the first year alone, and \$2.2 million in local taxes and other revenues for local governments.

Environmental Impacts

- When we don't create homes near jobs and schools, we push development into undeveloped areas—destroying the region's natural beauty and compromising water quality and green infrastructure.
- Development outside of town results in longer commutes and increased emissions.
- Building homes on blighted or contaminated property provides important opportunities



UNDERSTANDING THE NEED

for environmental clean-up and water protection.

Shortages of Homes Affects Our Workforce

- Over a ten-year period, the number of people in our region between the ages of 34-54 declined by 17%, while the number of children (below age 19) dropped by 13%. At the same time, there was a 33% increase in those over aged 55, as empty nesters and retirees move into the region (*data from American Community Survey*). This long-term trend is resulting in a smaller workforce now, and shrinking our future workforce “pipeline.”
- It’s hard to recruit new families and young people back to the area when they can’t find homes they can afford. Surveys of young professionals in both Traverse City and Manistee showed that half of professionals under age 40 were thinking about, or had thought about, moving away because of housing costs.
- Retirees are making up the majority of new residents. Over the next 15 years, nationally, 87% percent of household growth will be couples without children, and 53% percent of household growth will be single individuals.
- All industries are struggling with workforce shortages. Without new residents and workers, current residents will have difficulty meeting basic needs—for health care, home improvement, and other. Waits will be longer—for everything from a restaurant table to respite care for senior citizens.
- As young families leave, school enrollment declines—leading to decreased school funding for our schools.
- Businesses increasingly report that difficulties in retaining and recruiting staff are connected to shortages of housing – and that the subsequent lack of workers is impacting their ability to maintain and grow their businesses.
- Businesses in all industries describe putting new employees up in hotels while they search for housing – and having new employees ultimately turn down job offers because they can’t find a place to live.
- A 2017 survey in Leelanau County showed that “access to housing” was considered the biggest obstacle to creating new local jobs.
- Restaurants are shortening hours, seasons, and menus; are paying overtime; closing if their chef calls in sick; and facing poorer customer service from being stretched too thin. All because they can’t find enough workers – who can’t find housing.
- The housing shortage is impacting workers at all pay scales. Hospitals struggle to recruit all kinds of health care professionals – even doctors – because there aren’t enough homes, especially rentals, available. One manufacturing company considered turning down a \$4 million dollar order because they were concerned they wouldn’t be able to house the 10-12 new workers they needed to recruit. Others report having as many as 70 unfilled positions—and attribute the openings to a lack of housing options for new workers.
- “Where are you going to live?” is one of the first interview questions employers ask potential new employees.



RESOURCES

Links to all resources are available on www.homesforourfuture.org.

Income Limits

The Michigan State Housing Development Authority sets income and rent guidance annually for each county in Michigan.

Northwest Michigan Target Market Analysis

This market study, conducted by market analyst LandUse USA and coordinated by Networks Northwest and Housing North, shows the potential demand for new units in each county, city, and village in Northwest Lower Michigan through 2024.

Young Professionals Surveys

Chambers of commerce in Manistee and Traverse City conducted housing surveys in 2019, with questions about housing impacts on young professionals.

LPEF Survey

The Leelanau Peninsula Economic Foundation conducted a survey of Leelanau County businesses to determine needs around, and impacts from, issues like housing, infrastructure, and more.

Benzie & Wexford Housing Needs Assessments

In partnership with the Alliance for Economic Success, Community Research Associates analyzed housing demand in Benzie and Wexford counties in 2017.

East Jordan Housing Assessment

Northern Homes conducted an assessment of housing condition in the City of East Jordan in 2019.

Housing Inventories

Inventories developed by Networks Northwest in 2014 inventories identify issues around the region's current housing supply, affordability, vacancy, condition, and related costs.

H+T Affordability Index

The Center for Neighborhood Technology offers a mapping and data tool to identify housing and related costs for some communities.

Opportunity Starts at Home

Housing has impacts on nearly all parts of our lives and communities. The Opportunity Starts at Home campaign breaks down impacts by sector—like education, health, safety, and more.

Benchmarks Northwest

Networks Northwest maintains dashboards and data on housing, economic, demographic, and other community indicators on the Benchmarks Northwest website.



NORTHWEST MICHIGAN TARGET MARKET ANALYSIS

A residential “target market analysis” was conducted by real estate consultants LandUse USA in 2019 for all counties in Northwest Michigan. The analysis uses data from the American Community Survey and Experian Decision Analytics to assess demand from various demographic groups for housing types from potential “movers” both inside and outside the study area. The market potential represents the total number of new households moving into each place annually, plus the number of existing households that are moving from one address to another within that same place. The market potential is intentionally not adjusted for out-migration.

Links to data for each county, and most cities and villages, in Northwest Michigan are available at homesforourfuture.org.

| PROJECTED RENTAL DEMAND, NORTHWEST MICHIGAN, 2020 | | | |
|---|-----------------------|--------------------------|------------------------------|
| Household Incomes | Rents | # Units | % of Potential Demand |
| Up to \$26,000 | \$650 and less | 6759 | 62% |
| \$28,000 - \$40,000 | \$700 - \$1000 | 2997 | 28% |
| \$42,000 - \$60,000 | \$1050 - \$1500 | 970 | 9% |
| \$64,000+ | \$1600 + | 154 | 1% |
| Total Units | | 10,880 | |
| PROJECTED HOMEOWNERSHIP DEMAND, NORTHWEST MICHIGAN, 2020 | | | |
| Household Incomes | Values | # Units | % of Potential Demand |
| Up to \$60,000 | \$150,000 and less | 2199 | 47% |
| \$70,000 - \$100,000 | \$175,000 - \$250,000 | 1837 | 39% |
| \$110,000 - \$150,000 | \$275,000 - \$375,000 | 432 | 9% |
| \$160,000 | \$400,000+ | 192 | 4% |
| Total Units | | 4,660 | |
| TOTAL DEMAND, RENTAL & HOMEOWNERSHIP, 2020 | | | |
| | # Units | % of Total Demand | |
| Homeownership units | 4,660 | 30% | |
| Rental units | 10,880 | 70% | |
| | 15,540 | | |



UNDERSTANDING THE PROBLEM

It's important for audiences to understand the "why" of the issue. The public often has little context or only a basic understanding of the complex causes of housing shortages, or how they can be solved. Messages should clearly and simply outline the factors that have contributed to this issue—and how things are different today than it was when our audiences first bought or rented homes.

Because of increasing costs for land, infrastructure, labor, and materials, it's almost impossible to build new homes that are affordable to the workforce.

High Costs of Development

- Communities throughout the US are building less. There were 38% fewer housing units built in 2018 than 2005, the year permits peaked before the recession, according to a study by Apartment List. The number of homes and apartments built in 2018 roughly matches 1994, when the country's population was 20% percent smaller than it is today.
- Infrastructure costs—that is, the costs to hook up to sewer, water, and other services—are higher in smaller towns where there are fewer residents paying into the system. It can cost up to \$60,000 per unit to extend services even a short distance.

Local Policies and Public Opposition

- Zoning prohibits many of the types of housing that are most in demand—that is, the smaller homes, apartments, and condos that meet the needs of our shrinking households. Nationally, up to 25% of development costs can be attributed to lengthy and complicated review processes, according to the National Association of Home Builders.
- Fears and stereotypes about housing lead many members of the public to oppose new homes or policy solutions—making it harder and more costly to build, discouraging developers from working in our communities, and ultimately derailing project after project that could provide the homes our communities need.

RESOURCES

Links to all resources are available on www.homesforourfuture.org.

Freddie Mac Research

Freddie Mac's research includes regular forecasts, indices, and "insights" about the housing market, including a discussion on housing supply issues.

Housing Challenges Threaten Our Economic Growth: Where Will 10 Million Michiganders Live?

In 2017, the Home Builders Association of Michigan sought input from builders and other stakeholders throughout Michigan to identify key issues around the development of new housing. The report includes a summary of input and data, along with recommendations for local and statewide policy makers.



UNDERSTANDING THE PROBLEM

- Short-term rentals are changing the housing market in many of our towns. Between 2010–2016, the region’s housing stock didn’t grow at all overall—yet there was an increase of 15% in the number of units classified as “seasonal.” This points to a trend where year-round homes are being converted to seasonal housing units, including short-term rentals, which affects the supply and cost of year-round housing (*data from American Community Survey*).
- There are few financial resources to address the substandard housing issues in rural areas that have profound health impact on residents. Similarly, funding options are slim-to-none for communities anywhere that are trying to create “incremental” development solutions like duplexes, four-plexes, and small apartments that are easier and cheaper to build.

Limited Public Programs

- Programs like the low income housing tax credit (LIHTC) program, the largest producer of affordable housing in the state, don’t subsidize “workforce” housing. Many workers in the region don’t earn enough to afford the median rent or home purchase price. At the same time, they earn too much to qualify for housing that is subsidized for rent or sale to “low-income” households. And the payment-in-lieu-of-taxes (PILOT) incentive used to offset costs related to affordable rental development can’t be applied to workforce rental housing. This means there aren’t ways to offset the high development costs that lead to rents and home prices that are too high for the workforce.
- Many small towns or rural areas aren’t competitive, or even eligible, for the LIHTC program, the largest source of funding available for housing. In 2018, there were no LIHTC funds awarded to communities north of Clare. In 2019, there were two.
- Non-homestead tax rates force property owners to charge higher rents that are unaffordable to much of the workforce.

Construction Labor Shortage

- The Home Builders Association of Michigan reports that Michigan lost 43% of its residential building workforce between 2000–2009—as many as 60,000 workers. At the same time, an aging workforce and shrinking pipeline of young people—and specifically young people planning to work in the trades—have created a construction labor shortage that is impacting the costs of construction, and creating a more competitive environment for developers that do have the capacity for projects.



PATHWAYS TO SOLUTIONS

There are actions we can take, and our audiences need to understand them and who plays a role in them. Lay out a reasonable path for solutions, and share examples of success that inspire and dispel fears.

By working with developers, making common sense updates to zoning and helping employers and citizens to create new housing options, we can ensure that our communities remain places where all people can live, work, raise families and thrive. Through common sense policies, we can create new housing options. Housing ready communities are already making a difference in our area. There are many creative solutions that businesses and citizens can use to help.

- A variety of locally-driven tools and policies can make it easier for the private sector and nonprofits to build housing for our workforce, seniors, young people, and others.

Leverage Land for Housing Investment

- In several Northwest Michigan counties, Land Bank authorities have worked with housing nonprofits and other partners to provide land and tax incentives for new housing development.
- Local governments may own land that's appropriate for new home development. When this land is donated or sold at a reasonable price, overall development costs are lower and housing is more affordable.
- In Leelanau County, a local nonprofit was able to build four affordable units because a property was donated.

Provide Tax Incentives or Relief to Lower Development Costs

- Because development is so expensive, some tax relief is needed to help keep rents low. Local governments can provide tax incentives like payments in lieu of taxes (PILOTs), or offer programs like the neighborhood enterprise zone, to lower development costs.

- Any properties eligible for a PILOT are held to stricter guidelines than market-rate rentals. Developers hire or employ professional property management companies to ensure the buildings are well-cared for.
- Tax incentives for housing can encourage new investment and development on blighted properties that are expensive to clean up and redevelop. Without some local support, these properties may not be redeveloped.
- In Cadillac, tax incentives were used to encourage the redevelopment of a blighted property central to the downtown. That new development will add \$9 million of investment to the community, including new residential units and commercial space.

Create Local Funding Sources

- Housing trust funds can be created by local governments dedicate public dollars to housing programs or projects that meet local needs.
- In Grand Traverse County, a housing trust fund connected to its land bank authority supported the development of the Depot Neighborhood, an energy-efficient, mixed-income development.



PATHWAYS TO SOLUTIONS

- Community foundations can create specific funds to pool local investment and donations in order to provide the support needed to start new housing projects, and to make projects affordable.

Employer-Led Solutions

- Some employers are already taking steps to provide housing for their workforce—by purchasing homes that employees can live in, partnering with schools and colleges for seasonal housing, and connecting with property owners for rentals.

Modernize Zoning for Today's Housing Market

- Small changes to zoning can allow a wider variety of housing types that fit in with the character of our neighborhoods and meet today's needs and preferences.
- Minor tweaks to zoning can create more opportunities for development that fits in with the neighborhood.
- Many of the housing types that are in demand were standard parts of neighborhoods when our historic communities were first built.

RESOURCES

Links to all resources are available on www.homesforourfuture.org.

Success Stories

All over Northwest Michigan, communities are taking steps toward solutions, with zoning changes, tax incentives, and land donations. Success stories are available at www.homesforourfuture.org.

Housing Ready Checklist

The Housing Ready Checklist provides information for communities that would like to understand how their plans, policies, and procedures can encourage—or discourage—the homes we need in our communities.

A Framework for Housing Choices in Northwest Michigan

Part of the Regional Prosperity Plan developed by Networks Northwest in 2014, *A Framework for Housing Choices* includes data and analysis, sample master plan language, zoning guidance, and strategic actions.

Growing Business with Workforce Housing

Housing is a business issue, and businesses are taking action. *Growing Business with Workforce Housing* explores some employer-led housing solutions implemented within and outside the region.

MEDC Redevelopment Ready Communities Best Practices Guidebook

The Michigan Economic Development Corporation provides guidance to communities looking to update plans and ordinances as part of its Redevelopment Ready Communities program.



GET INVOLVED

A message isn't effective if the audience doesn't understand how it applies to them, or how to get engaged. Encourage involvement by talking about specific participation roles in solutions, and make action paths clear and simple.

The public can work with housing advocates and local governments to identify tools and incentives that can lower development costs.

- Individual citizens, community groups, and local governments can show a united front by endorsing the Homes for Our Future campaign, or by passing a resolution. A sample resolution is available on homesforourfuture.org.
- Local governments can make way for housing solutions by changing zoning laws, providing tax incentives, and working proactively with development partners. But they need to hear from citizens in order to move forward. You can attend community meetings to make sure your voice is heard, work directly with local officials or staff. You can contact your local housing network for assistance in communicating with your local officials, and stay in the loop on current proposals by signing up for updates.
- You can sign up at homesforourfuture.org to receive local updates and regional news on events, trainings, important public meetings, and more.
- Individual stories about housing needs—and successes—are powerful advocacy tools. You can share yours by completing the form on homesforourfuture.org.

RESOURCES

Links to all resources are available on www.homesforourfuture.org.

Making Connections: Understanding Community Health, Safety, and Welfare

This guide is intended to start a conversation about local policy, budgeting, and leadership decisions, and their impact on public health issues. It includes a “community planning 101” for citizens.

A Citizen's Guide to Planning & Zoning in Northwest Michigan

This introductory guidebook is intended to provide basic information to citizens that haven't been closely involved in the planning process, but would like to shape future changes in their community.

