



Traverse City & Grand Traverse County

Housing Needs & Opportunities



Foundational Expectations

1

A strong sense of
belonging for
everyone in the
community.

2

A resilient economy
& natural
environment.

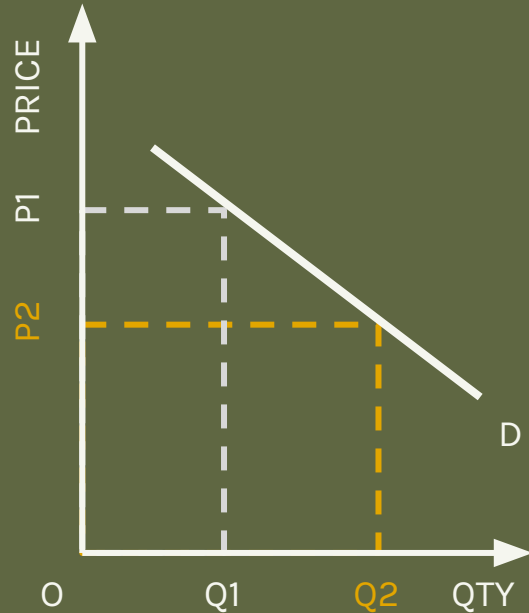
3

A community with
high quality of life
for everyone.

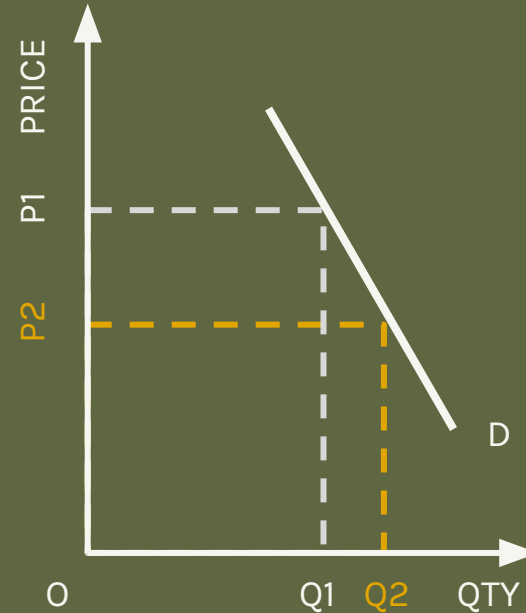


Housing & Inelastic Pricing

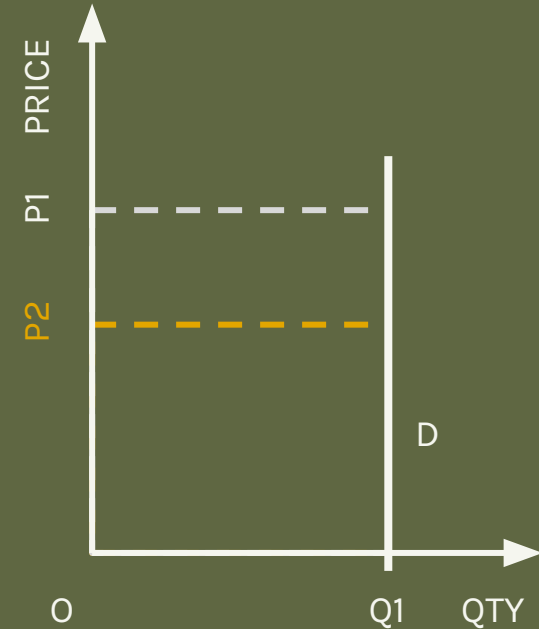
Elastic Demand



Inelastic Demand



Perfectly Inelastic





Why is housing important?

A growing economy requires a growing workforce.

The workforce needs a place to live that is as good or better than the options 30 miles away.



Median Rent in Traverse City

\$2,204 / month

Zillow monthly rental data

Median Home Price in Traverse City

\$3,354 / month

Median price of \$438,800, April '24



Elementary School Teacher

Average Income

\$66,130

Max Housing Budget

\$1,653/mo

Median cost to own a home in Traverse City

\$3,354/mo

Flywheel





Emergency Medical Technicians

Average Income

\$35,720

Max Housing Budget

\$893

Median two-bedroom rent \$2,204

Flywheel

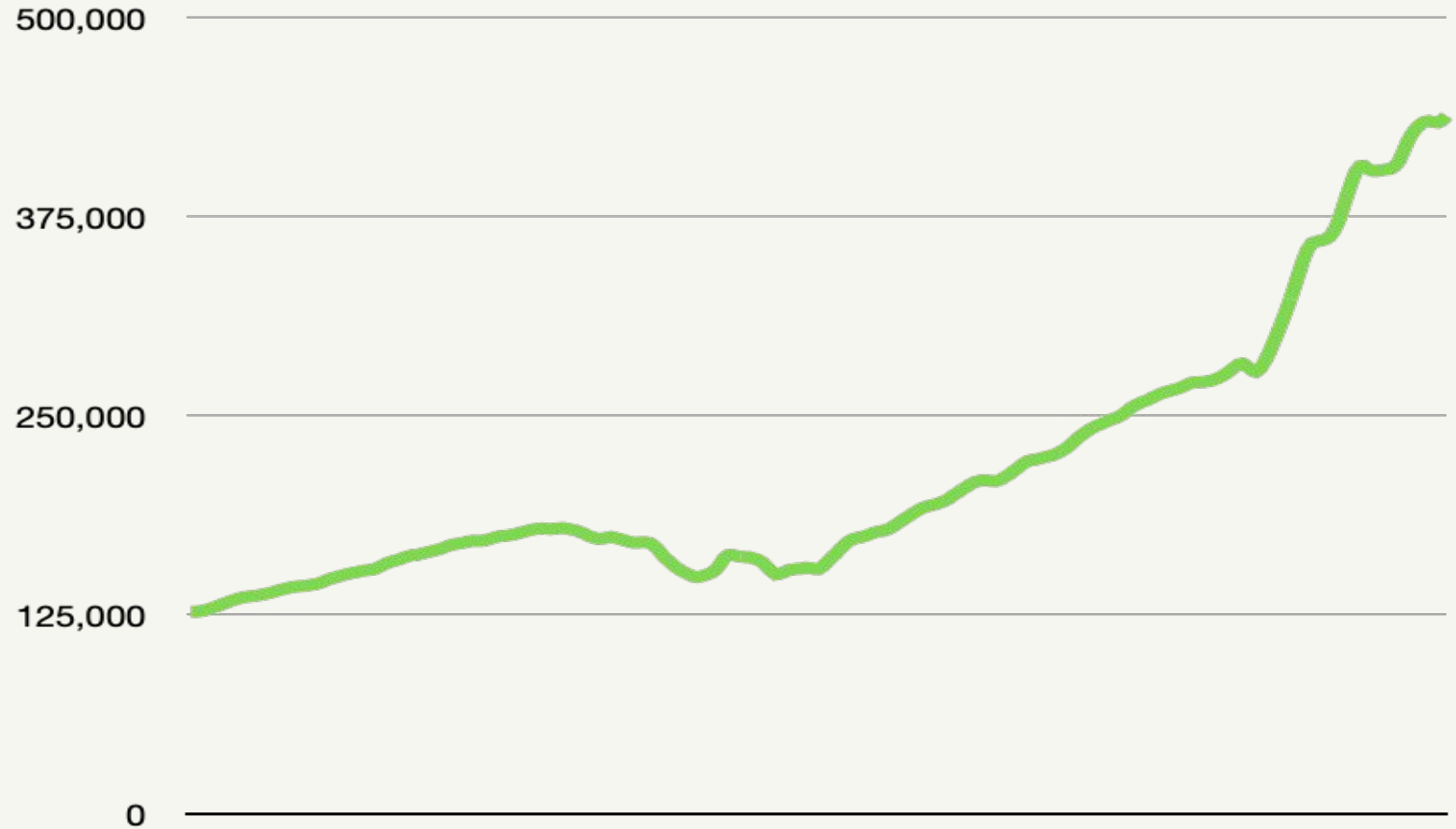




Median Home Sale Price in April
2024

\$438,318

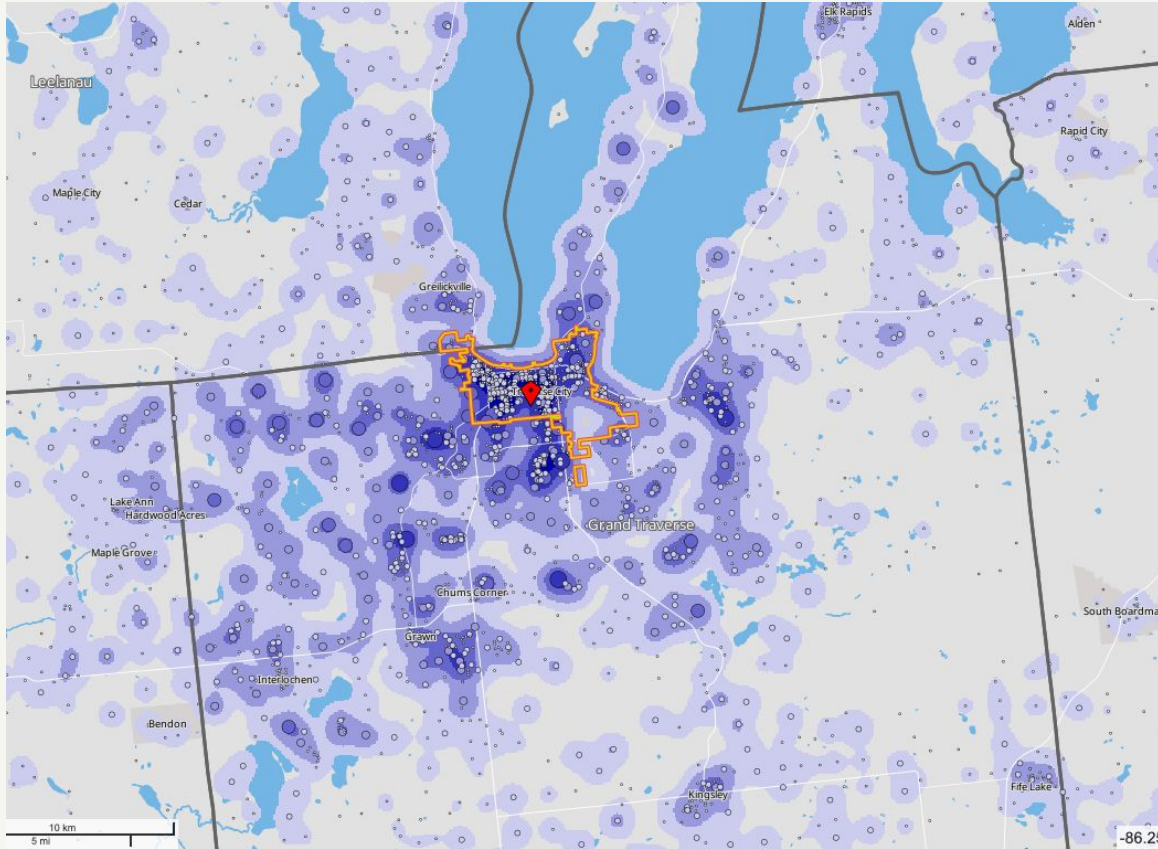
Traverse City Median Home Sale Price 2000 - 2024



Median home sale prices climbed 40% from 2000 - 2006
+65% from 2012 - 2018
+74% from 2018 - 2024



source: Census On the Map

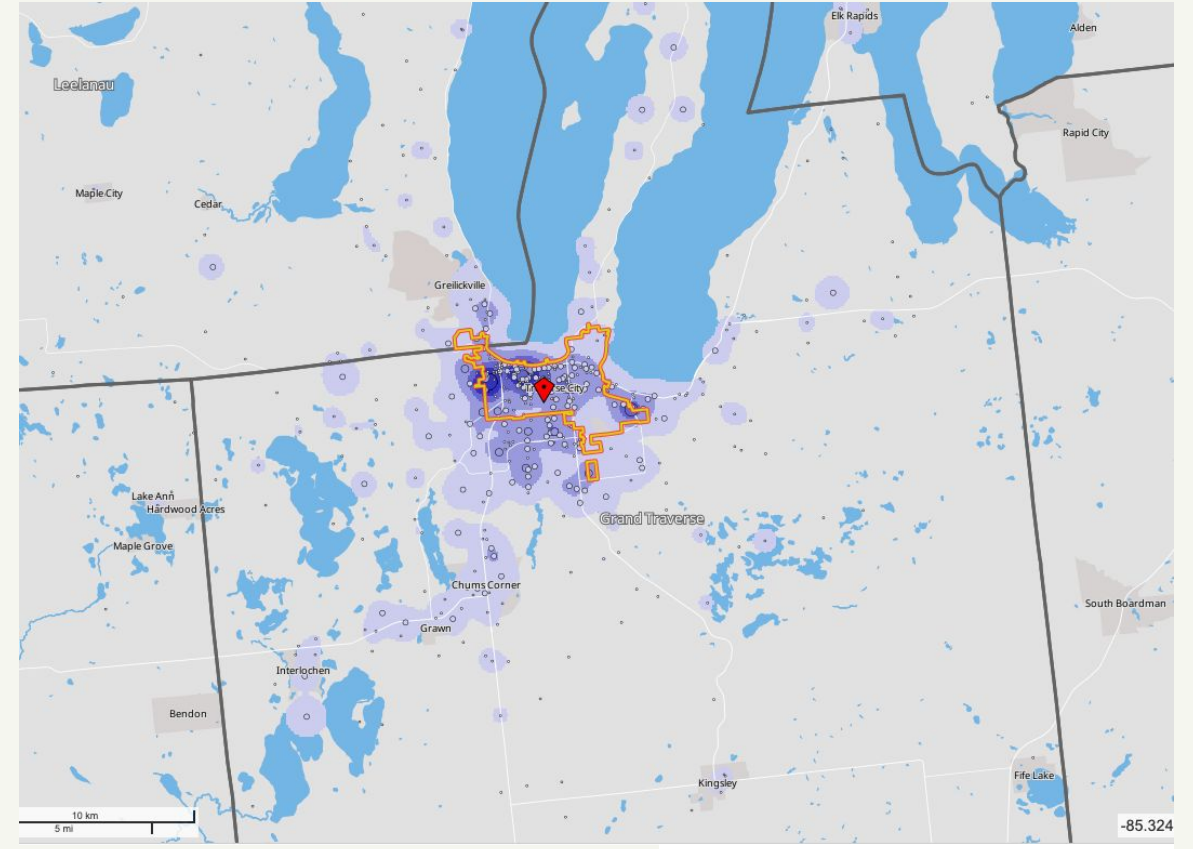


Home locations of
people who **work** in
Traverse City

Flywheel

**Jobs by Distance - Work Census Block
to Home Census Block**

		2021	
		Count	Share
Total All Jobs		25,456	100.0%
Less than 10 miles		13,719	53.9%
10 to 24 miles		6,069	23.8%
25 to 50 miles		2,204	8.7%
Greater than 50 miles		3,464	13.6%



Work locations of
people who **live** in
Traverse City

**Jobs by Distance - Home Census Block
to Work Census Block**

		2021	
		Count	Share
Total All Jobs		6,400	100.0%
Less than 10 miles		4,352	68.0%
10 to 24 miles		431	6.7%
25 to 50 miles		223	3.5%
Greater than 50 miles		1,394	21.8%



Traverse City

2010: 14,482 2020: 15,341
+859 +5.1%

Peninsula Township

2010: 5,433 2020: 6,058
+635 +11.7%

Garfield Township

2010: 16,256 2020: 19,499
+3,243 +19.97%

Long Lake Township

2010: 8,662 2020: 9,956
+1,294 +14.9%

Green Lake Township

2010: 5704 2020: 6703
+919 +15.9%

East Bay Township

2010: 10,663 2020: 11,589
+926 +8.7%

Union Township

2010: 405 2020: 468
+63 +15.6%

Mayfield Township

2010: 1550 2020: 1786
+236 +15.2%

Grant Township

2010: 1,066 2020: 1,212
+146 +13.7%



Projected growth requires
11,000 new homes in GT Co.

New household formation, smaller families, and older adults aging-in-place are all contributing to the mismatch between housing demand and housing supply.

Flywheel



Typical zoning prioritizes
large single family homes.

Most communities have restricted a majority of their land to single family homes that are expensive to build. Local zoning often creates neighborhoods that exclude smaller households, middle income families, and first-time homebuyers.



“Drive ‘til you qualify,”
no longer applies.

Single family homes are expensive no matter where they are built. Often, they don’t fit the needs of the current market. Furthermore, many workers are increasingly less willing or unable to spend 45 minutes to an hour commuting to work.



What does “affordable” mean?

The term “*affordable*” is relative to a household’s income. Generally, the rule of thumb is that housing options should be available at a cost of no more than 30% of a household’s gross income.

A single adult earning \$50,000/year, can *afford* a monthly payment of not more than \$1,250.

$$\$50,000 \times .30 = \$15,000$$

$$\$15,000 / 12 \text{ months} = \$1,250$$



County-wide Housing Needs 2023 - 2028

<u>Rental Price points</u>	<u>Total additional rental homes needed</u>
<\$1,100 / month	2,358
\$1,100 - \$1,800/mo	733
\$1,800/mo - \$2,700/mo	288
\$2,700/mo or more	190
Total Rental Need	3,569



Upward Economic Filtering threatens low-and-moderate-income households.

When there are too few homes and apartments available for everyone, local residents with the most money to spend are able to out-compete against everyone else. The greater the scarcity of housing, the more this competition will drive rents and home prices up.

•National data source from HUD USER,
Impacts of Filtering and Rent Control





County-wide Housing Needs 2023 - 2028

<u>For-Sale Price points</u>	<u>Total additional homes needed for-sale</u>
\$150,000 or less	1,798
\$150,000 - \$240,000	1,384
\$240,000 - \$360,000	2,569
\$360,000 and up	2,041
Total	7,792



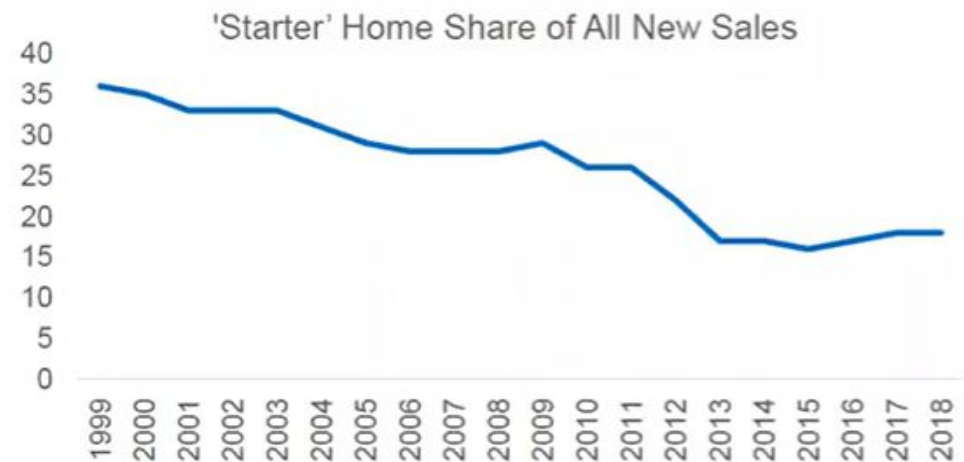
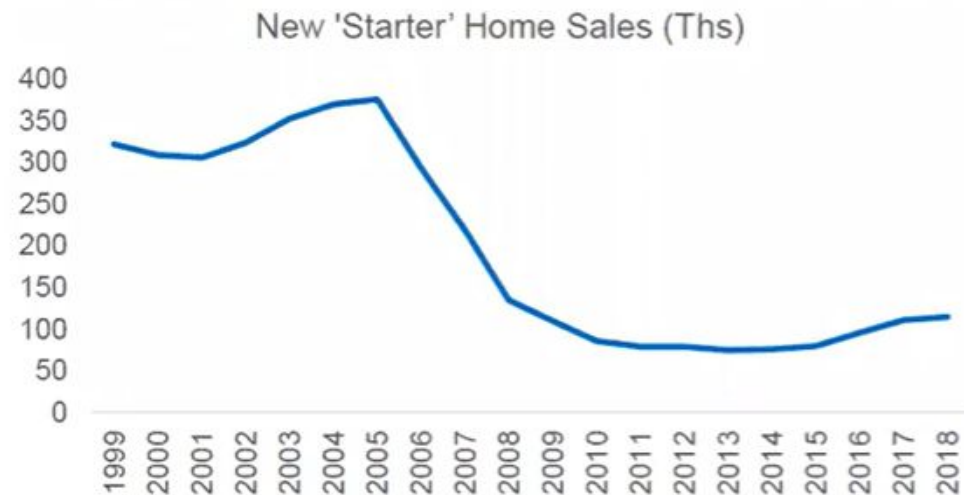


Why isn't there enough housing today?

Doesn't the market decide what gets built?

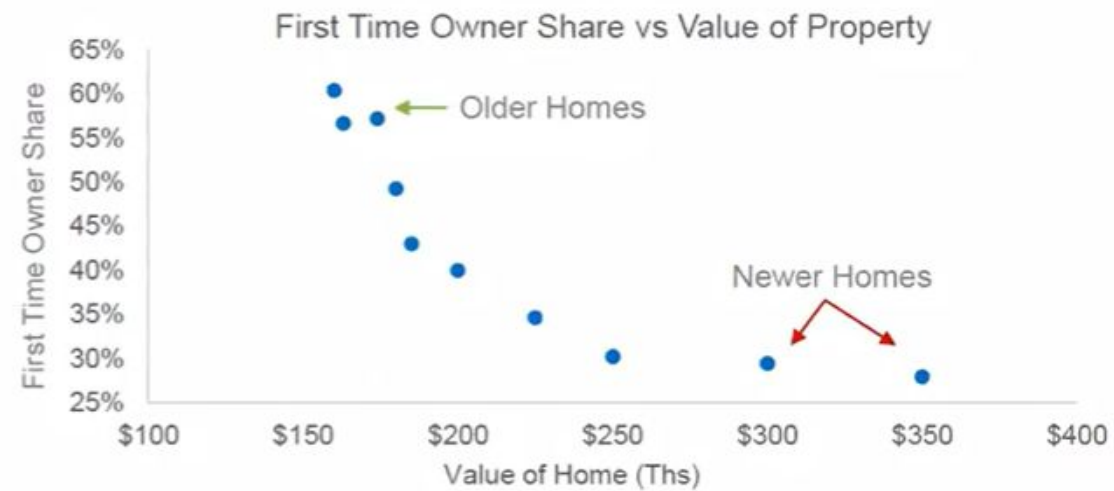
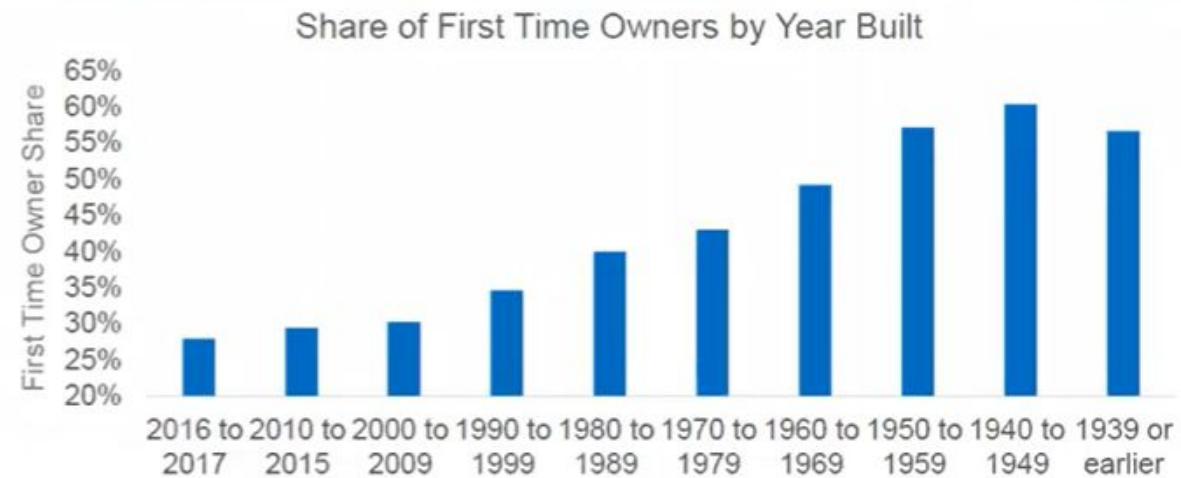


New Starter Homes Declining to Very Low Levels...



Source: Bureau of the Census. Starter homes defined as those under 1,800 square feet.

...Which Leads First Time Buyers to Purchase an Older Home





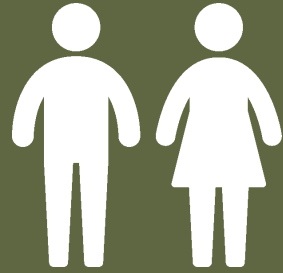
Know Your Needs: Grand Traverse County Households



1 Adult | No Kids

10,634

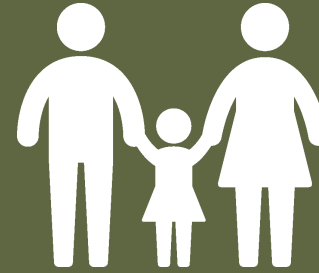
27%



2 Adults | No Kids

15,945

40%



1-2 Adults | Kids

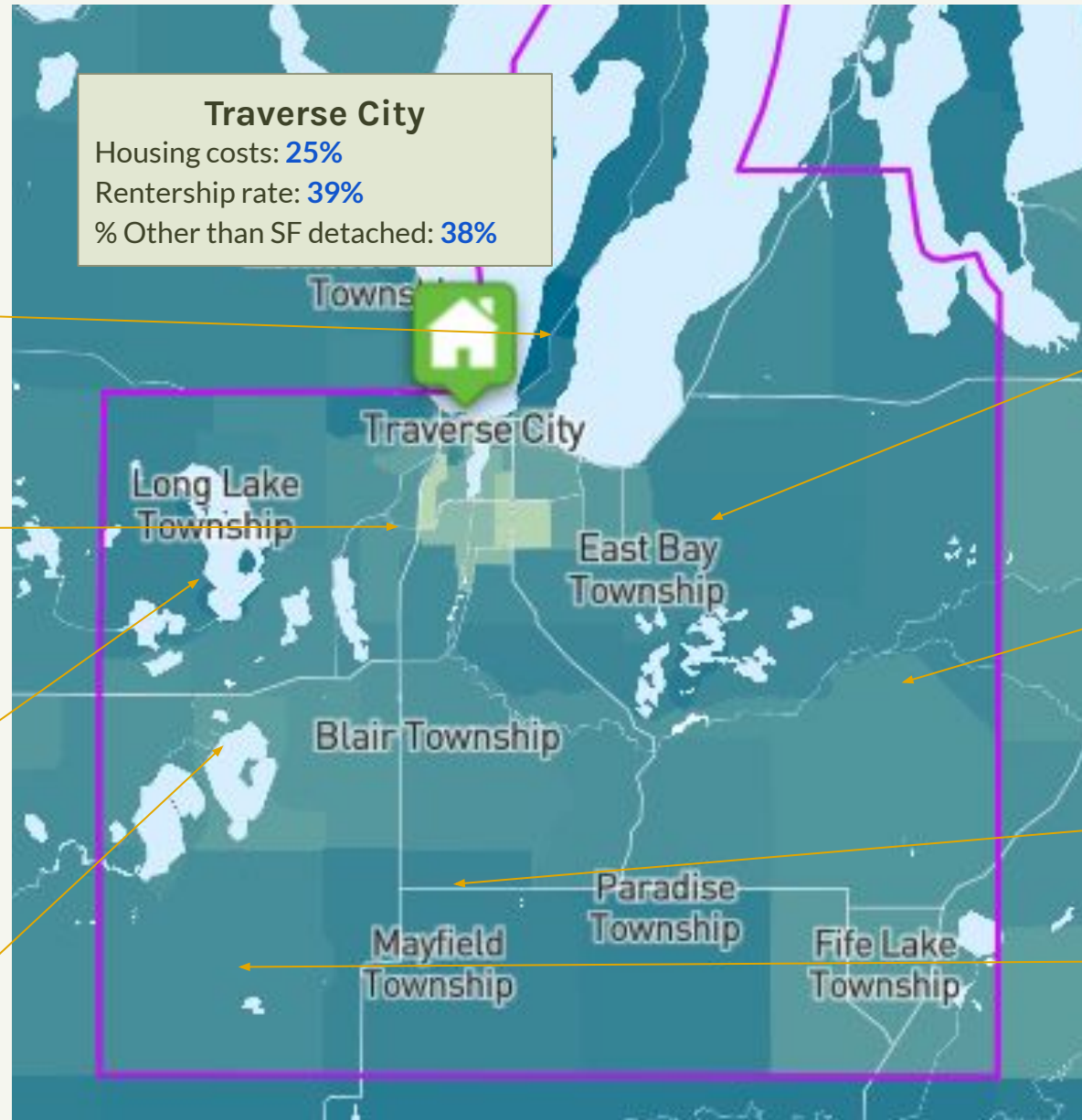
10,703

27%

67%

of all households
are just 1 -2 adults
without kids at
home.





Housing costs:
Center for Neighborhood Technology
Rentership and structure data:
American Community Survey

Housing + Transportation Costs % Income

< 24% 24-36% 36-45% 45-54% 54-66% 66-78% 78-87% 87%+



		Renter Households by Income							
		<\$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000 - \$49,999	\$50,000 - \$59,999	\$60,000 - \$99,999	\$100,000+
Traverse City	2010	329 (12.5%)	600 (22.8%)	532 (20.2%)	368 (13.9%)	292 (11.1%)	143 (5.4%)	280 (10.6%)	93 (3.5%)
	2022	219 (7.6%)	430 (14.9%)	505 (17.5%)	441 (15.3%)	309 (10.7%)	195 (6.8%)	512 (17.8%)	273 (9.5%)
Grand Traverse	2010	874 (9.9%)	1,981 (22.4%)	1,710 (19.3%)	1,309 (14.8%)	1,039 (11.8%)	548 (6.2%)	1,095 (12.4%)	283 (3.2%)
	2022	559 (5.5%)	1,319 (13.0%)	1,707 (16.8%)	1,665 (16.4%)	1,118 (11.0%)	795 (7.8%)	2,075 (20.4%)	940 (9.2%)

The new renter



What does housing cost to build today?

How does that compare to what people can afford?

How much subsidy is needed for everyone who needs housing?



\$415 / square foot

$\$415 \times 1,200 \text{ sq ft} = \$498,000$

+

Land Cost = \$50,000

Home price = \$548,000 (minimum)



Construction Costs

—
\$400 - \$550/sqft

An 800 square foot apartment costs a min of \$320,000 (before land + utilities).



Must rent for at least \$2,500/month to cover costs without subsidies.

A 1,200 square foot home costs a min of \$480,000 (before land + utilities).



Mortgage + Taxes = \$3,800/month (minimum) without subsidies



**If Desired Rent =
\$1,000 per month**

A minimum subsidy of
\$180,000 is needed.

**If Desired Mortgage =
\$1,500 per month**

A minimum subsidy of
\$280,000 is needed.



**2,500 renters currently
spend more than 50% of
their income on rent.**

Support for 2,500 renters earning
\$50,000/yr or less would require
\$450 million in subsidies at
current rates



Household Income & Housing Affordability

\$25,000 yr	\$600/mo rent	Large subsidy needed in all markets
\$50,000/yr	\$1,250/mo rent	Moderate subsidy + flexible zoning OR older housing without subsidy
\$75,000/yr	\$1,875/mo \$220k mortgage	Flexible zoning + minimal to modest subsidy*
\$100,000/yr	\$2,500/mo \$350k mortgage	Viable in most markets*.



If we can't afford
to subsidize costs
for *everyone* in
need...

**LET'S DO WHAT WE CAN
TO REDUCE HOUSING
COSTS WHEREVER
POSSIBLE**



Solving the Problem

1. A regulatory environment that supports much greater housing choice in the market.
2. Development incentives that allow some new housing to be available and affordable to the local workforce.
3. Impact Capital & Public Investments to fill financing gaps.





Basic Costs of Development



Land

10-25%

Max Density Standard
Min Lot Width/Depth
Min Setbacks
Min Greenspace



Construction

60-75%

Use Restrictions
Min Floor Area
Parking Requirements
Utility Connection Fees



Design

3-10%

Form-based standards
Material Requirements
Energy Efficiency
Requirements



Permitting +
Professional Fees

2-20%

Special Land Use
PUD
Planning Commission Review
Zoning Board of Appeals



Financing

10-20%

Appraisals & Comps
Right Product, Right Place
Right Product, Right Customer
Limitations of State/Federal
Subsidies

Local zoning and permit processes have
an impact on all 5 factors.



5x

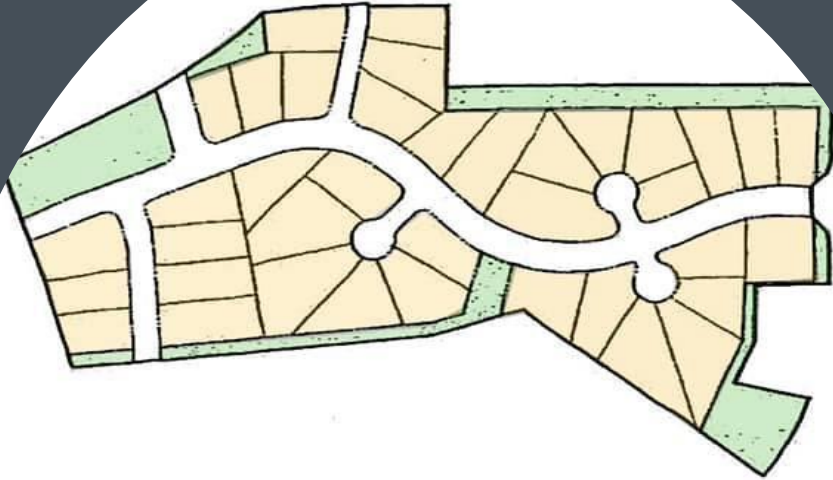
Land Costs Inform
Housing Costs

If land is x , the home likely costs $5x - 10x$.



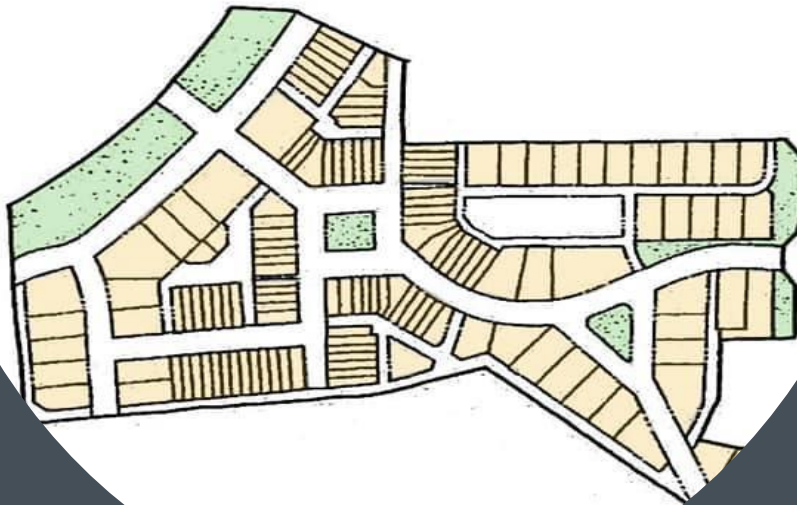
Typical Zoning vs Mixed Housing Types

On 18 acres



- 38 new homes
- Avg price = \$425,000
- Lowest price = \$350,000
- New Taxable Value = \$8,075,000
- New public school students = 16
- 2,018 sq ft road per dwelling unit

-----vs-----



- 146 new homes (single family, townhomes, & condos)
- Avg price = \$325,000
- Lowest price = \$185,000
- New Taxable Value = \$23,726,000
- New public school students = 35
- 634 sq ft road per dwelling unit



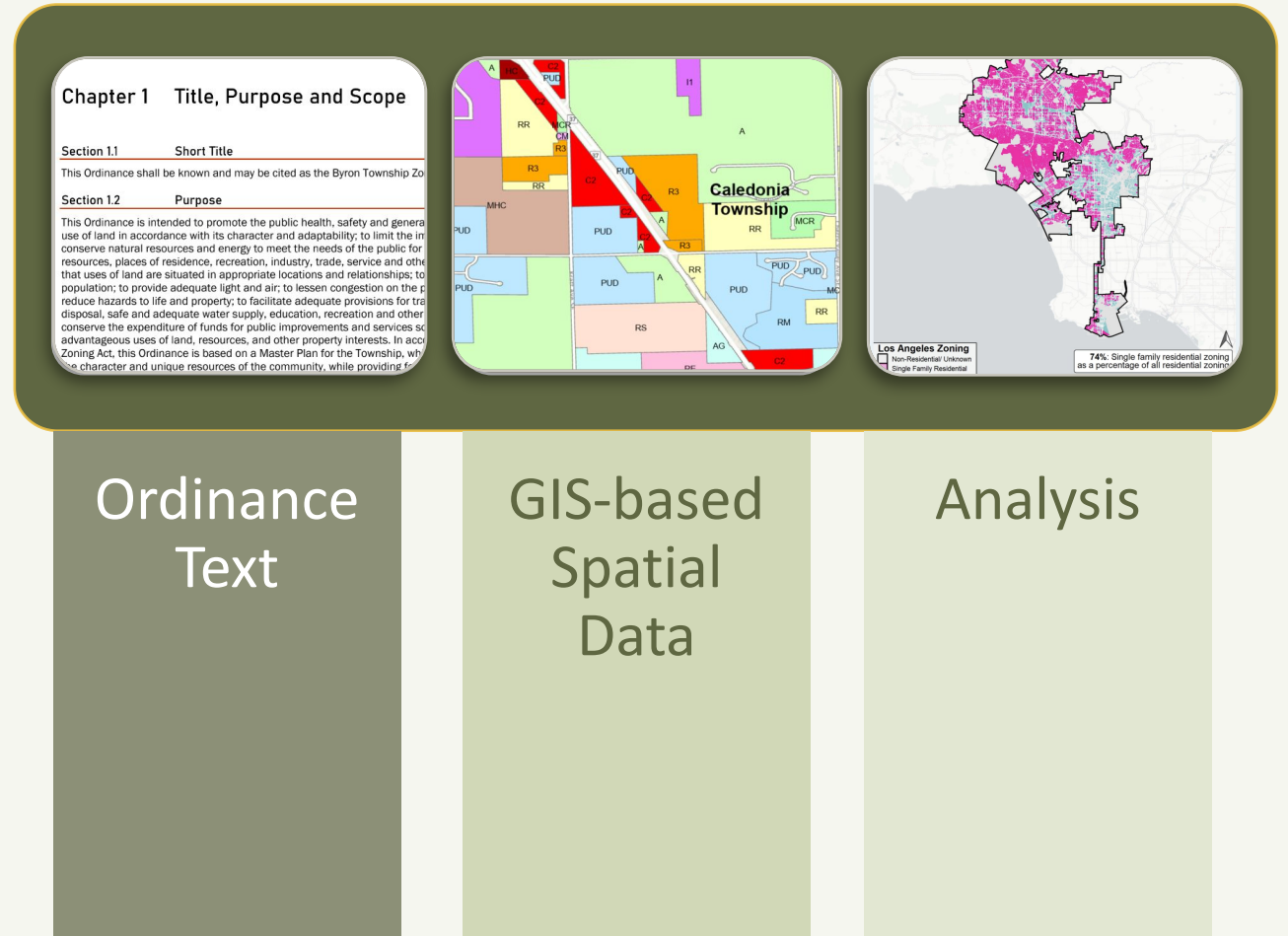
Local
government sets
the foundation
for development.

Zoning alone does not automatically make housing affordable. In many instances some form of subsidy, tax incentive, or impact investment will also be required.

But... without reasonable zoning standards, the amount of subsidy required to ensure housing is affordable to the local workforce is unsustainable.



This makes new analyses possible.

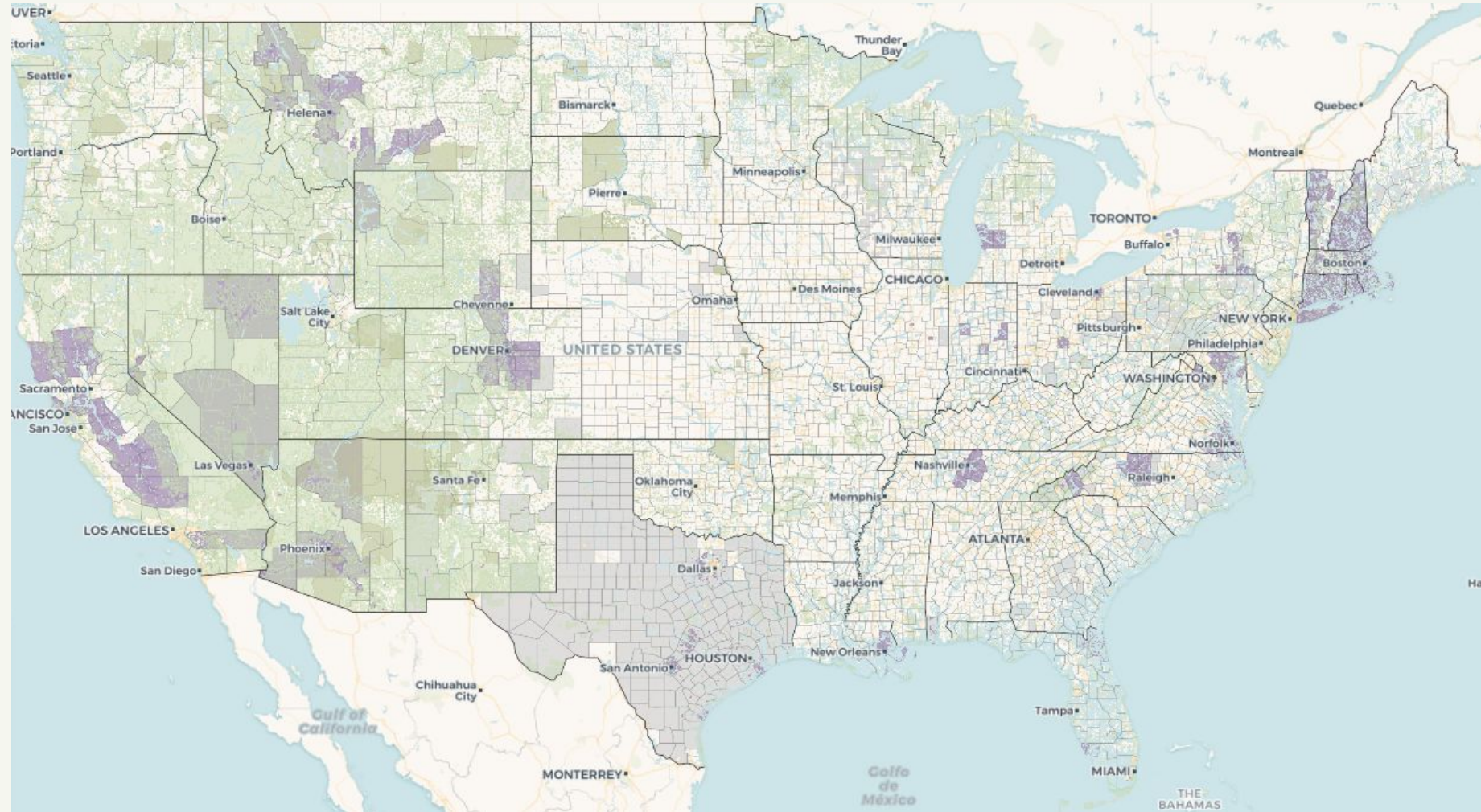




National Zoning Atlas

**30 states
1 methodology
and platform**

Support from ALL
KINDS of
organizations:
governments,
universities, regions,
consulting firms,
foundations, realtors,
banks, think tanks...





National Zoning Atlas

Contains analysis for 107 housing variables

Permitted uses, lot size, setbacks,
coverage, density, ADUs, planned
development, mobile home parks,
elderly/affordable only, public hearings...

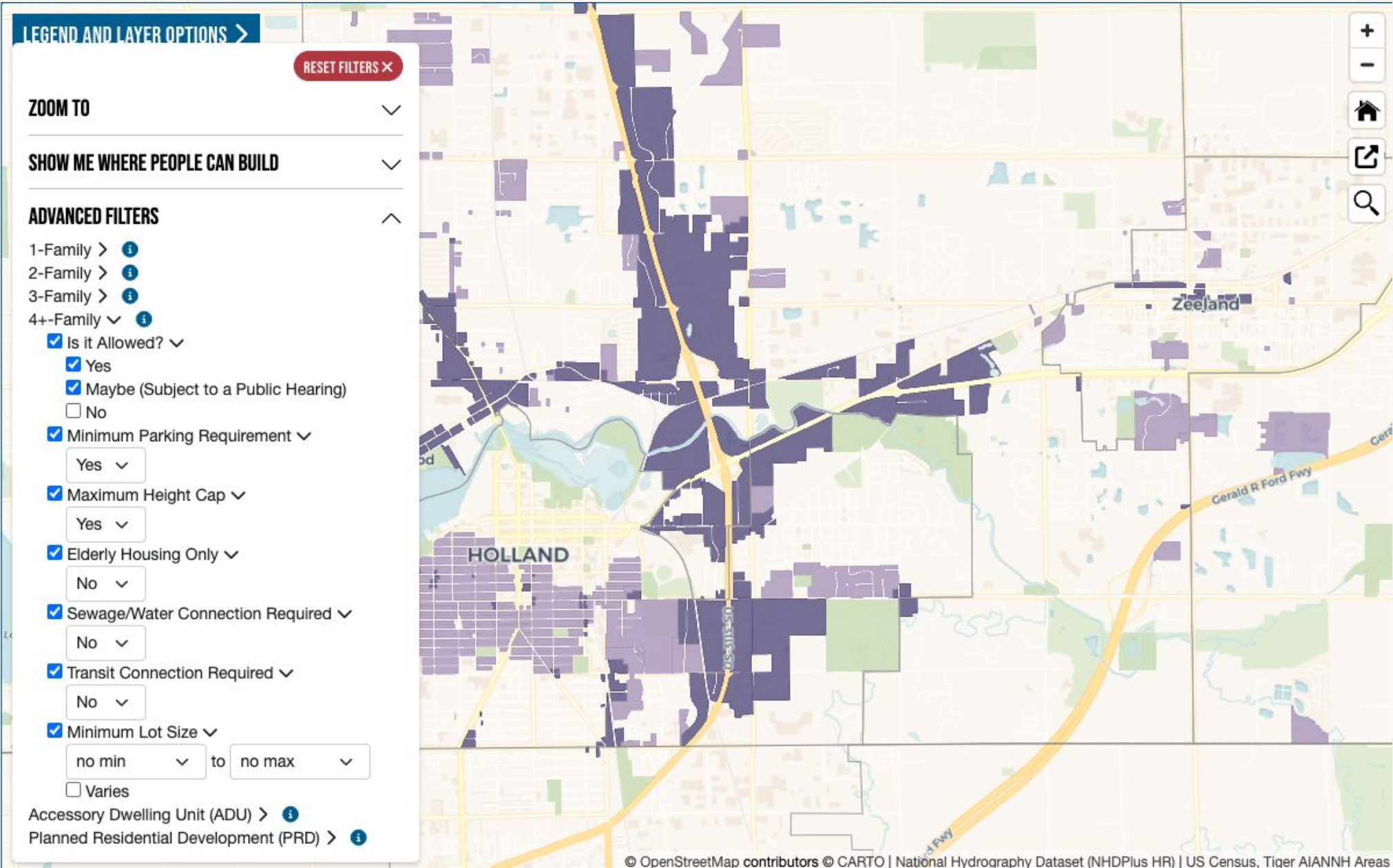
2	Jurisdiction	County	Abbreviated District Name	Full District Name	District Mapped	District Mapped But Extinct	Overlay	Type of Zoning District	Affordable Housing District	Elderly Housing District	1-Family Treatment	2-Family Treatment	3-Family Treatment	4+-Family Treatment	1-Family M Lot (ACRE): 43.560 sqft/acre
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IV.C.3	IV.C.4	IV.C.4	IV.C.5	IV.C.5	IV.C.6	IV.C.6	IV.D.1	IV.D.1	IV.D.2	IV.D.3	IV.D.4	IV.D.5	IV.B.5.	IV.B.5.
4+-Family Rear Setback (# of feet)	4+-Family Max. Lot Coverage - Buildings (%)	4+-Family Max. Lot Coverage - Buildings & Impervious Surface (%)	4+-Family Min. # Parking Spaces Per Studio or 1BR	4+-Family Min. # Parking Spaces Per 2+ BR	4+-Family Connection to Sewer and/or Water Required	4+-Family Connection or Proximity to Public Transit Required	4+-Family Max. Height (# of stories)	4+-Family Max. Height (# of feet)	4+-Family Floor to Area Ratio	4+-Family Min. Unit Size (SF)	4+-Family Max. # Bedrooms Per Unit	4+-Family Max. # Units Per Building	Affordable Housing (AH) Treatment	AH - Definition

IV.B.6.	IV.B.6.	IV.B.6.	IV.B.6.	IV.B.6.	IV.C.1	IV.C.5	IV.C.6	IV.D.3	IV.D.3	IV.D.4	IV.B.7.	IV.B.7.	IV.C.1	IV.C.2	IV
Accessory Dwelling Unit (ADU) Treatment	ADU Employee or Family Occupancy Required	ADU Renter Occupancy Prohibited	ADU Owner Occupancy Required	ADU Elderly Housing Only	ADU Min. Lot (acres)	ADU Min. # Parking Spaces (Additional to Main Unit)	ADU Restricted to Only Primary Structure (i.e., No Outbuildings like Garages)	ADU Max. Size (% of Main Unit)	ADU Max. Size (SF)	ADU Max. # Bedrooms Per Unit	Planned Residential Development (PRD) Treatment	Mobile or Manufactured Home Park (Y/N)	PRD Min. Lot (Acres)	PRD Max. Density (Units/Acre)	P U C



Michigan Zoning Atlas Grand Rapids Pilot



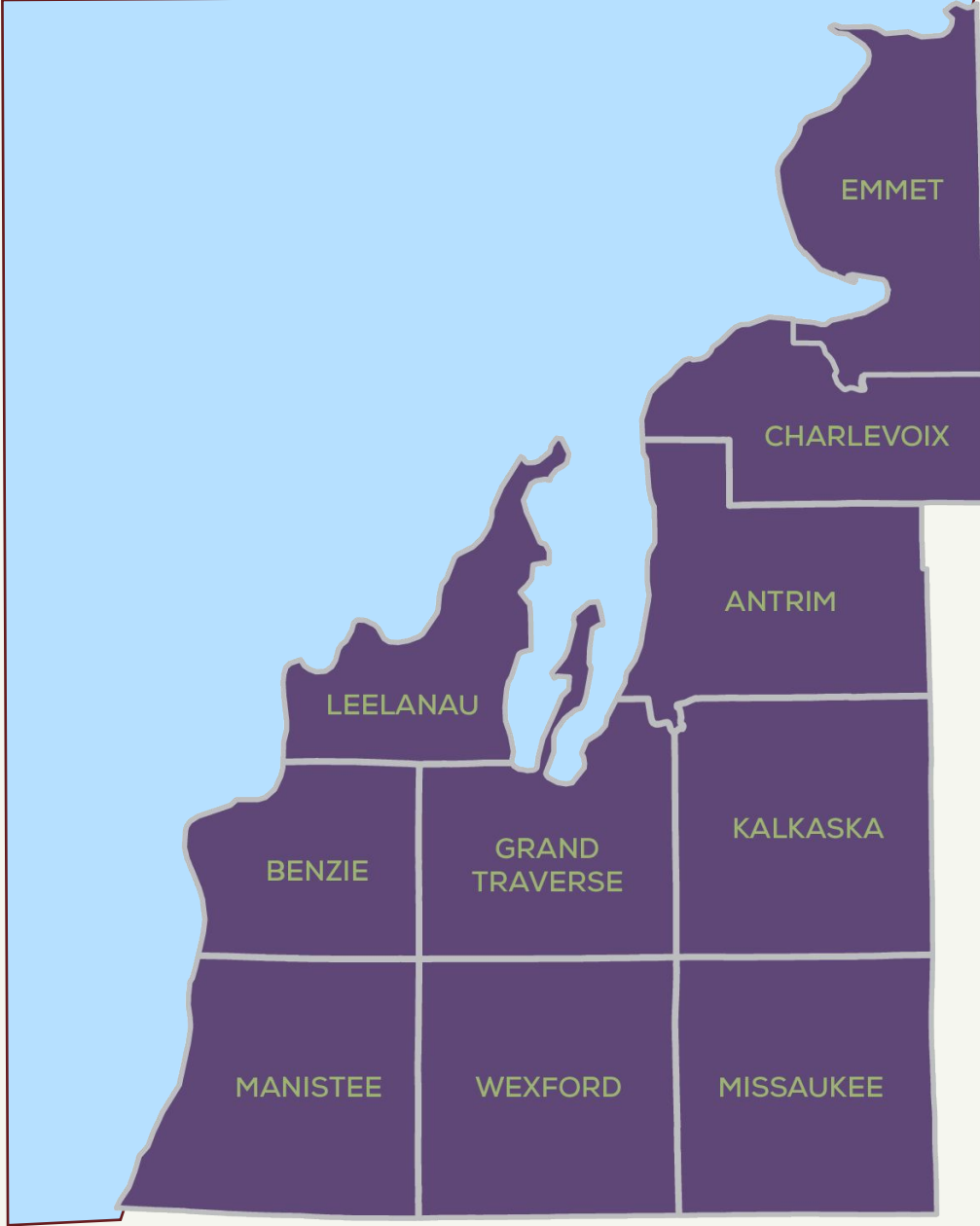


Image: Housing North

Dreams for the future: THE **NORTH**WEST MICHIGAN ZONING ATLAS



- **Need:** Another statewide fast-growing region
- **Capacity:**
 - Long-standing housing work
 - Ongoing zoning reform efforts in the region's largest City
 - Dedicated partnership through Housing North



Michigan Zoning Atlas

Zoning is opaque.
This serves some
interests.

Flywheel

Help implement housing by...

- Showing where unused legal capacity exists
- Identify project parameters across jurisdictions
- Make zoning accessible to smaller scale developers

Support state and local investments by...

- Identifying where zoning supports Missing Middle housing
- Identify areas for Attainable Housing Districts, Neighborhood Enterprise Zones, and other incentive programs



Status Quo

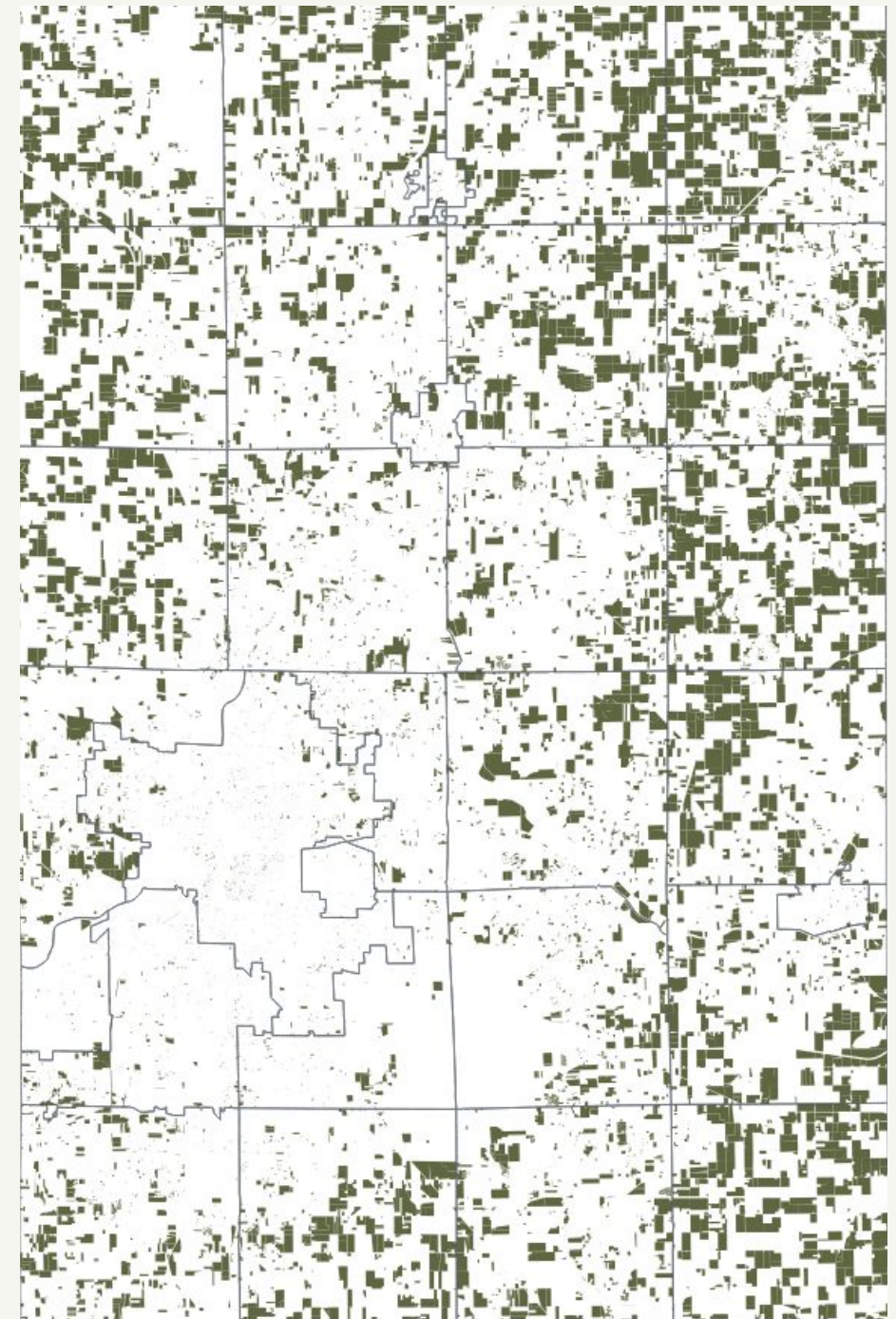
Where will housing be built if
we don't take new action?

Acres of vacant land zoned for residential:	115,299 acres
--	---------------

Potential new homes under current zoning:	73,067 new homes
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Density of these new homes:	0.63 DU / A
--------------------------------	-------------

...if *all* vacant property zoned for
residential use were fully
developed to current zoning.





Status Quo: Single Family

97.8% of vacant residential land
(113,530 acres) is zoned *exclusively*
for single family homes

Avg purchase price for a new single family home in Kent County:	\$384,000
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Monthly mortgage + tax:	\$2,817 / mo
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Minimum income required to afford 85% of new housing:	\$112,680
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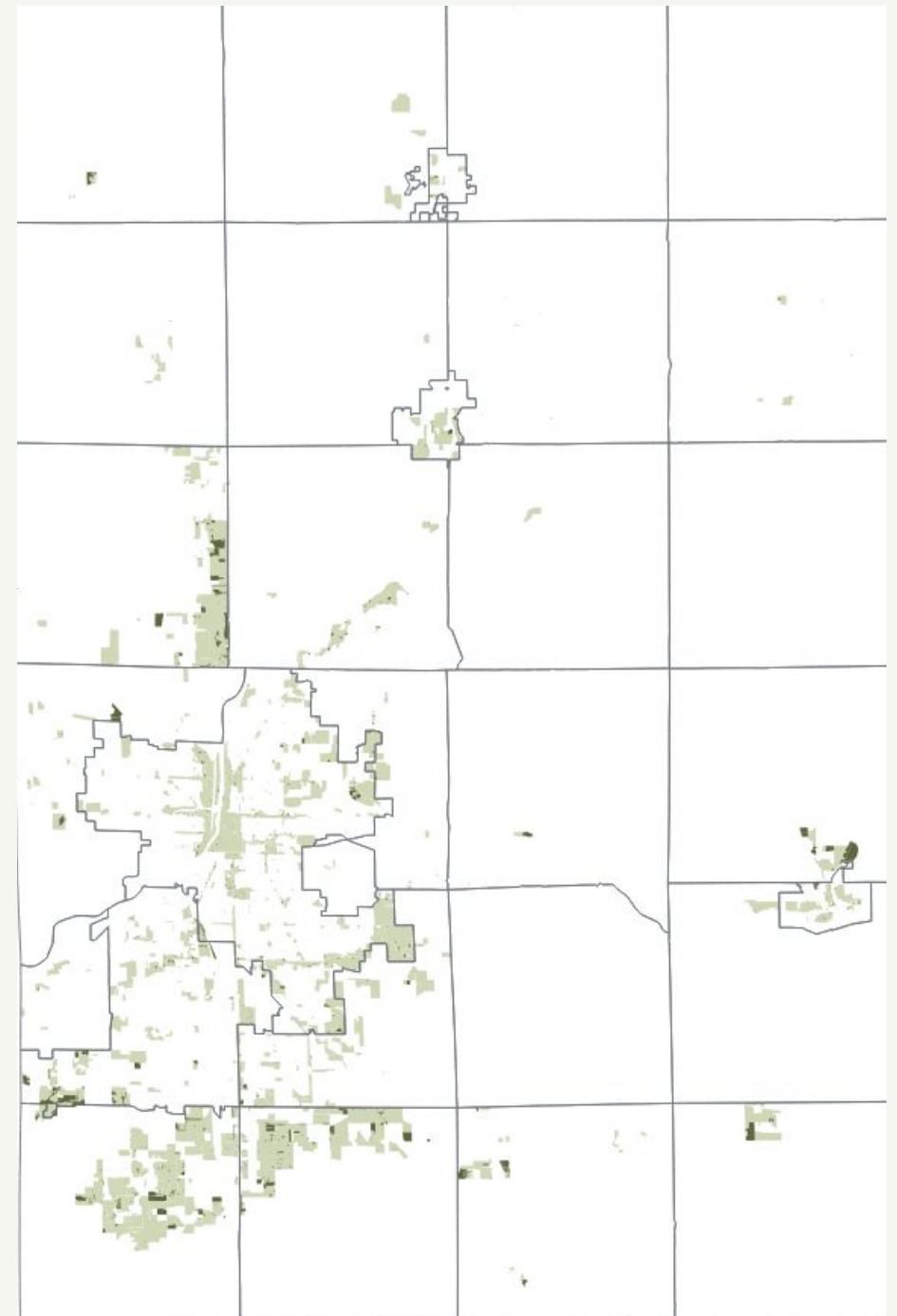
Status Quo: Two Family

1.5% of vacant residential land
(1,751 acres) is zoned to allow
two-family homes

Average rental rate for a new two-family home in Kent County:	\$1,770/ mo
---	-------------

Minimum income required to afford new construction two-family unit:	\$70,800
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Monthly savings compared to buying a new single family home:	\$1,047/mo
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Status Quo: 4+ Family

0.6% of vacant residential land
(737 acres) is zoned to allow 4+
family homes.

Average rental rate for a new
four+ family home in Kent
County

\$1,450/mo

Minimum income required
to afford new construction
four-family unit

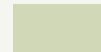
\$58,000

Monthly savings compared
to buying a new single
family home

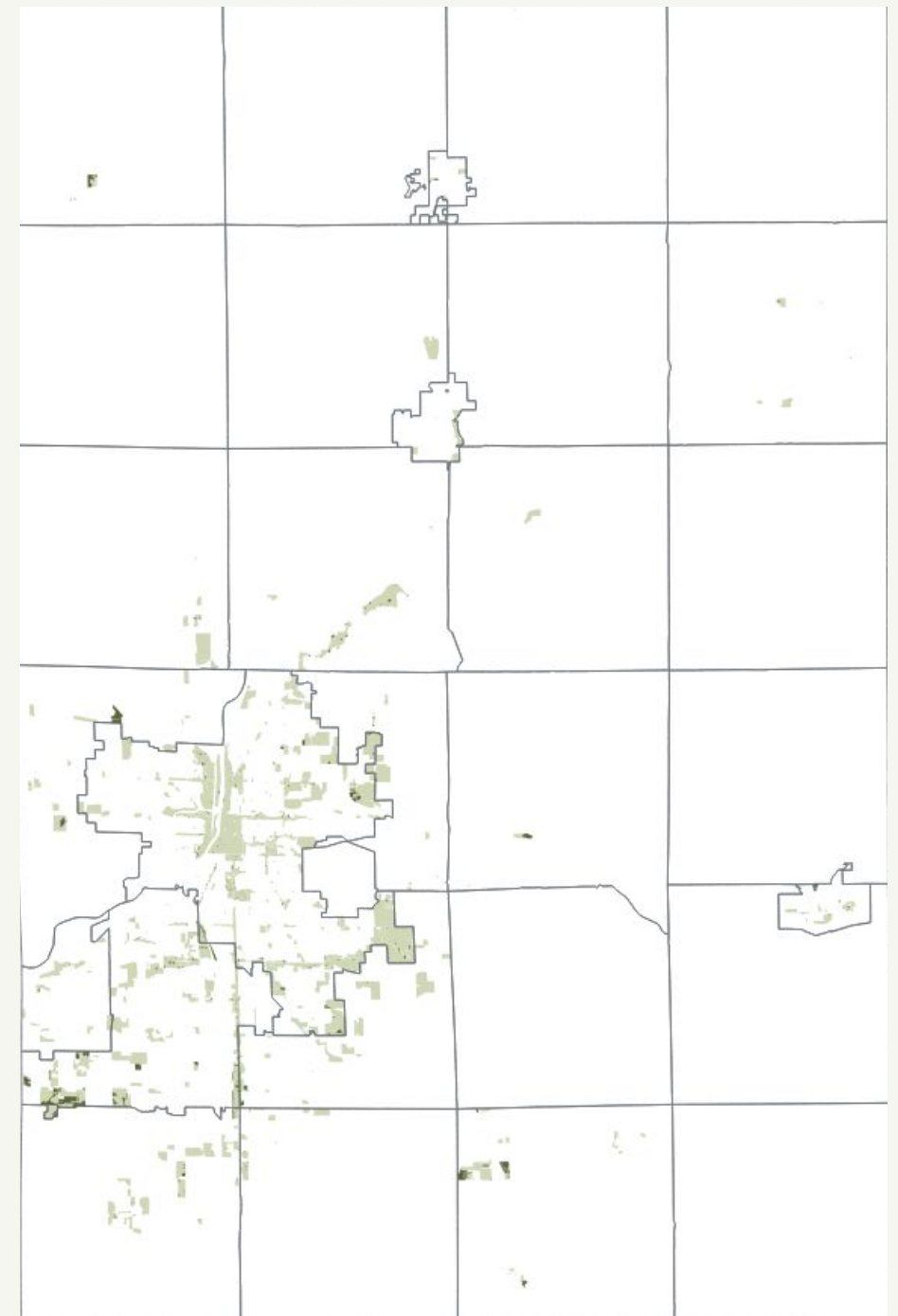
\$1,367/mo

Flywheel

4+ Family Permitted



Vacant Parcel





What can Kent County Families Afford in Today's Market?



Single Fam

23% Households

Annual Income
> \$112,000



Townhomes

24% Households

Annual Income
> \$85,500



4+ Family

10% Households

Annual Income
> \$58,000



Unaffordable

42% Households

Annual Income
< \$31,542



Status Quo Zoning Distribution



Single Family

97.8% of available land

Requires

\$112,680/yr or \$2,817/mo



Two Family

1.5% of available land

Requires

\$70,800/yr or \$1,770/mo



4+ Family

0.6% of available land

Requires

\$58,000/yr or \$1,450/mo



Status Quo

Acres

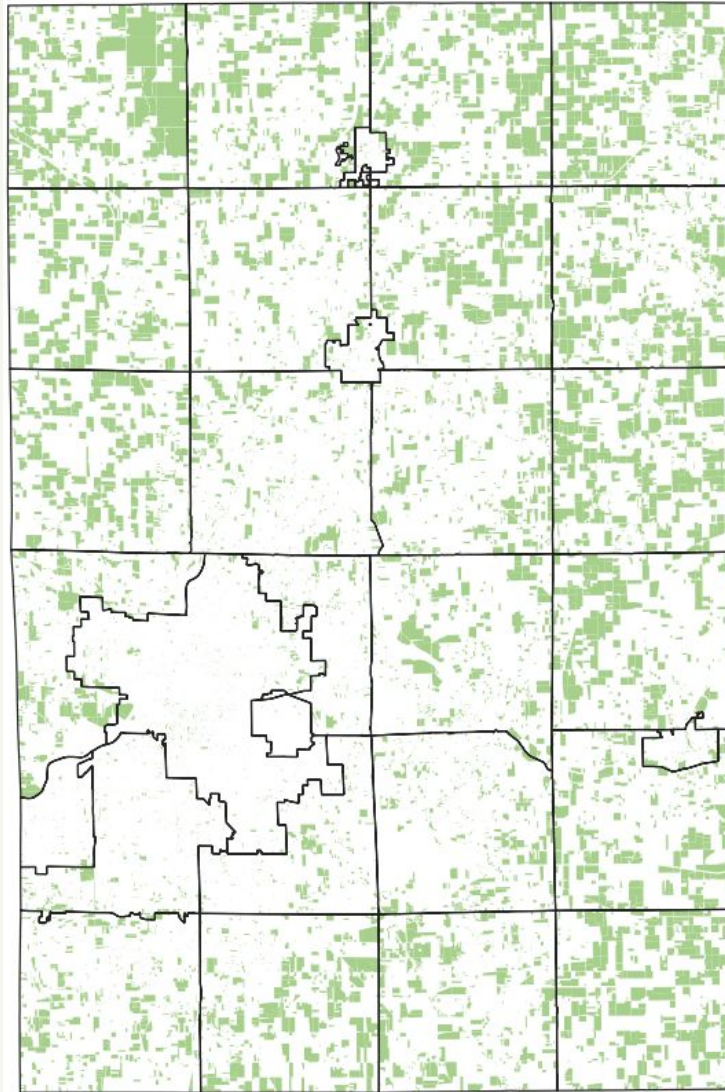
118,918

Housing Units

73,069

New
Infrastructure

\$10.2B



100% Build-out
County Wide

Corridor
Strategy

Acres

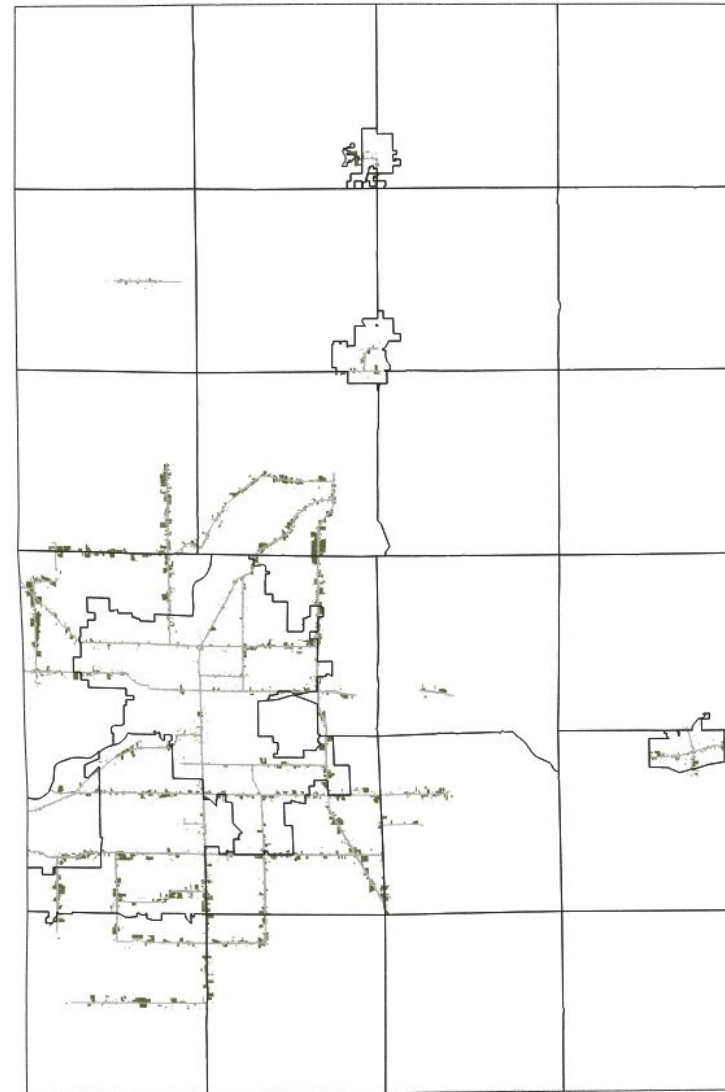
3,943

Housing Units

70,974

New
Infrastructure

\$250M



32% Build-out only on
corridors

Flywheel



New Infrastructure costs \$1,300/ft

\$350/ft	\$500/ft	\$450/ft
Public Road	Sewer Line	Water Line

35 Years

With a local property tax bill of \$722 each, it would take 35 years for **one new single family home on each side of the street** to pay off the cost of new infrastructure.



16 Years

With a local property tax bill of \$516, each, it would take 16 years for **three new townhomes on each side of the street** to pay off the cost of new infrastructure.

At 78ft per average lot frontage,
the average is \$101,400



Use density strategically to fill in the gaps where infrastructure already exists.

Create strong places where people want to be with targeted street and recreational improvements.





Location, Location, Location

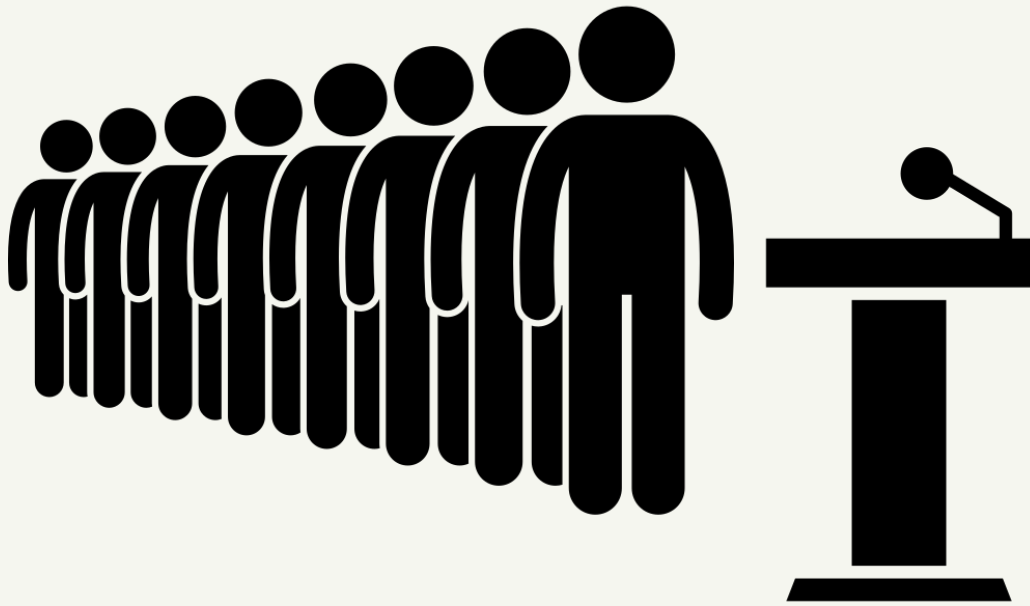
Land values and neighborhood amenities play a major role in housing affordability. Where there is a lot of demand, land is more expensive. This makes housing more expensive.

Density does not determine property values. Demand does.

Demand can change from one street to the next, depending on amenities, safety, and recent investments.



Does nearby multifamily
development lower the
value of my property?



No.

**This concern is refuted by
widespread, long-standing
evidence from peer-reviewed
research.**



56% of Millennials and 46% of Baby Boomers express strong preference for walkable neighborhoods & less maintenance. Roughly half of all homebuyers are willing to sacrifice home size and private green space for a walkable neighborhood.

-National Association of Realtors



Yes...

Single Family Developments

During the pandemic, the shift to an outdoor lifestyle became a top priority for many Americans, especially as the emphasis was placed on social distancing. But the majority of Americans are continuing to prioritize outdoor features when deciding where to live, even after the public health emergency ended.

Flywheel



And...

Walkable Amenity Rich Neighborhoods

According to the 2023 Community & Transportation Preferences Survey by the National Association of Realtors (NAR), 85% of Americans said sidewalks and places to walk are “very/somewhat” important when choosing community attributes they find desirable. More than 56% of all respondents want smaller yards and walkable neighborhoods as opposed to big yards and auto-oriented places.

[LINK](#)



Smaller cottages on smaller lots.



18 townhomes
on 1.23 acres



Targeting Areas for Growth

Focus investment in a relatively small radius where amenities are available and incentives can be targeted.

Leverage new tax increment to support affordability. Assume 3:1 or 4:1 ratio of market rate to affordable units.

The deeper the subsidy required, the fewer units that can be supported.



Phase 1: New community gardens on empty lots.



Phase 2: New infill building and established community gardens.



Final Phase: Blocks are completed with new buildings that provide a space for the uses missing in the neighborhood (i.e. day-care centers).



Corridor Planning & Placemaking





Walker/Standale:









Kinney to Cummings

From



To



	Uses	Auto-oriented Strip Malls	Mixed Use Residential
	Households	20	840
	Taxable Value	\$1.9 M	\$157 M
	Annual County Operations Tax	\$8k / year	\$648k / year
Infrastructure Cost (Road and Sewer)		\$106k / year	\$262k / year
	Years to pay off infrastructure*	13 years	1/2 years





Flywheel



North State & East Division

From



To



Uses

Small Town Intersection

Small Town Downtown

Households

10

282

Taxable Value

\$1.3 M

\$53 M

Annual County Operations Tax

\$6k / year

\$223k / year

Annual Sparta Village Tax

\$18k / year

\$738k / year

Infrastructure Cost (Road and Sewer)

\$97k / year

\$97k / year

Years to pay off infrastructure*

17 years

1/2 year

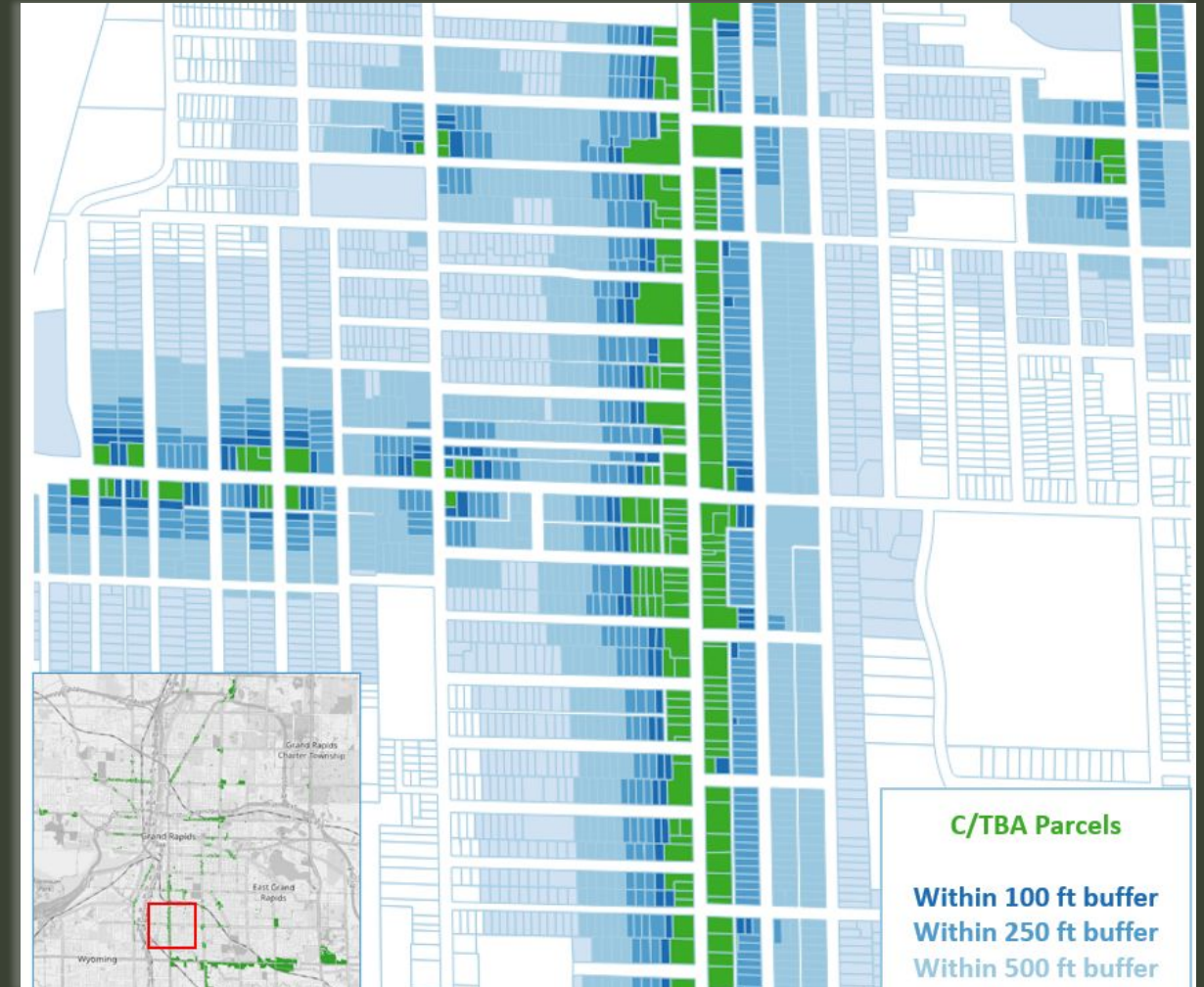


Targeting Areas for Growth

Take advantage of corridors with existing sewer and water infrastructure and where land is underutilized (i.e. large parking lots).

Consider ways to encourage private development by improving the sense of place via infrastructure investments and coordinating developers.

Remove barriers in the zoning code and use incentives & impact capital to catalyze the first handful of developments. Then let the market work.





Status Quo

Acres

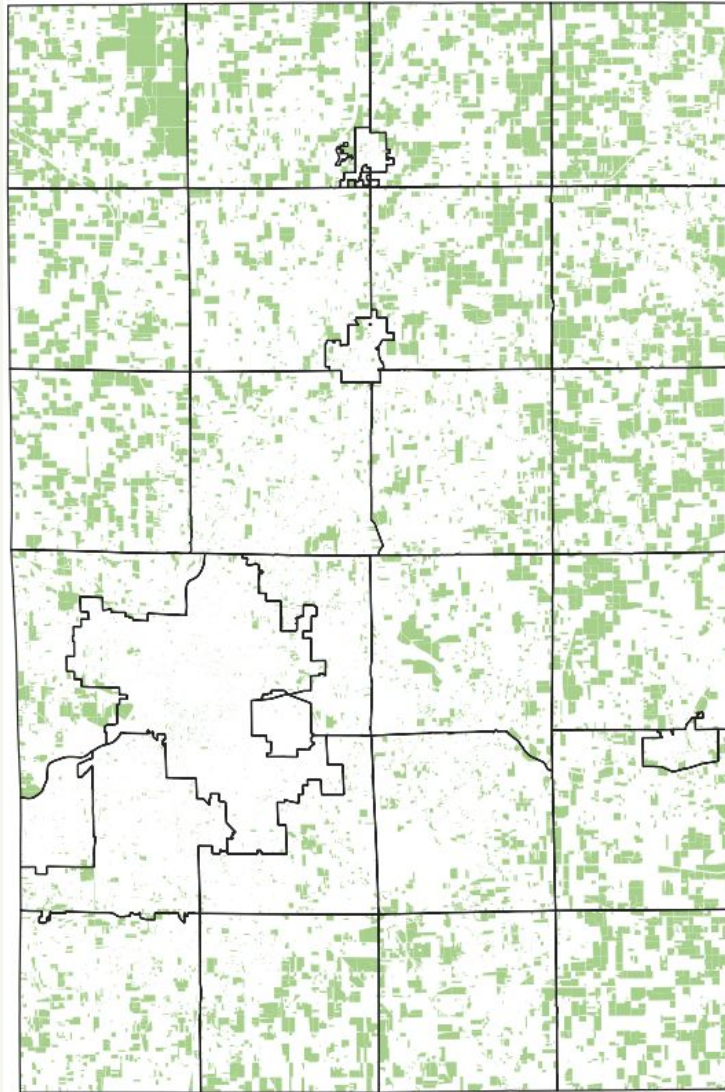
118,918

Housing Units

73,069

New
Infrastructure

\$10.2B



100% Build-out
County Wide

Corridor
Strategy

Acres

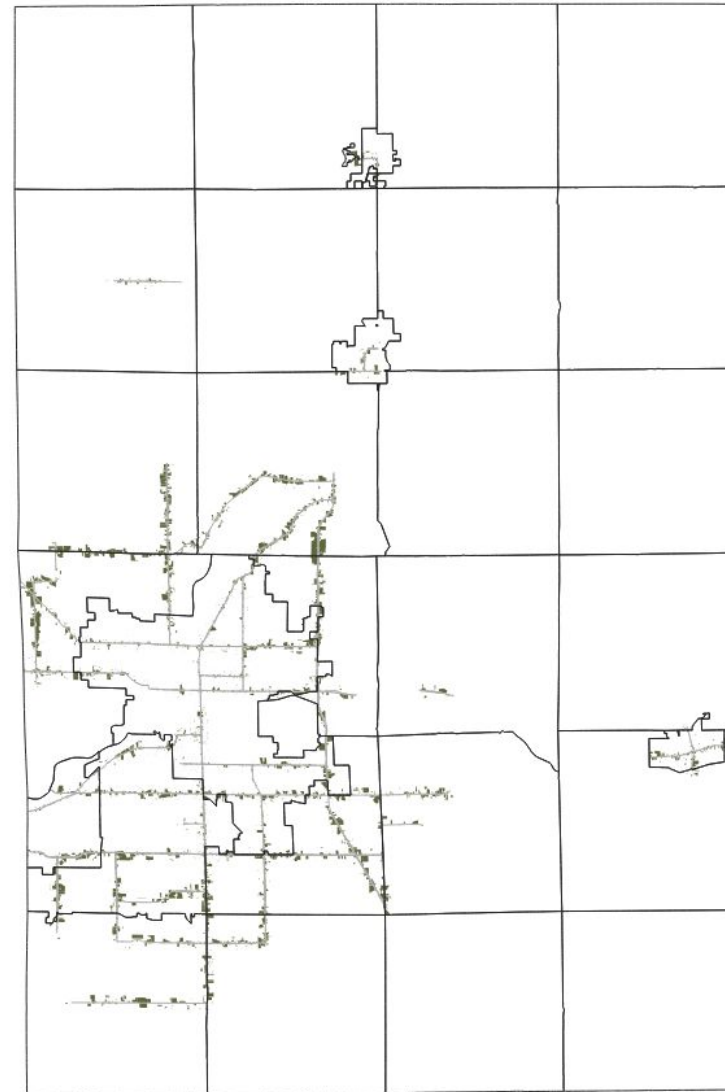
3,943

Housing Units

70,974

New
Infrastructure

\$250M



32% Build-out only on
corridors

Flywheel



Status Quo

Acres

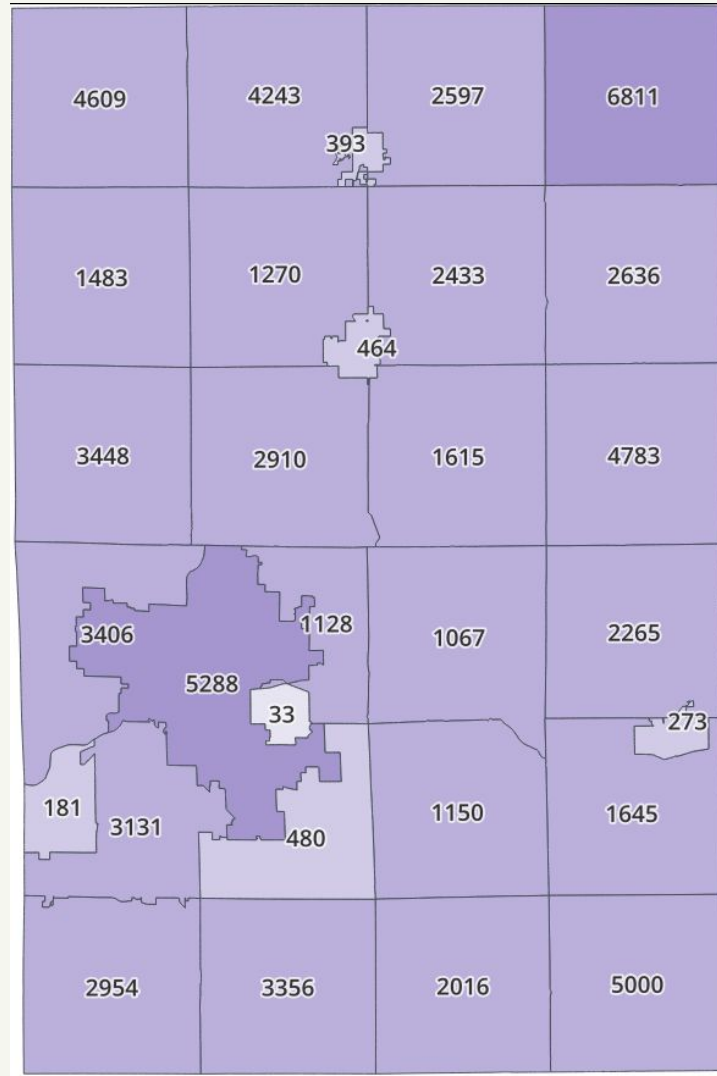
114,000

Housing Units

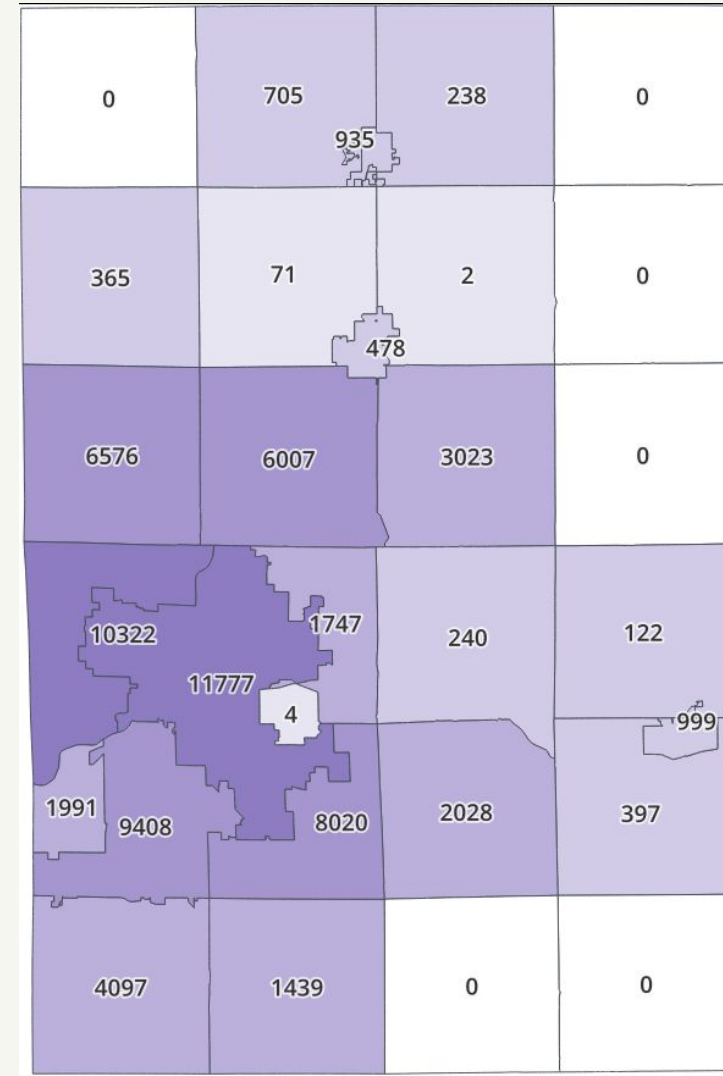
73,069

New Infra

\$10.2B



100% Build-out
County Wide



32% Build-out
Corridor

Corridor
Strategy

Acres

3,943

Housing Units

70,974

New
Infrastructure

\$250M

✿ Mobility Choices Enhance Neighborhood Amenities and reduce monthly cost of living.





Recreation & Commuter Trails





Peninsula Township

Tract: 26055550900

H+T Costs % Income: 69%

Housing: 42% Transportation: 27%

Garfield Township

Tract: 26055551300

H+T Costs % Income: 38%

Housing: 19% Transportation: 19%

Long Lake Township

Tract: 26055550800

H+T Costs % Income: 53%

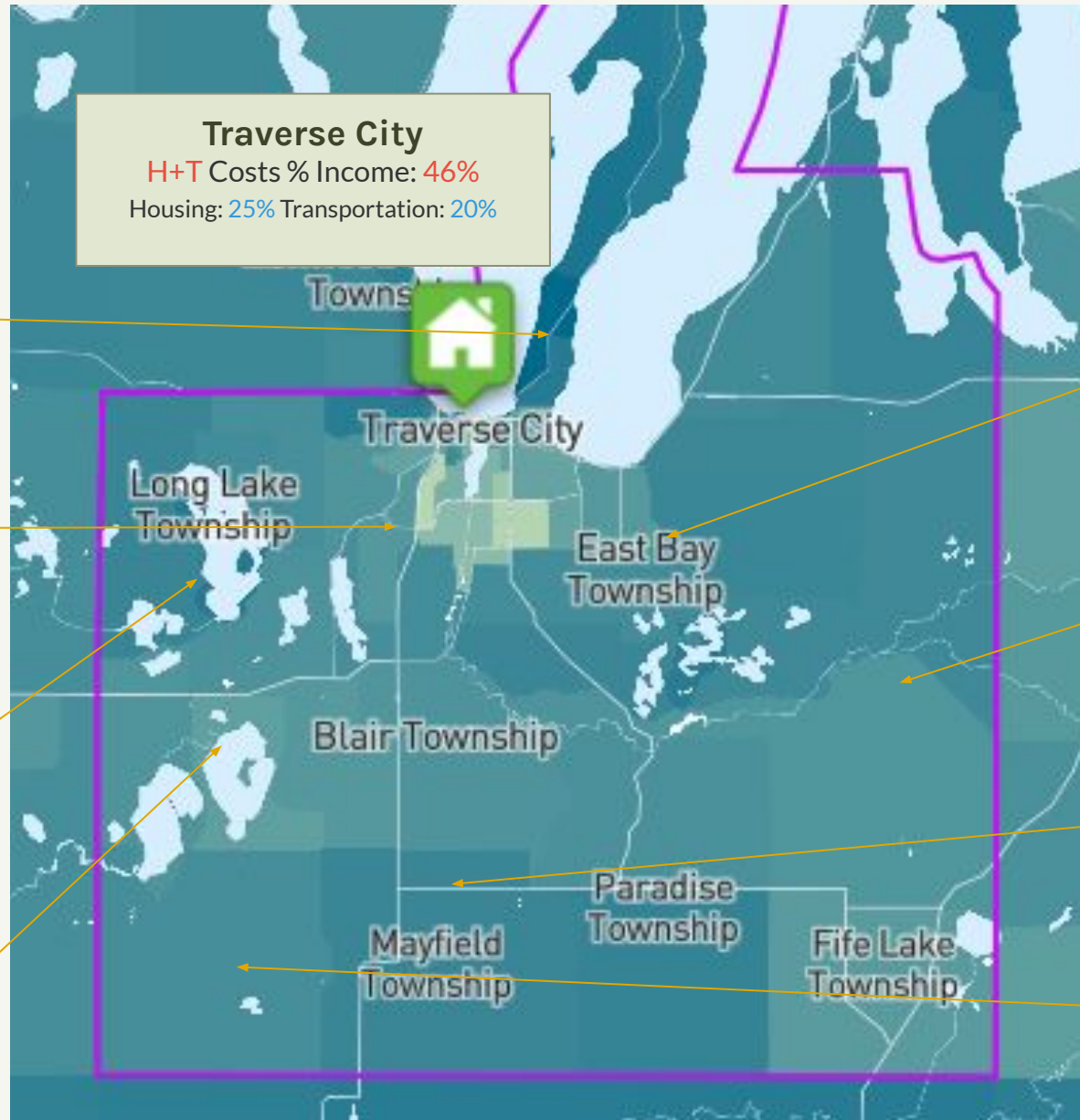
Housing: 26% Transportation: 27%

Green Lake Township

Tract: 26055550500

H+T Costs % Income: 46%

Housing: 20% Transportation: 26%



source: Center for Neighborhood Technology,
<https://htaindex.cnt.org/>

East Bay Township

Tract: 26055550600

H+T Costs % Income: 51%

Housing: 24% Transportation: 27%

Union Township

Tract: 26137950400

H+T Costs % Income: 56%

Housing: 23% Transportation: 33%

Mayfield Township

Block Group: 260555503003

H+T Costs % Income: 56%

Housing: 26% Transportation: 30%

Grant Township

Block Group: 260555503004

H+T Costs % Income: 51%

Housing: 21% Transportation: 30%

Housing + Transportation Costs % Income

< 24% 24-36% 36-45% 45-54% 54-66% 66-78% 78-87% 87%+

Transit can reduce the overall burden on the household by **lowering miles driven** or **eliminating a car**.

Development that serves transit is incentivized to be **smaller and denser**, making it intrinsically more affordable.

Transit defines **where this type of development is located**.

Transit serves as a **resource pipeline** to employers.

Transit and commerce have similar density requirements. Stops feed **retail and food services**.





Pre-approved plans

Pre-Approved plans reduce administrative barriers.

Ordinances for Nuisance

Ordinances to limit the specific nuisances a community might be concerned about.

Zoning Reform

An impactful approach to reducing the cost of new housing.

Land Bank

A legal mechanism for strategically transforming distressed land into assets to spurn economic development.

Brownfield TIF

A flexible funding source enabling prioritized type, location and price points of housing on Brownfield land.

A Payment in Lieu of Tax

PILOTS replace traditional property taxes with a negotiated payment based on a percentage of the rent from a housing development.

Community Land Trusts

New types of ownership that separate land costs from homebuyer mortgages.

LIHTC

The Low Income Housing Tax Credit is offered by the federal government to developers in exchange for dedicating a fraction of their housing units as lower income housing.

Neighborhood Enterprise Zone

Reduces the tax obligations by 50% for new housing in mixed-use buildings or those with owner-occupied units.

Revolving Loan Fund

A financing tool that fills financing gaps in new construction, acquisition, and preservation projects.

Impact Investments

Community partners investing below market interest rates in projects that address social issues.

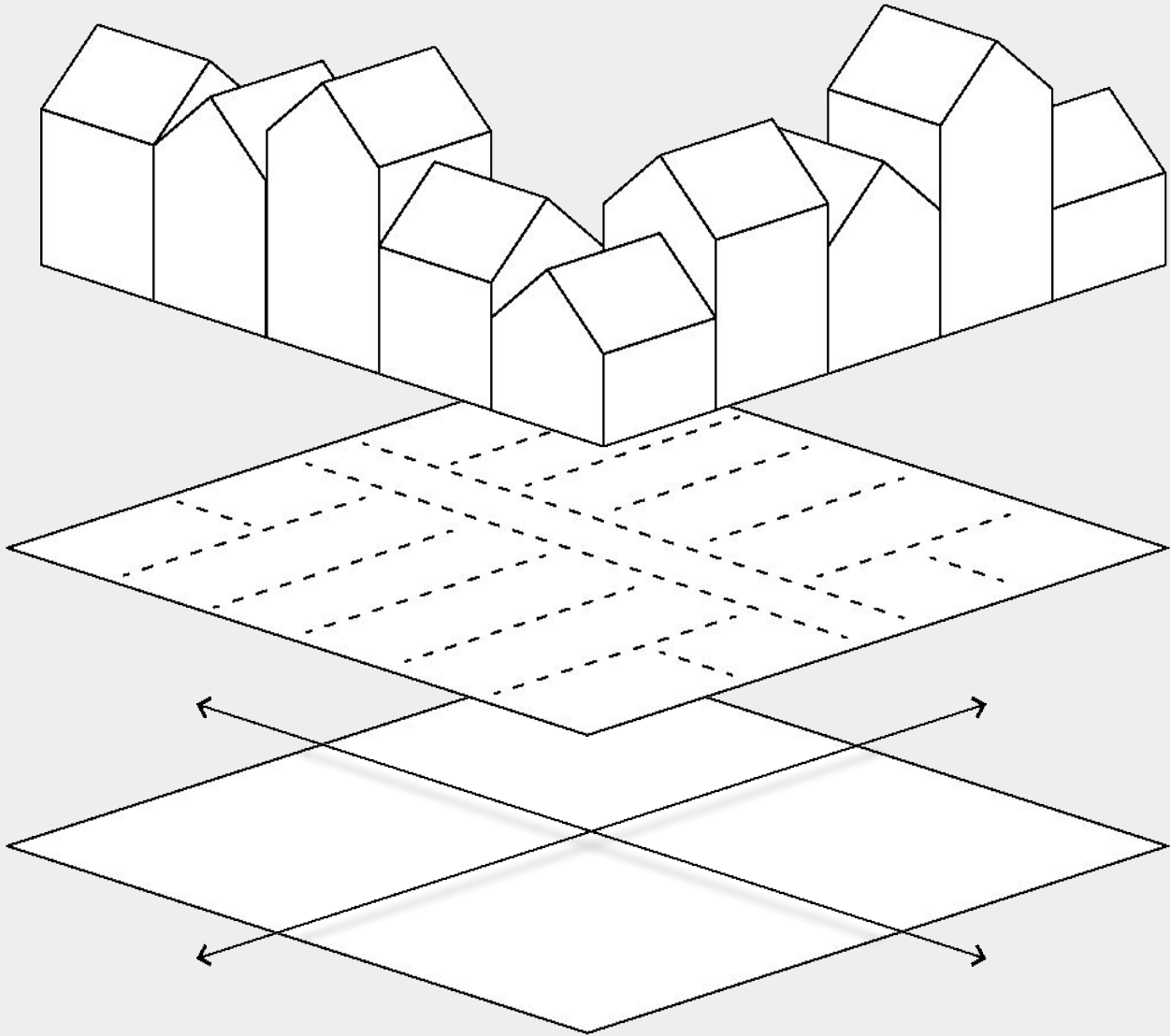
Municipal Services Agreement

MSAs ensure that essential services are funded despite a significant reduction in taxes due to a brownfield or PILOT agreement.



Financing Mechanisms
Tools that activate
new types of capital

- Impact Investments
- Revolving Loan Fund
- LIHTC
- Municipal Services Agreement



Building Type
Tools that inform building size and
intended use

- Pre-Approved Plans
- Zoning Reform
- Ordinances for Nuisances

Parcel Activation
Tools to reduce operating costs + increase
project viability

- Brownfield TIF
- Payment in Lieu of Taxes

Contextual Land Use
Tools that make home-
ownership more affordable.

- Community Land Trust
- Neighborhood Enterprise Zone
- Land Bank



Impact Capital & Public Financing

This work requires patient investors who are equally interested in the social impact of providing housing for the region as they are in a return on investment.

Both are possible.



75 Apartment Units: \$20M



80% Loan to Value = \$15M

7% rate = \$1,050,000 interest costs per year

4% = \$600,000 interest costs per year

Possible savings of \$400/mo per apartment unit



Building a community for this and the next generation.



Flexible, adaptable building types.

Mix of rental and homeownership.

Housing diversity in every neighborhood with infrastructure.



Next Steps

Consider the what role the City & County might play in supporting more homes at every price points.

Which tools are most appropriate for Traverse City & Grand Traverse County?.

- Zoning updates
- Incentive policies (PILOTs, Tax Increment Finance, etc)
- Leveraging the Land Bank & Land Conservancy
- Using Impact Capital & Public Financing for Infrastructure or key community benefits

Partner with private sector and local units to identify where the best opportunities for additional growth are located and align public, private, and non-profit sectors around shared goals.



Q&A

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How to use the Mixing Board.



\$10,000,000

Free money from the State of Michigan.

Must be used to support housing in some way.



Construction Costs

—
\$400 - \$550/sqft

An 800 square foot apartment costs a min of \$320,000 (before land + utilities).



Must rent for at least \$2,500/month to cover costs without subsidies.

A 1,200 square foot home costs a min of \$480,000 (before land + utilities).



Mortgage + Taxes = \$3,800/month (minimum) without subsidies



**If Desired Rent =
\$1,000 per month**

A minimum subsidy of
\$180,000 is needed.

**If Desired Mortgage =
\$1,500 per month**

A minimum subsidy of
\$280,000 is needed.



How could we spend \$10M to support housing?

*Assume this is free money from the federal government.



<u>Rental Price points</u>	<u>Total additional rental homes needed</u>
<\$1,100 / month	2,358
\$1,100 - \$1,800/mo	733
\$1,800/mo - \$2,700/mo	288
\$2,700/mo or more	190
Total Rental Need	3,569

<u>For-Sale Price points</u>	<u>Total additional homes needed for-sale</u>
\$150,000 or less	1,798
\$150,000 - \$240,000	1,384
\$240,000 - \$360,000	2,569
\$360,000 and up	2,041
Total	7,792



New rental units restricted
for families earning
<50% AMI (\$40k/year or
less)



\$10,000,000 would subsidize about 55 new apartments
(\$180,000 subsidy per unit). Roughly 3% of needed units
in this price range.



New rental units restricted
for families earning
80% - 120% AMI (\$65k -
\$98k/year)



\$10,000,000 would support about 250 new apartments
(\$40,000 subsidy per unit). Roughly 87% of the needed
units in this price range.



New homeowner units for
families earning
<75% AMI (\$60k/year or less)



\$10,000,000 would subsidize about 32 new single family
homes (\$305,000 subsidy per unit).



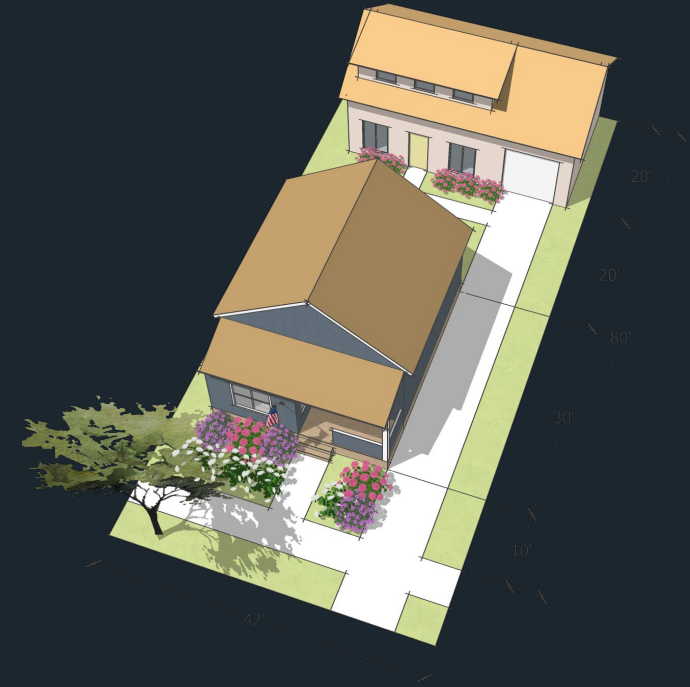
New homeowner units for
families earning
100% - 120% AMI (\$100k/year
or less)



\$10,000,000 would subsidize about 72 new single family
homes (\$140,000 subsidy per unit).



Support new ADU construction if the homeowner earns less than 100% AMI or they agree to rent to a household earning 80% AMI or below. (\$65k/year or less)



\$10,000,000 would subsidize about 250 new ADUs (\$40,000 subsidy per unit).



Preserve existing rental
units for households
earning less than 50% AMI
(\$40k/year)



\$10,000,000 would subsidize about 100 existing
apartments at \$100,000 per unit.



Provide direct rent
subsidies to households
earning less than 50% AMI.



\$10,000,000 would provide monthly rent subsidies of
\$1,200 per month for up to 330 families for 2 years.



Build new sewer, water and road infrastructure to support new development on the outskirts of town.



\$10,000,000 would fund up to 1.5 miles of new infrastructure. The number of new homes supported depends on local zoning.



Who is frustrated?