



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.

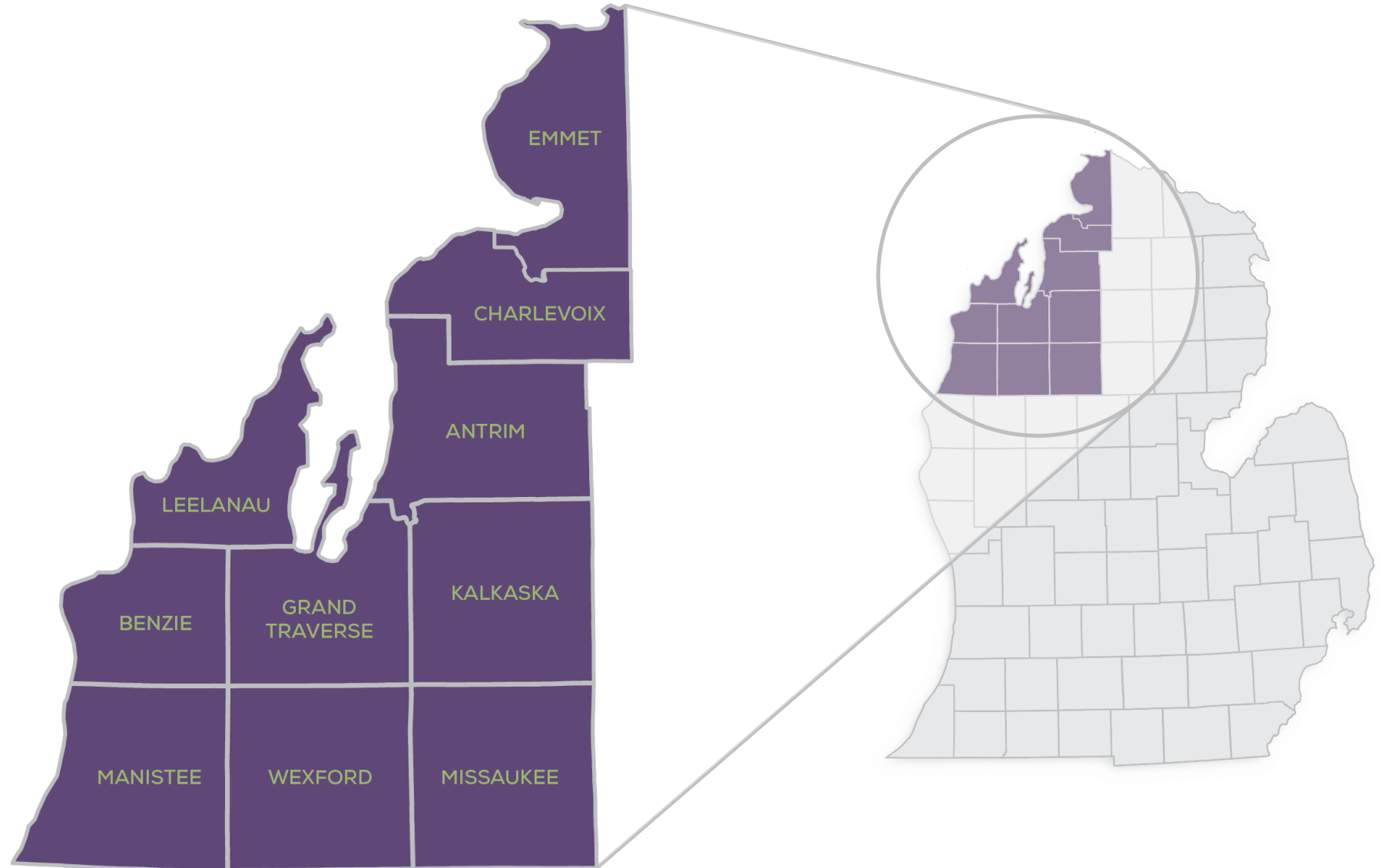
**We know we  
need more  
housing.  
Why not just  
build it?**

## **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

## **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





## **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

Housing is a part of community "infrastructure" conversations



A common language to use across the region

Communities are actively participating in advocacy efforts

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

More diverse housing is considered

\$\$\$

Awareness of housing impacts/solutions leads to new partnership



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

Revenue is more available for housing choices



Housing choices are celebrated



- ✓ Hired Staff
- ✓ Expanded Board

- ✓ Organizational Guidance

- ▶ Strategic Plan
- ▶ Communications Strategy
- ▶ Advocacy Strategy
- ▶ Fundraising Strategy

## AWARENESS

- ✓ Communications strategy
- ✓ Campaign development
- ✓ Target market analysis update

## ADVOCACY

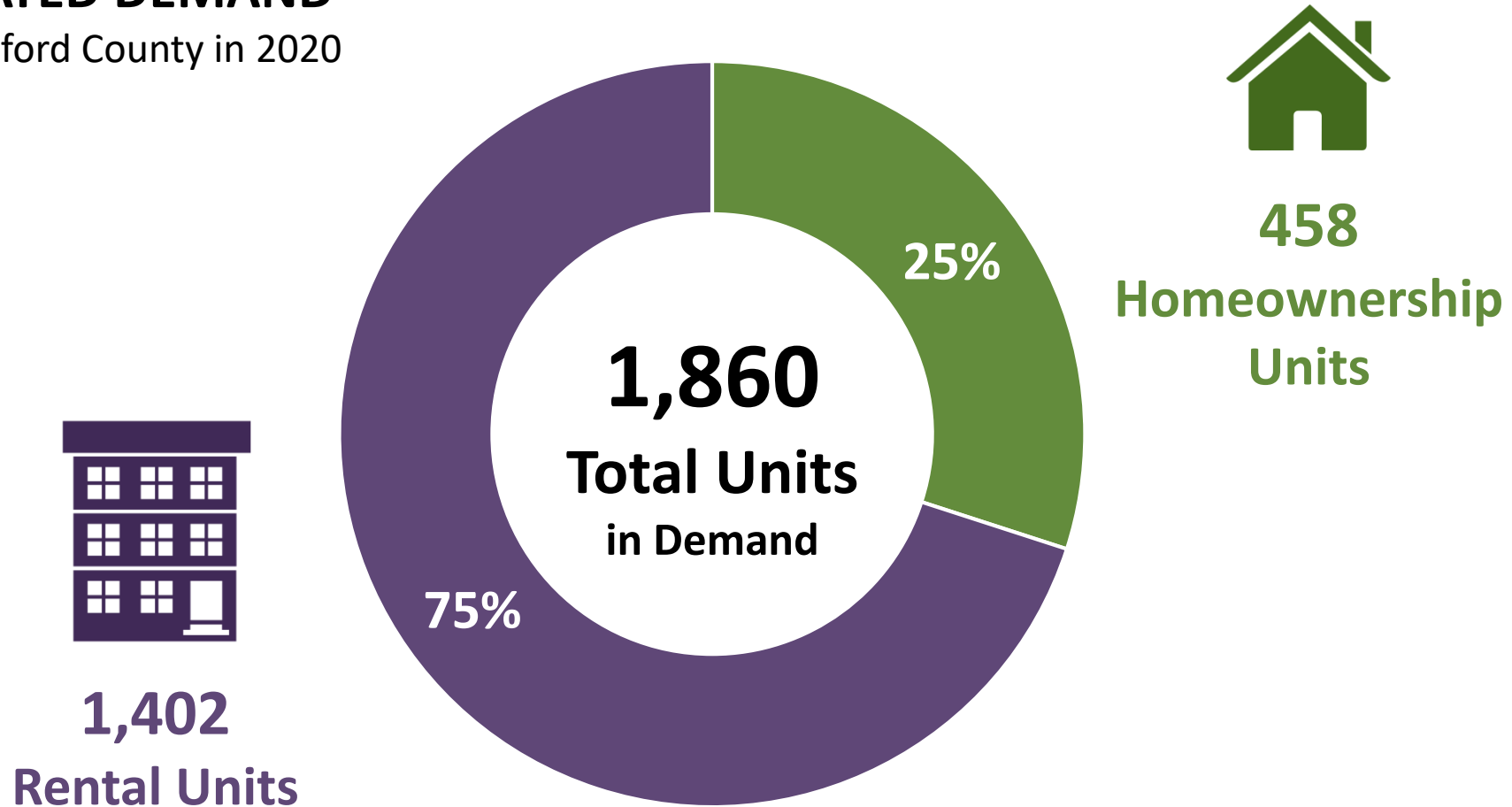
- ✓ Broad regional Advocacy Committee
- ✓ Advocacy strategy
- ✓ Implementation

## 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



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



# Our communities need new RENTAL UNITS at a variety of price points

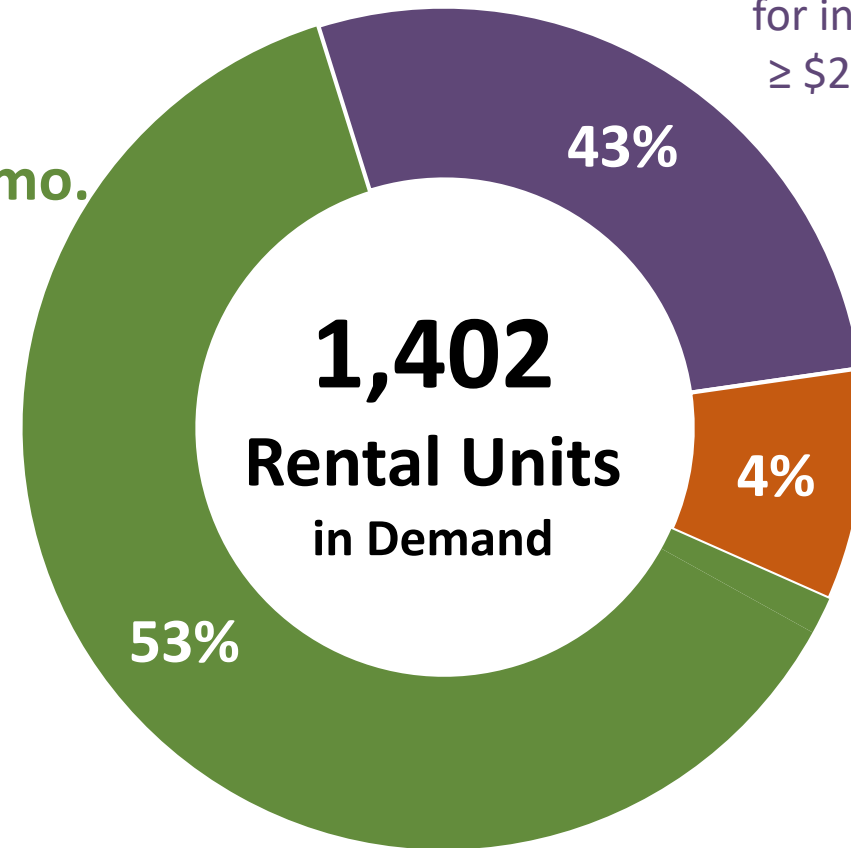
## 2020 PROJECTED RENTAL DEMAND

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 =  
**\$700-\$1,000/mo.**  
for incomes  
\$28K-\$40K/yr.



Unit Rent =  
**≤ \$650/mo.**  
for incomes  
≥ \$26K/yr.

Unit Rent =  
**\$1,050/mo. +**  
for incomes  
\$42K +.

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

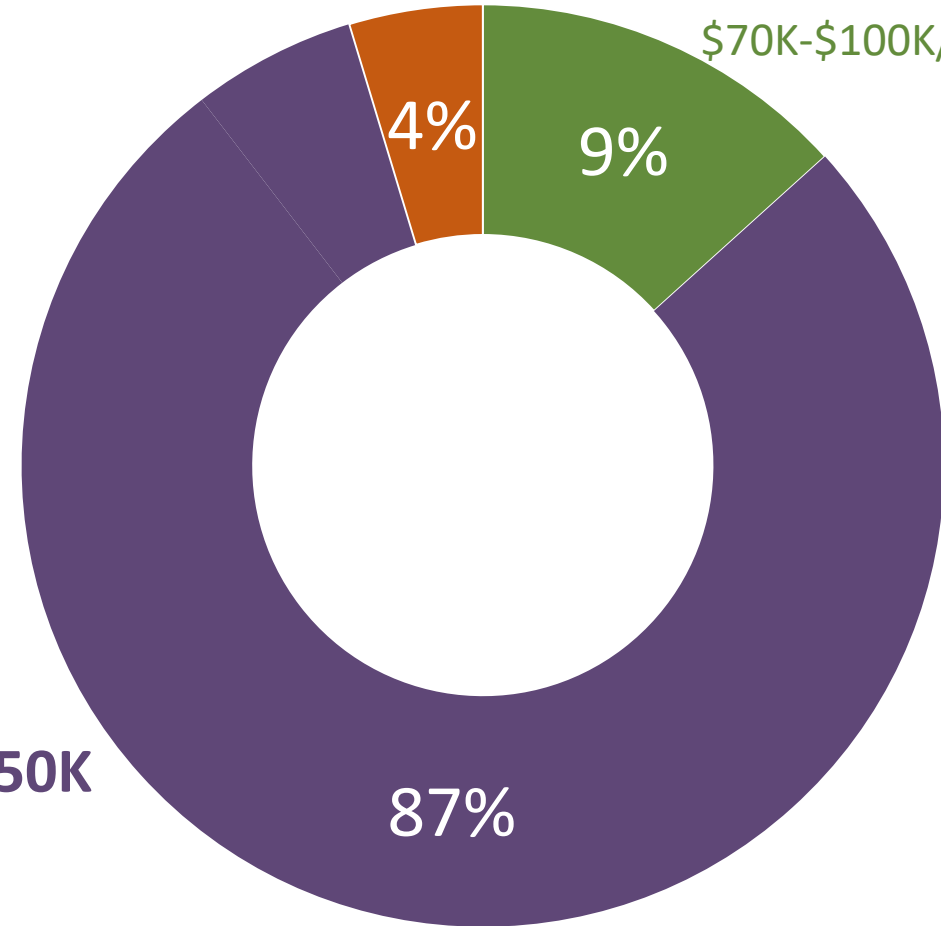
by home value and income category in Wexford County in 2020



- 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

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

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



Home Value **≤ \$150K**  
for incomes **≥ \$60K/yr.**

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

# 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

# Housing North Policy Initiatives: **Low Income Housing Tax Credit Program**

## **QAP FOR RURAL**

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



**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

## Charlevoix & Emmet Housing Ready Program



- 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



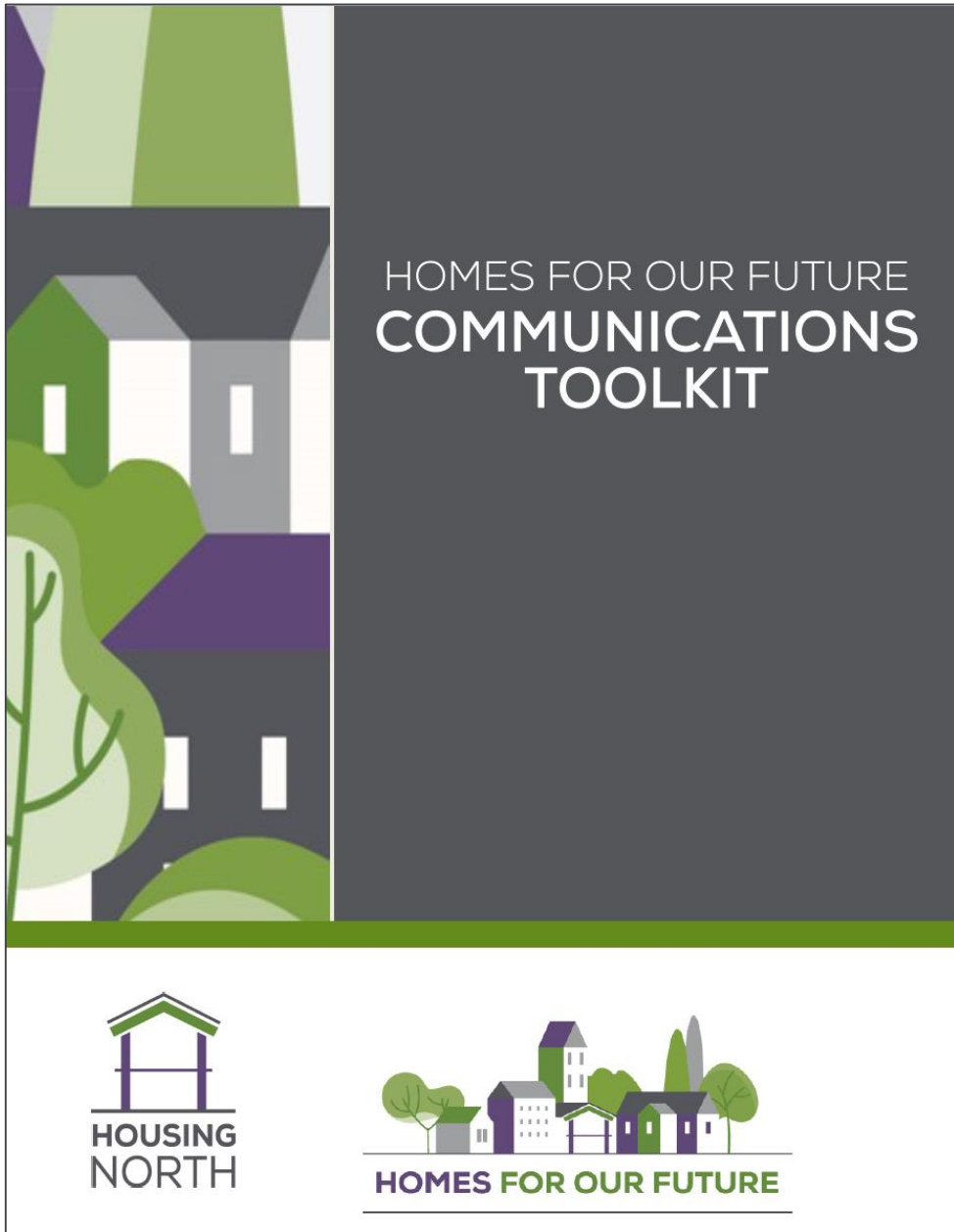
# HOMES FOR OUR FUTURE

Visit [www.homesforourfuture.org](http://www.homesforourfuture.org)

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:

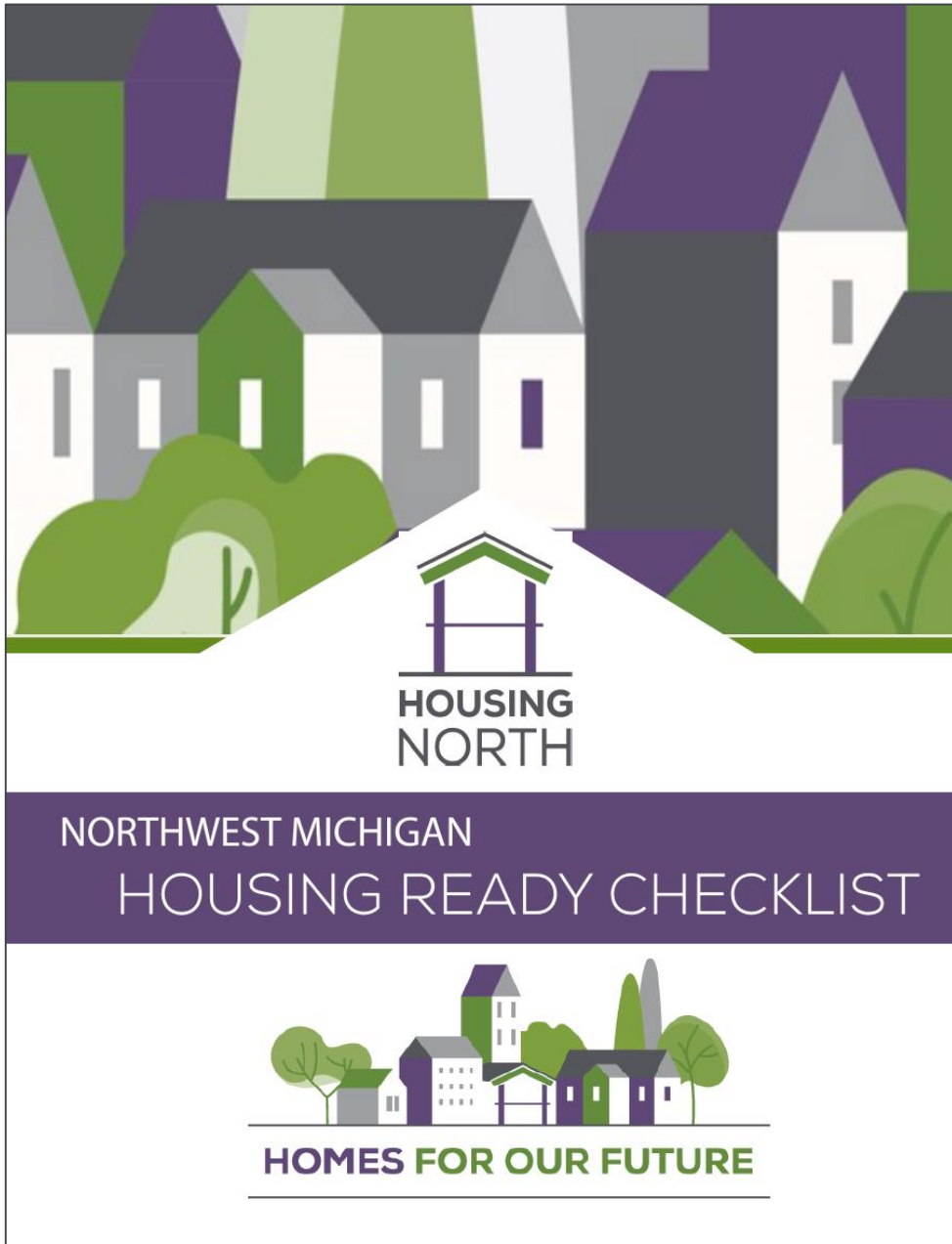
- ▶ Advocate
- ▶ Endorse the campaign
- ▶ Become a Housing Ready Community
- ▶ Learn about housing needs, solutions, best practices, and success stories





## 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](http://www.housingnorth.org)

[www.homesforourfuture.org](http://www.homesforourfuture.org)



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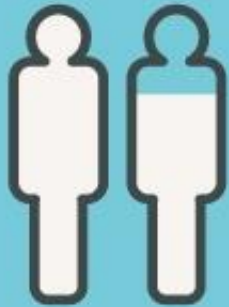
# Appendix

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/MSHDA/impact](https://www.michigan.gov/MSHDA/impact)



# WHO LIVES IN AFFORDABLE HOUSING?



**1.8 PEOPLE**

Average family size



**\$16,837**

Average income



**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



new jobs

# HOW IS AFFORDABLE HOUSING FUNDED?

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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?

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\*as of April 2018.