



Joint Housing Task Force

4:00 p.m.

Thursday, January 15, 2015

Governmental Center – 2nd Floor Training Room

400 Boardman Avenue

Traverse City, MI 49684

Posted and Published: January 9, 2015

Herb Lemcool, Grand Traverse County
Sonny Wheelock, Grand Traverse County

Michael Estes, Traverse City
Gary Howe, Traverse City

Sue Courtade, East Bay Township
Jeanne Blood, Garfield Township
Andy Smits, TC Housing Commission

If you are planning to attend the meeting and you have a disability requiring any special assistance at the meeting, please notify the Traverse City Clerk immediately.

Grand Traverse County, the City of Traverse City, East Bay Charter Township, the Charter Township of Garfield, and the Traverse City Housing Commission do not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. Penny Hill, Assistant City Manager, 400 Boardman Avenue, Traverse City, Michigan, 49684, 922-4440, TDD 922-4412, has been designated by the City of Traverse City to coordinate compliance with the non-discrimination requirements contained in Section 35.107 of the Department of Justice Regulations. Information concerning the provisions of the Americans with Disabilities Act, and the rights provided thereunder, are available from the ADA Coordinator.

Penny Hill, Assistant City Manager
400 Boardman Avenue
Traverse City, MI 49684
(231) 922-4440
Email: phill@traverscitymi.gov
Web: www.traverscitymi.gov

Agenda – Third Meeting

1. Meeting Notes from November 20, 2014
2. JHTF Summary Report – To Date
3. Discussion Items:
 - a. Leveraging Incentives and Tools
 - b. Use of Payment of Lieu of Taxes (PILOT)
 - c. Zoning Barriers to Housing
 - d. Definitions of Affordable
 - e. Public-Private Partnerships
 - f. Marketing Community for Affordable Housing
4. Public Comment
5. Next Meeting – Adjournment

JOINT HOUSING TASK FORCE

SUBJECT: Agenda Review

FROM: John Sych, AICP, Director, Planning & Development

FOR MEETING DATE: January 15, 2015

For the first two meetings, meetings were in a presentation format. For the December meeting, we will be changing to a roundtable format which will allow for better discussion.

The draft JHTF Summary Report is an ongoing collection of the items discussed at the Task Force meetings. We'll we add to it as the Task Force continues to meet. Please let me know if you have any questions, changes, or additions.

At the November meeting, there were many items presented to the Task Force, but not much time for in-depth discussion. The Task Force needs to provide some direction on these issues. The December meeting will be covering the following items:

- Leveraging Incentives and Tools. How can these incentives and tools be leveraged so as to better achieve community goals? Is there agreement on how they can be applied?
- Use of Payment of Lieu of Taxes (PILOT). PILOTs are essentially abatements that need to be applied strategically along with effort to ensure they are working as approved. Does a common policy and/or ordinance make sense?
- Zoning Barriers to Housing. In 2007, the Northwest Michigan Council of Governments published a report, "Regulatory Barriers to Affordable Homeownership: An analysis of master plans and zoning ordinances for townships and municipalities in Grand Traverse County and Elmwood Township (Leelanau County), MI." An update report or discussion with local units of government would help to measure any changes and/or improvements to local zoning. It is advised that this discussion be separate from the Task Force given the extent of such effort.
- Definition of Affordable. There is no single definition of affordable in relation to housing. Variables in creating a defecion may be requirements of the funder, determining the ability of a targeted workforce, or a definition based on local conditions. We will present some definitions for discussion.
- Public-Private Partnerships. Public-private partnerships are one way to get the affordable housing mixed in with market rate housing. But what is a public-private partnership and is this community ready to do more such partnerships?
- Marketing Community for Affordable Housing. With the tools, incentives, and certainly demand for housing, is there willingness to market the community to developers and non-profits to develop the housing needed? This effort may include marketing to out-of-town developers.

As always, information about the Task Force is posted here: www.grandtraverse.org/planning
(Click on "Joint Housing Task Force" on the left)

JOINT HOUSING TASK FORCE

November 20, 2014

Chair Wheelock called the meeting to order at 4:05 p.m. in the Commission Chambers located in the Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Members Present: Sue Courtade, East Bay Charter Township
Michael Estes, City of Traverse City
Gary Howe, City of Traverse City
Jeane Blood Law, Garfield Charter Township
Herb Lemcool, Grand Traverse County
Andy Smits, Traverse City Housing Commission
Sonny Wheelock, Grand Traverse County

Staff Present: Marcia Carmoney, Grand Traverse County
Leslie Couturier, East Bay Charter Township
Jean Derenzy, Grand Traverse County
Rob Larrea, Garfield Charter Township
Jered Ottenwess, City of Traverse City
Russ Soyering, City of Traverse City
John Sych, Grand Traverse County

Meeting Notes from October 23, 2014

Moved by Estes, seconded by Courtade to approve the October 23, 2014 minutes as presented.
Motion carried.

Meeting Summary

Sych provided an overview of different housing options and needs, and reviewed some examples of developments that have successfully blended market rate housing with affordable housing, i.e. Midtown Development in Traverse City and the Dwelling Place in Grand Rapids.

Discussion: Individuals who earn \$10 to \$12 per hour cannot afford an \$800 rent payment.

Soyering reported on the City's housing incentives, regulations and potential development sites. No applications for accessory dwelling units have been filed.

Discussion: The area in which accessory dwelling units are permitted may not be affordable for its residents. Q - What is the definition of "affordable" in affordable unit bonus? A – 60% of median income.

Larrea distributed an updated map of Garfield Charter Township's active development projects and potential development/redevelopment sites. Currently they have 17 pilot programs, and are trying to get more development closer to the core.

Discussion: Concern about putting density away from services and the dependence on personal transportation. Mixed-use development should be encouraged. Low number of developments

due to developer requirements, i.e. traffic studies, utilities, etc. Smart road guidelines for LaFranier project. Q – Developers for PUD's: are they local or out of county? A – Mixed; larger developments are by downstate developers; Cherry Festival attracts developers. Need to communicate our challenges to out of county developers who may have experience with these issues. Look at ways to increase grant funding to assist developers. Should the City participate in the Housing Trust Fund?

Couturier reported that East Bay Charter Township is in the midst of revamping their Master Plan, and that current zoning does not address affordable housing. Potential redevelopment sites include: Old Ball World; northwest corner of Vanderlip and Hammond; The Avenues; 10-acre ridge east of ice rink; Clous property on Three Mile Road. Couturier provided a handout from Planner, Jay Kilpatrick which outlines some alternative approaches to housing development they are considering.

Discussion: Not many jurisdictions have incentives to encourage affordable housing. Need to talk to local Planners to see what barricades, restrictions are in the zoning ordinances.

Derenzy provided an overview of the County's housing incentive tools, i.e. Land Bank Authority, Brownfield Redevelopment Authority and the Housing Trust Fund. The public, private partnership needs to be developed to complete projects. Items to consider: assign a developer fee or percentage to be put towards the Housing Trust Fund; submit a Request For Proposal (RFP) for developments; look at pro forma, how a project can be put together, and partner or market our area for some projects.

Discussion: Building 50 is a good example of public, private partnership. Developer is able to apply for funding not available to a governmental agency.

Smits provided an overview of the Traverse City Housing Commission (TCHC) and its Housing Choice Voucher Program. The average voucher pays \$442 towards rent. The Commission is going through a reorganization process, and hope to have a quorum at their monthly meetings with the recent appointment of some new board members. They are currently looking to fill the position of executive director. TCHC meetings are held the third Tuesday at 8:00 a.m. at Riverview Terrace, 150 Pine Street, Traverse City.

Public Comment

Betsy Coffia asked the members to consider pushing back the start time of the meeting to accommodate more public attendance.

Task Review/Next Agenda

Target Market Analysis

Adjournment

Meeting adjourned at 5:55 p.m. The next meeting will be held December 18, 2014 at 4:00 p.m. at the Governmental Center, 400 Boardman Avenue, Traverse City.

Joint Housing Task Force

Summary Report (To Date) *January 15, 2015*

- Elements of a successful community include jobs, **housing choices**, marketplace, a variety of ways to travel, gathering places, municipal services, public safety, and community character.

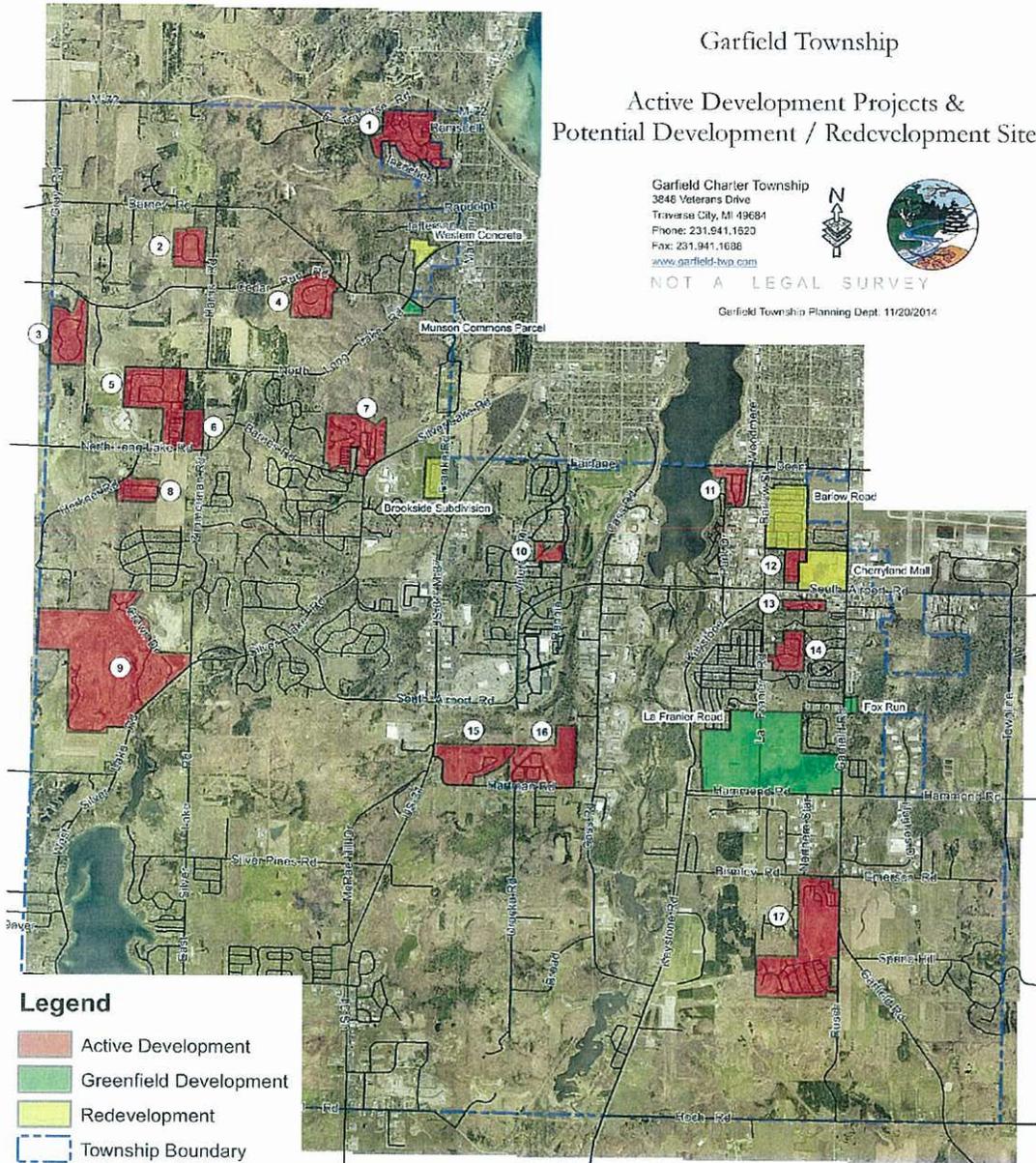
Local Housing Studies and Strategies

- Local studies and strategies focused on housing include the 1996 Grand Traverse County Housing Needs Study, the 2003 and 2009 Grand Traverse County Housing Needs Assessments, the 2008 Regulatory Framework for Workforce Housing in Traverse City, the 2012 Grand Traverse County Housing Inventory, the 2013 Grand Traverse County Housing Strategy, and the 2014 Framework For Housing Choices In Northwest Michigan.
- Key takeaways from the studies include:
 - Renters make up 23.3% of all households
 - 98% occupancy rate for rentals
 - Nearly half of all rental households live in unaffordable housing, including 80% of those earning \$20,000 or less
 - Housing appreciation is rising faster than income appreciation
 - 32% of renter households suffer from overburden
 - Shortages of accessible housing, small rental units
 - 40% of owner-occupied households are “low income”
 - Average household spends 57% of income on combined housing and transportation — over 60% in rural areas
 - 800 homes in the county are in “poor” condition
- Key strategy goals include:
 - Expand location and energy-efficient housing choices
 - Target housing activities toward existing communities
 - Develop greater financial and programmatic capacities to support and enhance housing efforts of existing nonprofits
 - Coordinate planning and zoning policies that encourage greater housing choices
 - Raise awareness and support of affordable housing among the public

Current Housing Development Trends

- East Bay Township is working on changing its “growth boundary” area by looking to increase density within it; however, most of the development is happening outside the boundary line. There are two new apartment complexes and another one recently approved.
- Garfield Township has mapped active housing development projects. All levels of income are represented in the projects. Projects include new apartments, some MSHDA funded, single family, mixed-use commercial, duplexes and residential.

DRAFT



Number	Project Name	Num Approved Res Units	Num Constructed Res Units	Comment	PILT
1	Incochee	102 SFR	50 SFR	High Income	N
2	Stonefield	22 SFR	11 SFR	Moderate Income	N
3	Hills of Westbrock	41 SFR	21 SFR	Moderate to High Income	N
4	Grayhawk	42 SFR	22 SFR	High Income; Steady Permitting	N
5	Lone Tree PUD	90 SFR, 58 duplex units (39 structures)	51 SFR, 36 duplex units (18 structures)	Moderate Income; Steady permitting	N
6	Brookside Commons PUD	72 apt. units	None	Under permitting, MSHDA funded	Y
7	Copper Ridge PUD	58 SFR units, 38 townhouse units	17 SFR units	Moderate Income	N
8	Eaglehurst Estates	45 SFR	3 SFR	Needs municipal services	N
9	The Crown PUD	300 sf units, 48 apt units (Green Meadows)	150 sf units, 46 apt units (Green Meadows)	Moderate Income; Steady permitting	N
10	Boardman Lake Apts	112 apt. units	112 apt. units	MSHDA Redevelopment	Y
11	Premier Place PUD	160 units in 16 bldgs, 72 unit apt bldg	111 attached units in 11 buildings	Amendment to apartment pending	N
12	Kensington Park PUD	36 apt. units, 62 duplex units (31 structures)	36 duplex units (16 structures)	MSHDA Funded	Y
13	Terrace Estates	28 Duplex Structures (52 Units)	21 Duplex Structures	Moderate Income; Steady permitting	N
14	LaFranier Villages PUD	29 SFR, 20 townhomes, 120 apt units	Built Out except for 8 duplex structure (12 units)	MSHDA Funded	Y
15	Chelaca Park	328 various units	56 condo units	Moderate Income; New Activity	N
16	Arbors of Traverse	488 apt. units	350 apt units	Final units under permitting	N
17	Ashland Park PUD	217 SFR, 106 duplex units, 152 quadplex units	30 SFR, 6 duplex units (3 structures)	No recent activity	N



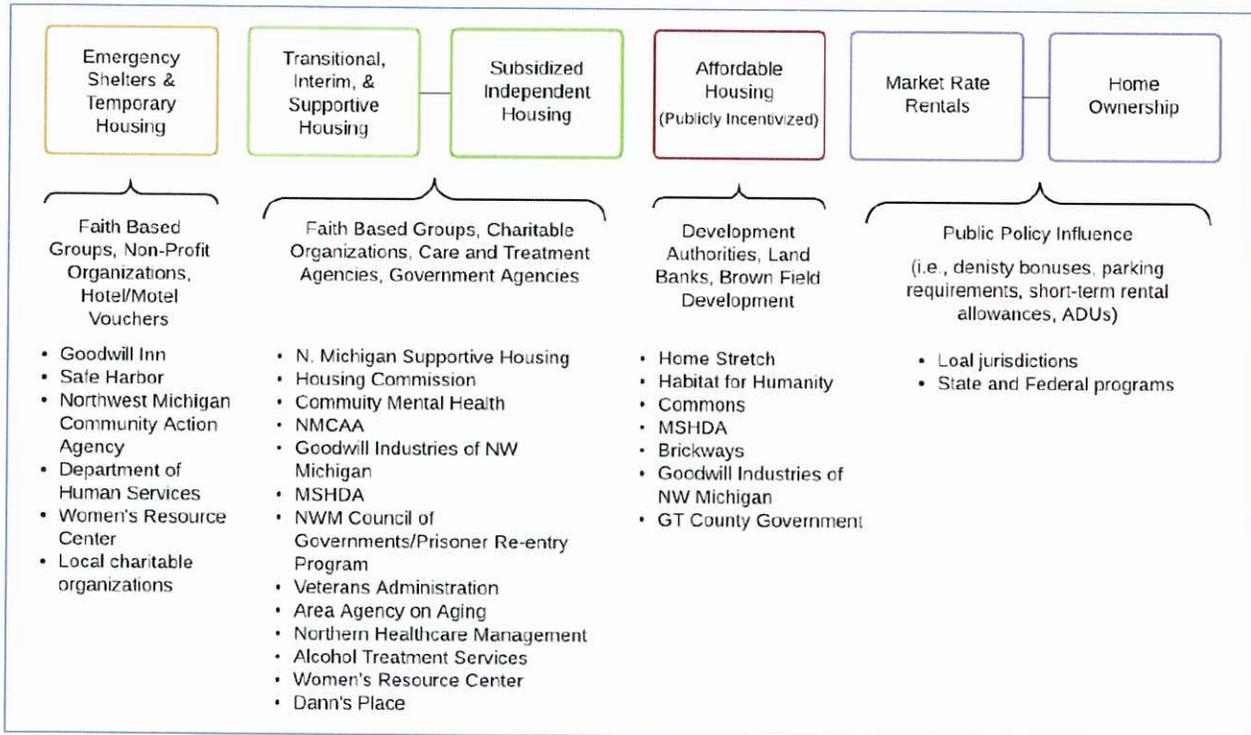
Document Path: I:\GarfieldGIS\Printable Map Projects\Housing_Current Development 11x17.mxd

DRAFT

- City of Traverse City has several housing units under construction, but most of them are high-end developments. Accessory dwelling units have been allowed, but no applications have been received.

Housing Types and Building Types

- The housing continuum illustrates the variation of **housing types** in our community:



- The variety of **building** types for housing need to expand to meet market demand. These often missing building types are called the “missing middle.”



DRAFT

- Key elements that make successful “middle missing” housing areas include:
 - Medium density development but good design makes it feel like lower density
 - Small footprint and blended densities
 - Smaller, well-designed units
 - Off-street parking does not drive the site plan
 - Simple construction
 - Creating community
 - Marketability
- There are many developments that have successfully blended market rate housing with affordable housing, i.e. Midtown development in Traverse City. A strong non-profit housing developer is often needed to make such developments work. The Dwelling Place in Grand Rapids is a non-profit housing developer that has been often seen as a model (www.dwellingplacegr.org).

Housing Incentives and Tools

- Traverse City’s housing incentives and flexible regulations include:
 - Accessory Dwelling Units (ADU)
 - Neighborhood Enterprise Zone (NEZ)
 - Affordable Housing Density Bonus
 - No minimum dwelling size
 - Narrower lots (35 feet wide)
 - Smaller lots (4,000 to 5,000 square feet)
 - Height bonus (extra floor if residential is incorporated in a mixed use building)
 - Low Parking Requirements (1 per dwelling, none for dwellings over commercial or downtown)
- Garfield Charter Township currently has 17? pilot programs, and is trying to get more development closer to the urban core. The Township uses planned unit development (PUD) to allow for flexibility in development.
- East Bay Charter Township is in the midst of revamping its master plan. Current zoning does not address affordable housing. Potential redevelopment sites in the township include: Old Ball World site; northwest corner of Vanderlip and Hammond; the Avenues area; 10-acre ridge east of ice rink; the Clous property on Three Mile Road. The township is interested in alternative approaches to housing development, including cottage housing development.
- Grand Traverse County’s housing incentive tools include the Land Bank Authority, the Brownfield Redevelopment Authority, and the Affordable Housing Trust Fund. Public-private partnerships need to be improved to complete projects. Items to consider: assign a developer fee or percentage to be put towards the Housing Trust Fund; issue a request for proposal (RFP) for developments; and, market our area for housing projects with these tools as incentives.
- The Traverse City Housing Commission (TCHC) manages a Housing Choice Voucher Program. The average voucher pays \$442 towards rent. TCHC manages two public housing developments: Riverview Terrace and Orchardview. The TCHC is going through a reorganization process and is currently seeking to fill the position of Executive Director. TCHC meetings are held the third Tuesday at 8:00 a.m. at Riverview Terrace, 150 Pine Street, Traverse City.