Housing Trends & Innovation:
What Redevelopment Ready Communities can do locally to help encourage more housing
Housekeeping

QUESTIONS
Feel free to send questions as we go along using the chat feature on the left side.

MUTE
We’ve muted all participants to avoid background noise. But take a second to double check you’re muted, especially if you’re on the phone.

POST-EVENT ACCESS
We will post the slide deck immediately in the RRC Library. We are working to create recordings.

FEEDBACK
We will send a follow up survey to gauge the effectiveness of today’s webinar. Please provide feedback to improve future sessions. The survey will be available for 48 hours.
1. Overview & RRC Connection
2. Incremental zoning steps to address housing (Kalamazoo)
3. Nonprofit involvement and perspectives in promoting housing (Housing Next)
4. Proactively planning for tiny houses (Bessemer)
5. MSDHA Mod Program (MSHDA)
6. Wrap Up & Questions
Housing and economic development are closely linked. Communities who provide housing choice will be more competitive in attracting additional business investment as those locations provide more options for labor to live nearby.

It’s official — There’s a housing shortage in Michigan
-MyFenton.com – June 2018

Michigan faces a shortage of affordable homes, study
-Detroit News – April 2019

New Report Indicates Housing Shortage More Severe than Once Thought
-UpForGrowth National Coalition

Report highlights Michigan's housing shortages, especially in northern lower peninsula
-Michigan Public Radio – June 2018
A homeownership study was released earlier this year which compiles available data and trends. Key findings include:

- Existing housing prices rose 71% between 2012 and 2017 to $156,560.

- New housing is nearly twice that at $307,970.

- Nationally, 25% of the cost of a new home can be attributed to development reviews, studies and other permitting activity.
‘Missing Middle’ housing refers to housing with a price point affordable to families with between 80 and 120% of the Area Median Income (AMI).
EVALUATION CRITERIA 2.1.1

The governing body has adopted a zoning ordinance that aligns with the goals of the master plan.

EXPECTATIONS

☐ The community has evaluated the master plan’s recommendations to determine if changes to the zoning map or ordinance are needed.
Overview

Master plan vision

What zoning allows/encourages
EVALUATION CRITERIA 2.1.4
The zoning ordinance allows for a variety of housing options.

EXPECTATIONS
- The ordinance allows for **three or more** of the following housing types **by right**:
  - Accessory dwelling units
  - Townhouses/rowhouses
  - Stacked flats
  - Residential units above non-residential uses
- Live/work
- Co-housing
- Cluster housing
- Micro units
Overview
EVALUATION CRITERIA 3.1.6
The community promptly acts on development requests.

EXPECTATIONS

☐ Site plans for permitted uses are approved administratively or by the planning commission.

☐ The community follows its documented procedures and timelines.

☐ The community has easy to follow flowcharts of development processes that include timelines.

☐ Community development staff coordinates with permitting and inspections staff to ensure a smooth and timely approval process.
# Overview

## Month 1

<table>
<thead>
<tr>
<th>Sunday</th>
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## Month 2

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</table>
Incremental Zoning Changes - Kalamazoo
Removing Barriers to Good Development

RRC Webinar: Housing
September 2019
How is realizing a COMMUNITY VISION like writing a good Love Story?

Love    Vision
Conflict Broken Code
Something worth fighting for Analysis, testing, review, engagement
Resolution Resolution
imagine kalamazoo 2025
## Trouble in Paradise

| Multi-story, mixed use, key commercial corridor, affordable units, 24-hour day care with YWCA | Dropped Additional Stories  
2 Variances  
Neighbors opposed parking relief  
Install on-street parking |
|---|---|
| 5-story, mixed use, designated commercial node, affordable units, brownfield property | Split Zoned – Overlay District  
Split Zoned – Zoning District  
6 Variances |
| Single lot residential infill, land bank property | Easier to side lot it |
Something Worth Fighting For
Understand the problem ....

Zoning Code Stress Test

Mapping Analysis

Community Engagement
Lot Width: Northside

- Non-Res Parcels
- Less Than 33 Feet Wide
- 33 to 39.99 Feet Wide
- 40 to 49.99 Feet Wide
- 50 to 50.99 Feet Wide
- Lot Width Over 60 Feet Wide
Lot Area: Northside

- 97.811 - 2999.999
- 3000.000 - 3999.999
- 4000.000 - 4499.999
- 4500.000 - 4999.999
- 5000.000 - 7499.999
- 7500.000 - 11688981.8
- Non-Res Parcels
# Zoning Code Stress Test

## Existing Nonconformances

<table>
<thead>
<tr>
<th>District</th>
<th>% Nonconformance in Lot Area</th>
<th>Nonconformances in Lot Width</th>
</tr>
</thead>
<tbody>
<tr>
<td>RS-5</td>
<td>34%</td>
<td>38%</td>
</tr>
<tr>
<td>RD-19</td>
<td>37%</td>
<td>14%</td>
</tr>
<tr>
<td>RD-15</td>
<td>24%</td>
<td>16%</td>
</tr>
<tr>
<td>RM36</td>
<td>60%</td>
<td>50%</td>
</tr>
</tbody>
</table>
Neighborhood Planning

• **Strategy 1** - Increase the number of resident owned businesses, especially those by African Americans & low income residents

• **Strategy 2** - Preserve existing housing & build new housing to accommodate all resident needs

• **Strategy 3** - Make enjoyment of the arts, culture, and open space part of the Northside Neighborhood way of life

• **Strategy 4** - Strengthen support systems for workforce development, safety, and youth programming.
Neighborhood Planning

Residential not permitted on ground floor

Office only permitted use

Manufacturing
Findings ....

Code that didn’t match community vision

Code that didn’t match current community context

Mapping issue

Community mandate to fix it
Break Up
3 New Zoning Districts – Mixed Use

Node
Live Work 1
Live Work 2
New Use Table
Quick Fixes: Parking & Driveways

<table>
<thead>
<tr>
<th>Angle of Parking</th>
<th>Stall Dimensions</th>
<th>Drive Aisle Width</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Curb Length</td>
<td>Stall Width</td>
</tr>
<tr>
<td>0 Degrees (Parallel)</td>
<td>18'</td>
<td>8'</td>
</tr>
<tr>
<td>45 Degrees</td>
<td>12'</td>
<td>8.5'</td>
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<tr>
<td>60 Degrees</td>
<td>10'</td>
<td>8.5'</td>
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<tr>
<td>90 Degrees</td>
<td>8.5'</td>
<td>8.5'</td>
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</table>

Figure 7-2-1 Parking Space and Drive Aisle Dimensions
Mapping

Clean Up
## Table 5.1-1 Residential District Standards (EDITED)

<table>
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<tbody>
<tr>
<td><strong>Minimum Lot Size</strong></td>
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<tr>
<td>Lot Area (sqft)</td>
<td>10,000</td>
<td>10,000</td>
<td>7,500</td>
<td>4,500</td>
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<tr>
<td>Lot Area/ Dwelling Unit (sqft)</td>
<td>6,250</td>
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<td>6,250</td>
<td>4,000</td>
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<tr>
<td>Lot Width (ft)</td>
<td>75</td>
<td>33</td>
<td>50</td>
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<td><strong>Minimum Setback (feet)</strong></td>
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<tr>
<td>Rear - abutting RM/C/M</td>
<td>25</td>
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<td>20</td>
<td>20</td>
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<td>Side - abutting RS/RD</td>
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<tr>
<td>Side - abutting RM/C/M</td>
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<td><strong>Minimum Outdoor Area</strong></td>
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<tr>
<td>Area (sq/dwelling unit)</td>
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<td>75</td>
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<tr>
<td>Minimum Dimension (ft)</td>
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<td>7.5</td>
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<td><strong>Maximum Impervious Coverage</strong></td>
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<td>Coverage (% of lot area)</td>
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<td><strong>Maximum Height</strong></td>
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</table>
## Quick Fixes: Relieving Pressure

### With Proposed Zoning Changes

<table>
<thead>
<tr>
<th>District</th>
<th>% Conforming Lot Area</th>
<th>% Conforming Lot Width</th>
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</thead>
<tbody>
<tr>
<td>RS-5</td>
<td>92% (34%)</td>
<td>98% (38%)</td>
</tr>
<tr>
<td>RD-19</td>
<td>78% (37%)</td>
<td>96% (14%)</td>
</tr>
<tr>
<td>RD-15</td>
<td>86% (24%)</td>
<td>95% (16%)</td>
</tr>
<tr>
<td>RM36</td>
<td>65% (60%)</td>
<td>91% (50%)</td>
</tr>
</tbody>
</table>
Next Steps:
- Mixed use districts – following neighborhood plans
- New residential districts

www.imaginekalamazoo.com
Nonprofit role in promoting housing

Ensuring housing availability at all price points.

Housing Next

Housing Next is an initiative focused on supporting housing solutions for all income levels in our community. More than 36% of Ottawa County families are struggling to make ends meet. For many of these families, this is due to a severe lack of housing choice. The choices that are available have not kept up with modern demands. We must be thinking about the next era of housing supply and community design that permits a high quality of life in a financially sustainable pattern of living.
HN Governing Board

• Community Foundation Presidents
• Lakeshore Advantage President
• United Way President
• Chambers of Commerce Presidents
• Ottawa County Administrator
• Lakeshore Non-profit Alliance - Director
New Localism

“The multi-sectoral networks that work together to solve problems as well as the institutional vehicles they invent to get things done.”

-Bruce Katz & Jeremy Nowak
1) Increase housing supply at all price points

2) Provide support for housing choice across workforce

3) Strengthen partnerships across the community
Housing Affordability

Generally, housing that costs 30% or less of a household’s annual income.

Examples:
Individual earning $18,000 / Monthly maximum housing cost of $450

Individual earning $30,000 / Monthly maximum housing cost of $625

Family earning $54,000 / Monthly maximum housing cost of $1,350

Family earning $90,000 / Monthly maximum housing cost of $2,250
Levers to influence the System

- Land Use Planning / Zoning Support
- Improve Mobility Options
- Support Wage Growth/Education
- Leverage and prioritize use of local, state and federal incentive tools
- Philanthropic / corporate funds to support developers
- Innovation in construction process
Baby boomers & Millennials are both showing strong interest in walkable neighborhoods, less maintenance.
Simple economics
An effort to perfect the mechanics of regional collaboration.

Multi-sectoral leaders are pulled together to discuss & decide. Act locally but with intentionality and regional awareness. Break down silos and establish a new culture of social impact & economic prosperity.
Making Space for Housing Choice

- Reduced infrastructure costs
- Higher taxable value per acre
- Stronger connectivity to daily services / employment
- Less land intensive
- Supports higher frequency transit service
Making Space for Mobility Choice

- Reduced infrastructure costs
- Reduced daily traffic congestion
- Stronger connectivity to daily services/employment
- Supports less land intensive uses
- Supports greater housing choice
A New Program is Heading Your Way!
The Housing Initiatives Division at MSHDA is offering a new program called MSHDA MOD.

**Housing Initiatives Division Purpose Statement:**
Housing Initiatives facilitates relationships to provide unique resources and assistance to enhance the quality of life in neighborhoods and communities.
A defined community-based residential area where people live and share amenities/resources.
SF HOUSING AFFORDABILITY AND ATTAINABILITY ISSUES

• Affordability = relationship between household income and monthly housing expenditures (typically >30% = cost burdened)

• Attainability = households despite overcoming affordability issues may also experience issues due to increased debt (ex. tuition), fewer savings, and stricter lending requirements…or program requirements such as current taxes/insurance.
Different housing needs/conditions throughout the Michigan may include:

- Population growth/decline;
- Population demographics vary;
- New construction rates/feasibility;
- Housing options available/desired;
- Foreclosures/vacancy rates of structures and lots;
- Local economy/economic and housing market trends;
- Structural integrity of existing SF homes – deferred/limited maintenance on existing units.
MICHIGAN'S SINGLE-FAMILY HOUSING REALITIES

- Housing stock supply which is up to code and “affordable/attainable” is limited;
- Michigan’s Housing stock is continually “aging in place”;
- New construction of homes at a price point less than $200,000 is rare;
- Communities/Employers are facing a workforce housing shortage/need; and are seeking alternative construction products.
- Modurals in controlled environments are a feasible option to a) accelerate availability of new construction housing; 2) reduce barriers/costs associated with new construction; and 3) support and encourage infill on lots ready for redevelopment.
Financial resources for housing programs are shrinking, forcing all levels of government to do more with less;

Michigan’s SF housing stock is older and may not have the layout, systems, or amenities desired;

Vacant units may require substantial rehab (above value);

Median sales price of SF new construction = $307,970;

Housing and jobs are inextricably linked to attract/retain workers.
MSHDA provides resources for new housing stock, within communities/neighborhoods experiencing workforce housing shortages, which provides buyers with an option for a new home at a price point below $200,000.
MODULAR PILOT PROGRAM 2019

- Providing spec modular homes to market and sell at an affordable price point in areas experiencing workforce housing shortages.
- Partnering with communities to identify ready to build sites with existing infrastructure where modular products can be placed as infill units.
• Applicants can be nonprofit 501c3 agency, local units of government, or Limited Dividend Housing Associations;

• Agreement is structured as a 5-year repayable grant – applicants have five years to install, market, and sell the model unit. Note: it is anticipated that at least 3 additional homes with private financing possibly at market rate will be marketed and sold as well at other available sites identified by the applicant;

• MSHDA provides funds (up to $196,000) to install one spec modular unit. If that unit is successful, the funds can be recycled within a community up to 3 times;

• Modular units are typically one story, three-bedroom, two bath, 1400 – 1600 square feet;

• Each MSHDA assisted spec modular unit is income restricted to 120% AMI.
MODULAR HOME DROP

MUSKEGON’S NELSON NEIGHBORHOOD

• https://www.youtube.com/watch?v=obrVEkRnl3s
MUSKEGON MODULAR DROP COMPLETED
# 2019 MSHDA MOD PILOT PROGRAM AWARDS STATEWIDE

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<th>Big Rapids Housing Commission</th>
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<td>City of Beaverton</td>
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<td>Community enCompass (Bethany Housing Min.) - Muskegon</td>
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<td>Jubilee Ministries - Holland</td>
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<td>Kalamazoo Neighborhood Housing Services - Kalamazoo</td>
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<td>Habitat for Humanity Northeast Michigan - Harrisville</td>
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**Reserved Funding:**
- Barry Community Foundation - Hastings
- Oscoda Township

**Tentative Funding:**
- City of Marlette
- City of Romulus
- Five Cap - Lake County
Virtual Office Hours
At least once a month, MEDC Community development hosts virtual office hours as a chance to check in with CAteam and RRC staff. Talk about projects, ask questions, or just share good news. Upcoming sessions:

• Monday, September 16th from 3:00 – 4:30pm
  Log-in to software: Join Skype Meeting
  Choose your audio (computer recommended)
  Optional phone: (248) 340-3787; access: 113-899-88

• Every other Tuesday beginning in October from 9:00am – 12:00pm (October 1, 15, 29, November 12, 26 & December 10)
  Log-in to software: Join Skype Meeting
  Choose your audio (computer recommended)
  Optional phone: (248) 340-3787; access: 494-553-675
Questions

Christopher Germain, AICP
Michigan Economic Development Corporation
Senior RRC Planner, Regions 1/6/Detroit
germainc2@michigan.org
517-599-5450