

The Review

The official magazine of the  michigan municipal league

Summer 2024

Zoning Reform and Housing

Mt. Pleasant rewrites master plan and zoning ordinances

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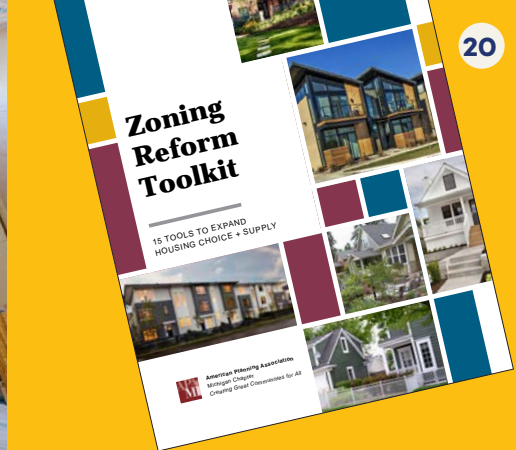
The Review

Summer 2024

Volume 97, Number 4

The official magazine of the
 michigan municipal league

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of the magazine and past issues.



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City of Mount Pleasant
Director of Planning and
Community Development
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They say home is where the heart is.

Executive Director's Message

But what if you have no home?

That troubling question has become increasingly common in the past few years, in communities of all shapes and sizes across the nation.

Part of the problem is affordability. Here in Michigan, the median sales price for a single-family home in 2017 was attainable for most households at or above 80 percent of Area Median Income (AMI). But the cost of housing has risen dramatically over the last several years. Between January 2013 and October 2021, the average sale price for a home in Michigan increased 84 percent. From 2011 to 2021, median rent increased by nearly 28 percent across the state.

And the gap is only widening between what we earn and where we can afford to live, with 70 percent of the most common jobs in Michigan paying less than \$20 per hour. Over the last five years, only 20 percent of the population—those making over \$100,000—have experienced income growth. The other 80 percent are seeing income stagnation or decline.

Asset Limited, Income Constrained, Employed. The ALICE acronym has come to represent a growing number of Michigan residents who are working hard yet still struggling to make ends meet on jobs that barely pay the bills.

The cost of housing should make up about 30 percent of your household income. According to the Department of Housing and Urban Development (HUD), households spending more than 30 percent are considered “cost burdened” while those spending more than 50 percent are “severely cost burdened.” That means they’re continually at risk of being unable to cover the basic costs of living. One illness or injury, one unexpected expense, could spiral into economic catastrophe and chaos, even homelessness.

Right now, 14 percent of all homeowner households in the state are cost burdened, while another 10 percent are severely cost burdened. That’s an alarming trend of economic hardship hitting individuals and families at life’s most basic levels: housing, childcare, food, transportation, and healthcare.

When we start throwing around all these statistics, it’s easy to lose sight of the actual human experience those numbers

represent. But here’s one statistic that should give us all pause: 71 percent of single-female-headed households with children are below the ALICE threshold.

Those ALICE workers are the backbone of the service industry and labor force, from home health care aides to restaurant servers and retail workers. If they can’t afford to live here, what happens to our communities?

The other half of the equation is the lack of housing itself. Available housing stock is at historic lows, with the average number of building permits for new housing construction less than half that of pre-Great Recession levels.

Our planning and zoning laws play critical roles in the housing affordability process. In this issue we’ll explore options for communities to consider that lessen lot requirements, relax square footage minimums, and permit multi-plexes. Might one of these changes be right for your community?

We’ll also talk about new ways to repurpose existing buildings, like turning underutilized office buildings into residential units, and how recycling and readapting buildings can go a long way toward reducing our carbon footprint.

But housing challenges are different in different communities. Just like a shoe, one size or type of housing does not fit all. An article from the Council of Michigan Foundations explains how community-driven housing solutions can offer unique and innovative ways to address every aspect of the housing issue, from workforce housing to homelessness.

Here at the League, we firmly believe in the concept of community wealth building to create strong, thriving, and sustainable communities. Safe, attainable housing sits at the very foundation of that concept.

I know we can solve the housing crisis if we work together. Meeting this nationwide challenge can start right here at home in Michigan. The opportunity is knocking on our door.



Dan Gilmartin

League Executive Director and CEO
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Legislative Victories for HOUSING

By Yarrow Brown



Housing North is a nonprofit organization that works to remove barriers to housing and to find housing solutions in the 10 counties in northwest Michigan: Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, and Wexford. We are an independent nonprofit laser-focused on addressing the systemic problems embedded in zoning laws, development financing, and public-private partnerships—problems so pervasive they impact every aspect of housing work and prevent real progress from being made. If these barriers can be removed, a new and strong foundation can be built, one that will serve as a stabilizing force for a healthier, more sustainable, thriving northwest Michigan.

Housing North takes a neutral and responsive approach with the communities we serve. As an independent organization, rather than being connected to a unit of government or a developer, we are available to respond to each community's specific needs and provide an impartial perspective on how to achieve their housing goals.

“In 2022 we saw huge wins for housing development and rehabilitation in our state—by the creation of new and expanded housing tools...”



The Housing Michigan Coalition, led by the Michigan Municipal League, Home Builders Assoc. of Michigan, Grand Rapids Chamber, and Housing North, worked for two years to get these bills through the process. Special thanks to Senators Winnie Brinks, Ken Horn, Jeremy Moss, Wayne Schmidt, and their teams, for their leadership on this important issue. These policies build on prior success and will continue to open the door for new opportunities in affordable and attainable housing development.

Housing Michigan Coalition

Housing North was honored to partner with the Michigan Municipal League to create and expand the Housing Michigan Coalition (see the *Review*, July/August 2021 at mml.org), a statewide coalition of just about every partner in housing, large and small across the state, including non-traditional partners like building organizations and local governments. When we set our policy priorities in 2019, we knew we needed a statewide effort to get behind a lot of our priorities and are excited to be a part of a coalition that is bipartisan and bicameral focused on key policies that can make a difference state-wide and be inclusive of rural communities.

Michigan's New Housing Tools

In 2022 we saw huge wins for housing development and rehabilitation in our state—by the creation of new and expanded housing tools—the expansion of Payment in Lieu of Taxes (PILOT) and Neighborhood Enterprise Zone (NEZ), and the creation of the Housing Facilities Exemption and the Attainable Housing and Rehabilitation Act. All four are tax abatement tools that are opt-in for local governments and allow a wide berth for cities and villages to set the parameters for how the program will work in each specific municipality.

In 2023, another major Housing Michigan Coalition milestone was reached when legislation passed that allowed for the inclusion of housing costs to be reimbursed under the state's successful Brownfield Redevelopment/TIF programs. These tools, again, are opt-in for units of government and provide tax abatements for projects that provide housing up to 120 percent of the AMI (area median income).



At Housing North, we are very excited that communities in our region have been some of the first to adopt these programs. The City of Traverse City and Blair Township this past year adopted PILOTs for housing developments in their jurisdictions, and Grand Traverse County and Benzie County both adopted county-wide PILOT ordinances. In addition, the City of Frankfort created an Attainable Housing District and a Residential Facilities District, and more information can be found on the city's website.

In the Village of Bellaire, the Bellaire Lofts project, and in Petoskey, the Maple Block project used the new Housing TIF tool which allowed one of the first multifamily developments to happen in these communities in 20 plus years.

Housing North created a page on our website to provide more information on these tools, including a summary sheet and individual fact sheets for our communities to use.


It will take some time for communities to decide which tool to use and developers to determine which tools best fit their project model. We have hosted workshops and webinars to go over example projects and ways these tools can be applied. We are also working alongside many of our partners to include housing in any master plan updates and align the master plan goals with any zoning reform using best practices outlined by the Michigan Association of Planners.

Much of this work is done through our Housing Ready Program which provides technical support on a county level around housing solutions, tools, and ways to remove barriers. Our team helps communities to meet their housing needs using the most recent Housing Needs Assessment (HNA) data showing the gap in our 10-county region to be around 31,000 units between 2023 and 2027. We also created dashboards to track the progress towards our goal for 10 percent of the units/year including tracking zoning changes and vacancy rates.

LEGISLATIVE VICTORIES

Each of these tools can help with different types and scales of projects. Some are for rental only (PILOT) and others can be stacked (Housing TIF and NEZ) to create a longer affordability term. Others can be used for homeownership as well. We are excited about future opportunities to map our zoning in the region and visually show how these tools can be deployed in specific zoning districts encouraging density closer to existing infrastructure.

These tools are instrumental in making these important projects happen. We hope developers will use these tools to provide a range of rents that are within 80-120 percent of AMI including some market rate options to give flexibility in the project and more opportunities to fill the gaps in funding.

These housing tools would not have happened without the dedication of the many partnerships and the state Legislature listening to our needs in rural and urban communities. 

For Housing North resources, visit www.housingnorth.org/housing-tools-resources

Yarrow Brown is the executive director of Housing North. You may contact her at 231-335-1685 or yarrow@housingnorth.org.

HOW TO DEVELOP HOUSING

FOR YOUR COMMUNITY

www.housingnorth.org

CONCEPT

Determine the type of project (rental or for sale) and the scale (# of units). Use the [Housing Needs Assessment Data](#) and [Connect with local Housing Ready Staff](#). info@housingnorth.org or www.housingnorth.org

SITE LOCATION

Locate potential sites and get to know locations and the community. Review zoning - are changes needed? Get familiar with the permitting process and timelines.

PLAN

Consider major components of the project plan such as potential development teams and who will own and/or manage long term. What are the predevelopment costs to consider?

PROFORMA (\$\$\$)

Use the MEDC proforma guide or other templates to detail project costs. Where are the financial gaps? What do the rents/sales prices need to be? What are some options for assistance? Begin conversations with lending/finance partners.

SECURE APPROVALS

Work with City/Township and County staff to secure appropriate permits or approvals. Develop a project timeline with dates to secure property, financing and more.

SECURE FINANCING & ACQUIRE SITE CONTROL

At this point you should be on your way to obtaining site control. Apply for financing and explore [housing tools and options](#). Work through the land use permitting to prepare for construction.

BEGIN CONSTRUCTION

Maintain close communication with City/Township/County staff and your development team as you take the first steps toward construction. Remain in contact with financial partners and donors as the project moves forward.

CELEBRATE

Host a groundbreaking, write an article or find another way to show the community what's coming and who has helped!

www.housingnorth.org



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Our unique, professional experiences have demonstrated this philosophy in action, from managing a city and its diverse operations, to overseeing one of the largest law enforcement agencies in the State. This experience strengthens our ability to understand the impact upon employees and residents when making decisions on labor policy.

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From the League's archives ...

HUD born to help cities

In November 1965, the federal Department of Housing and Urban Development (HUD) came into being, climaxing a half-century movement to gain recognition at the cabinet level of the importance of urban affairs. Members of Congress, federal officials and municipal representatives watched as President Johnson signed the new department into law. HUD was the eleventh federal department and the first created since 1953. Among the primary responsibilities of HUD were:

- To achieve the best administration of the principal federal programs which provided assistance for housing and the development of the nation's urban areas;

1965



2013 MSHDA Executive Director Scott Woosley kicking off Detroit's \$52 million federally funded residential blight elimination initiative.



2021 Michigan Housing Coalition press conference announcing the development of the statewide housing plan.



2017 The November/December 2017 issue of the Review, dedicated to housing.



2021 The July/August issue of the Review, dedicated to housing.



2021 Ferndale Mayor Melanie Piana (right) testifies on HB 4722—Short Term Rentals with the League's Jennifer Righeter

Adaptive Reuse:

ARCHITECTURAL ALCHEMY

By Richard Hess, AIA

THE ADAPTATION OF EXISTING BUILDINGS TO SUIT CURRENT NEEDS HAS TAKEN ON A NEW URGENCY IN THE POST-COVID LANDSCAPE.

Adaptive reuse, or the transformation of existing buildings to serve new purposes, recently garnered attention from an unlikely source: the White House. While adapting obsolete structures for different uses is not new, the COVID-19 pandemic revealed a pressing need in American cities. We must convert downtown office buildings to housing as quickly as possible.

The pandemic accelerated two trends that were already underway: high housing prices and telework. During COVID-19 lockdowns, downtown office buildings emptied out as white-collar employees worked remotely from their homes. At the same time, housing prices rose as those same workers competed for more spacious abodes.

Today, over 40 percent of workers are still working remotely at least some of the time, leading their employers to consolidate into smaller office spaces in higher-quality buildings. With fewer office workers and increasingly unaffordable housing, downtown restaurants and retailers are struggling, and spaces in older office buildings are going unleashed.

The solution proposed by the White House is the conversion of underutilized office buildings to residential units, which cities like New York and Los Angeles have been pushing for years. As long-time advocates for building reuse, Quinn Evans is meeting the challenge of adapting underperforming places for continued service. We engage in adaptive reuse at all scales, converting structures ranging from a small machine shop to the 640,000-sf Michigan Central Station to new purposes that support contemporary needs.

Why Choose Adaptive Reuse?

We have long practiced and advocated for adaptive reuse because of its triple bottom line benefits. The reuse of existing buildings is one of our greatest opportunities for environmental, social, and economic impact.

Good for the Environment

Adaptive reuse makes the most of the resources that have already been invested in the built environment. Embodied carbon refers to the greenhouse gases that are expended in the construction of a building, including in the creation of the materials that comprise it. By reusing—essentially, recycling—existing buildings, we preserve this embodied carbon and avoid emitting thousands of tons of additional carbon into the atmosphere through new construction. For example, by reusing Michigan Central Station, we're generating only a quarter of the embodied carbon that a new building of its size would. In the last five years alone, Quinn Evans projects have avoided over 300,000 metric tons of CO₂e through building reuse—equivalent to planting almost five million trees.

Good for Communities

Adaptive reuse is a key component of community revitalization. Returning a vacant building to active use makes an immediate and quantifiable impact on neighborhood safety. In particular, the conversion of former commercial and industrial buildings to housing helps create vibrant, 24-hour neighborhoods where people live, work, and play—rather than traditional commercial districts that empty out when office workers leave for the day.

In addition to the measurable benefits of building reuse, there are less tangible advantages. Old buildings give us a sense of continuity and a feeling of connection to the past. The razing of beloved buildings and the loss of that shared past can be experienced as trauma by impacted communities.

“You think about 40 years of decline. Since then, we have come all the way back.”

—Detroit Mayor Mike Duggan
at the Metropolitan Building’s reopening

Diamonds in the Rough

It’s a common misconception that building reuse is prohibitively expensive—and that only new buildings can be high-performing. While there are certainly challenges to converting old buildings to new uses, we think it’s more than worth the effort to reap the many positive community and environmental rewards of building reuse.

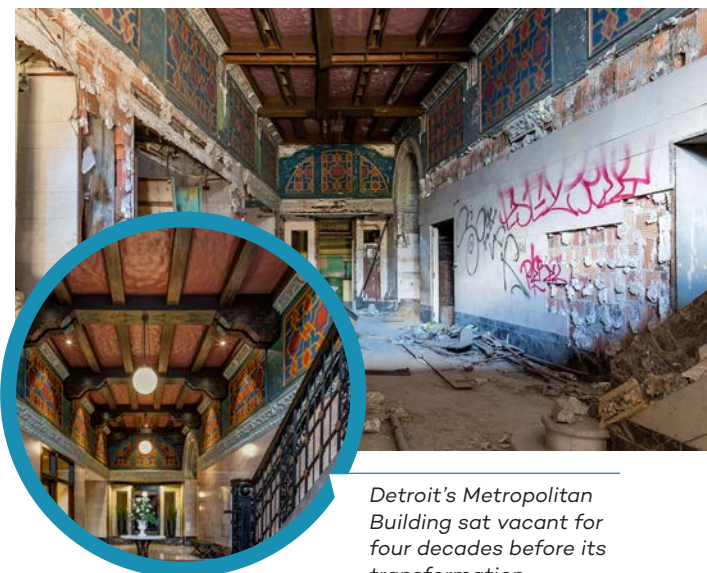
Funding

We understand the funding mechanisms, like historic tax credits (HTCs), that make transformative renovations financially feasible—and how to design for them. For example, projects that receive HTCs must adhere to the Secretary of the Interior’s Standards for the Treatment of Historic Properties (SOI Standards). With our expertise in historic preservation, we readily understand which areas of a building can and cannot be altered according to the SOI Standards. More than 60 of our projects have received HTCs, including the Baltimore School for the Arts, which is housed in a former hotel and adjacent residence.

Our deep knowledge of historic buildings also allows us to maximize the project budget. We know how to right-size repairs and where we can replace historic fabric with new materials while maintaining the building’s character. For example, at the Legacy we re-created missing ground-floor masonry with glass fiber reinforced concrete (GFRC), which was both less expensive than replacing it with traditional masonry and allowed us to re-use existing 1960s steel framing. This project, designed to the SOI Standards, received HTCs.

Housing

If only a small percentage of underutilized commercial buildings were converted to housing, it could create thousands of units of much-needed housing while also reducing the carbon footprint of existing buildings.



Detroit’s Metropolitan Building sat vacant for four decades before its transformation.

Similarly, vacant and rundown places can cause feelings of sadness and distress—while also leading to further neighborhood disinvestment. On the other hand, when we renew a familiar building, it becomes a point of community pride and a catalyst for additional investment. Before we transformed Detroit’s Metropolitan Building into a hotel, it sat vacant for four decades, its crumbling façade an eyesore and a danger to passers-by. Today it is a symbol of the city’s resurgence.

A Good Investment

Adaptive reuse projects often return vacant buildings to income-generating use. Beyond the economic benefits to the building owner, the rehabilitation of derelict places provides a return on investment to society. One study calculated that every dollar spent on abandoned buildings yields a \$79 social benefit in terms of gun violence prevention alone.

Even if a building is still occupied, its conversion to a more productive use is good for the owner and the community. A report by Coppin State University found that the Open Works maker space, which we created from an industrial building that had most recently housed a thrift store, generates \$9.9 million annually for the Baltimore region.




Bay City, The Legacy mixed-use building in Bay City, another former bank, won a Michigan Governor’s Award for Historic Preservation.

Looking Back to Build a Sustainable Future

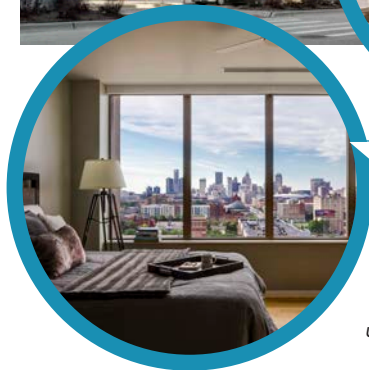
Our message to developers, municipal planners, and owners of vacant buildings is this: Don't tear down old buildings—reuse them instead!

Humanity's needs from the built environment are constantly changing. In this moment, we need more housing and less office space—so we should convert office buildings to housing units. In the near future, artificial intelligence will likely change the ways in which we live and work, leading to further shifts in our requirements for our physical surroundings.

While we can't know what the future holds, we can commit to adapting and reusing our buildings rather than tearing them down—because it's good for the environment, it's good for communities, and it's a good investment. 

Richard Hess, AIA, is a principal with Quinn Evans. You may reach him at 313-462-2559 or richard.hess@quinn-evans.com.

This article was excerpted; to read the full article, visit: quinn-evans.com/news/adaptive-reuse-architectural-alchemy



Detroit, The Plaza:

Our conversion of this office building in Detroit to apartments preserved embodied carbon and created dense housing in a walkable urban neighborhood.

We're on a mission to create and cultivate resources, partnerships, and opportunities that Michigan communities need to thrive.

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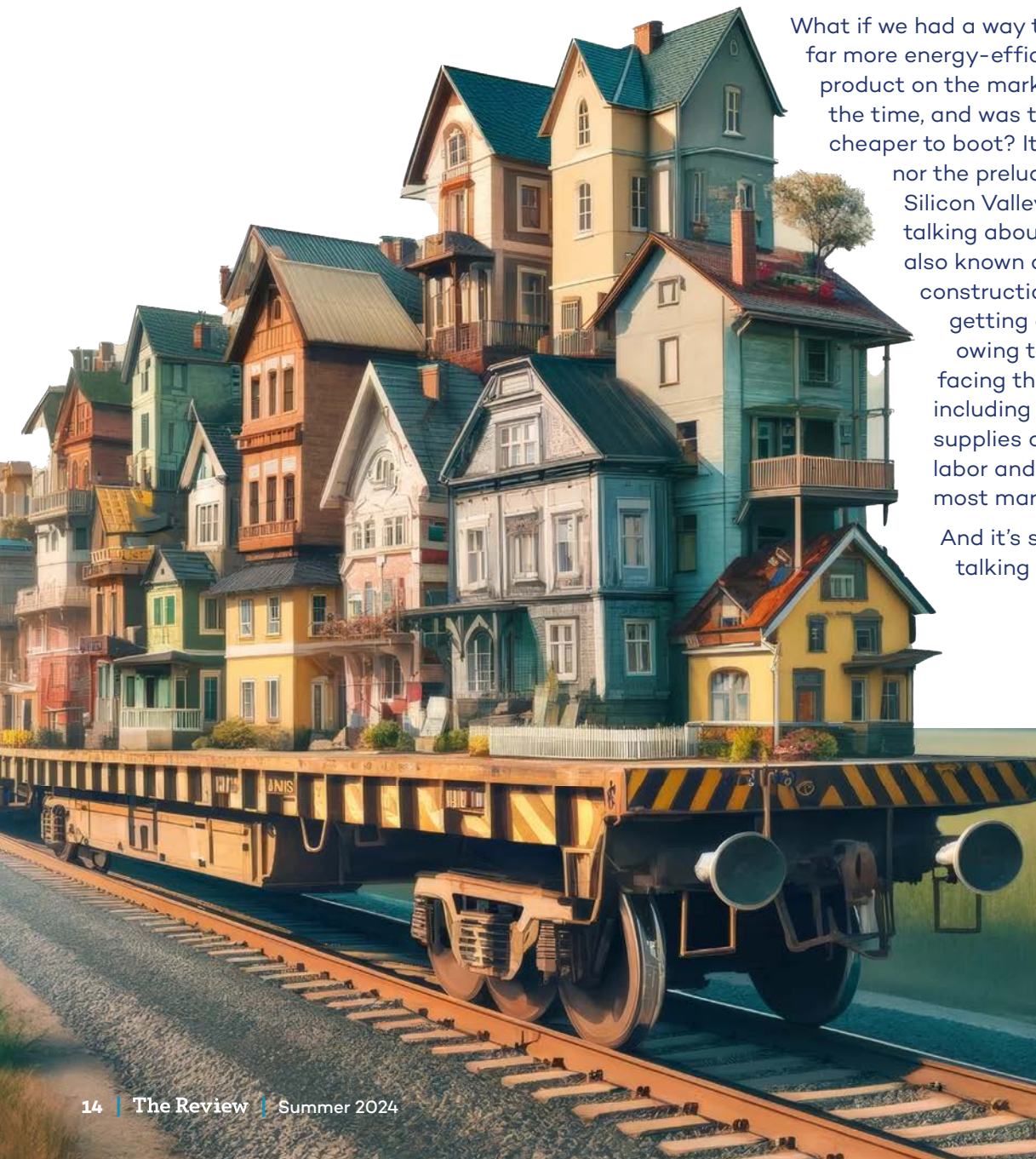
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USING MODULAR CONSTRUCTION TO FIX THE HOUSING MARKET

By Nat M. Zorach, AICP, MBA

What if we had a way to build housing that was far more energy-efficient than the average product on the market, could be built in half the time, and was the same price or even cheaper to boot? It's not a pipe dream, nor the prelude to a pitch for a lofty Silicon Valley software platform. I'm talking about modular construction, also known as industrialized construction. It's not new, but it's getting a lot more attention owing to a myriad of factors facing the housing market, including historically constrained supplies of both construction labor and affordable housing in most markets.

And it's something we should be talking about in Michigan.



“Faster production means faster solutions to the housing crisis, but it also means more productive uses of capital, since we know that time is money!”



Modular 101

The idea is simple. Whereas conventional construction involves building most of a structure on-site, modular involves building parts of the building in a factory. An indoor assembly line allows for more precision, more economies of scale, and the ability to work with fewer weather constraints. Faster production means faster solutions to the housing crisis, but it also means more productive uses of capital, since we know that time is money!

Modular comes in many forms, including “volumetric” modules, which are factory-produced “blocks” that stack to form a whole building, or panelized components like structural insulated panels (SIPs). The term “industrialized construction” can also refer to other novel approaches to building housing, as in the case of Detroit-based Citizen Robotics, which recently finished its first printed concrete house (which uses SIPs in tandem with robot-printed concrete walls). Another local company called Ginosko is scaling up production of its own volumetric modules, and I’m aware of at least another that is in the process of developing a facility.

ADL Ventures is developing a product platform to make it easier to source modular, focusing mostly on missing middle and multifamily housing, which is worth mentioning because so much of the modular market is (still) focused on building single-family housing. The idea is that we can build more affordably when we’re building denser, focusing on infill rather than greenfield development. A similar idea underlies the Michigan Municipal League’s *Pattern Book Homes* toolkit, which could easily be integrated into modular production to build a lot of affordable housing at scale—and, we hope, with minimal public subsidy in an age where we desperately need more affordable housing but where there’s a thoroughly limited pool of funding to dedicate to it.

Can Michigan Lead the Way?

Industrialized construction can triumph in Michigan, given our state’s strong legacy of manufacturing innovation. We more or less invented the assembly line—but we also did it within the context of an existing legacy of primary resource production from industries like logging and mining. Combine production ingenuity with political will to convert some of our low-density urban environments to much more productive, safer, and more vibrant ones, and you’ve got a great opportunity.

Setting up a factory to build modular housing is not rocket science. At some level, you’re just applying factory production principles to well-understood concepts like residential carpentry. The rocket science part of it is getting to a point of steady state efficiency—producing a great product with an appreciable economy of scale, in a way that will drive down costs. One core element of our theory of change involves the notion of demand aggregation. This means convening municipalities, funders, and developers to ensure that everyone knows how the process works to ensure that we can generate the kind of scale we need.

There are some basic things each party needs to be aware of:

- **Municipal building officials** are used to inspecting buildings on-site, but this isn’t how modular works. Most modular companies employ third-party inspectors to certify products at the level of the factory itself.
- **Financing entities** need to understand that modular projects involve a huge capital outlay on the front end as opposed to the more traditional phased draw schedule in conventional construction projects.
- **Developers, architects, and engineers** need to understand that there are tradeoffs between customizability and cost efficiency and need to be able to collaborate with other partners to make a successful modular deal happen.
- **Insurance and risk mitigation** needs to focus on who is responsible for what element of modular construction, quantifying the things that can go wrong and who will be responsible for fixing them.

“We have an opportunity to think about how to solve our housing crisis at scale with our state's well-established legacy of industrial innovation.”

Hurdles to Adoption

As much as modular makes sense for Michigan given our state's industrial legacy, the challenge is in thinking innovatively about the built environment. State and local leadership haven't placed sustainable urbanism front and center as our state struggles to retain population as people move to more prosperous places with better infrastructure.

In addition, skepticism abounds among real estate developers. The major value proposition of modular is that modular projects can usually be built with a higher cost certainty (lower possibility of overruns that seem ubiquitous these days) and a shorter timeline (construction delays are also universal these days owing to a combination of labor and supply chain problems). But many builders say that while the shorter timeline is appreciated, modular doesn't always cost less.

The last point here is worth looking at. There is usually a hefty cost premium attached to contractors, construction

managers, and building trades working with technology or products they're less familiar with. Learning curves can be steep, and this often translates to cost.

We have an opportunity to think about how to solve our housing crisis at scale with our state's well-established legacy of industrial innovation. I'm confident that we can one day rebuild a legacy of urban innovation as well, and modular construction is a potentially valuable part of that puzzle. But it will require political will and collaboration across municipal, private, and nonprofit sectors to do it. Entities like the Michigan Municipal League can provide valuable resources in this regard, whether it involves converting their pattern housing book into a modular product or facilitating statewide collaboration on issues around housing innovation. [L](#)

Nat M. Zorach, AICP, MBA is an engagement manager with ADL Ventures. You may reach him at 717-715-7783 or nathaniel@adlventures.com.



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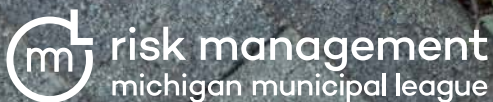
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A high-angle photograph of a man with grey hair and glasses, wearing a red vest over a light blue long-sleeved shirt. He is leaning over a grey asphalt roof, using a silver gutter cleaning tool with red handles to clear brown autumn leaves from a gutter. The background shows a grassy area with fallen leaves.

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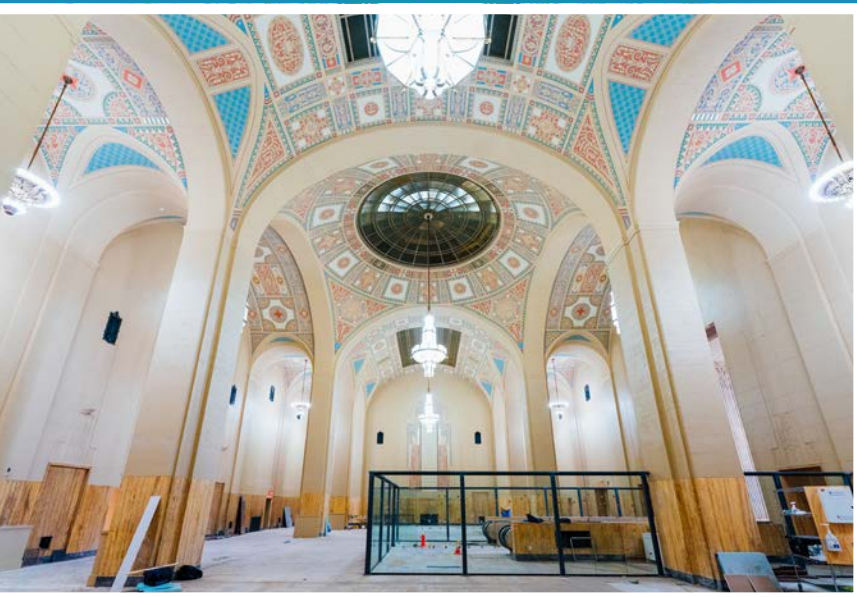
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Addressing Housing Challenges Through Innovative Projects



Restoration of The Milton in downtown Battle Creek started in 2017.



The completed development now houses over 90 residents and is a historic landmark open to the public.

By the Council of Michigan Foundations

Housing challenges vary in different communities, from rural to suburban, to our urban cores. Michigan philanthropy has engaged in community-driven housing solutions that reflect the unique needs of the communities they support.

We're sharing some of the innovative projects that Council of Michigan Foundations (CMF) members have supported and led across our state over the years, which will be shared in conversations with policymakers later this month at Foundations on the Hill (FOTH).

CMF members will be highlighting community housing issues at FOTH and the work they're supporting in areas from the Upper Peninsula to Detroit that touch on issues from addressing workforce housing to providing services for individuals experiencing homelessness.

Battle Creek Community Foundation

Battle Creek Community Foundation (BCCF) began its work supporting housing through a downtown revitalization project, the historic restoration of The Milton in downtown Battle Creek. This mixed-use development now houses over 90 residents, and areas of the historic landmark are open to the public.

At the onset of the COVID-19 pandemic, BCCF worked to address critical needs and gaps in services for Battle Creek's unsheltered population. BCCF supported the formation of the Battle Creek Shelter, Inc., the region's only low-barrier shelter for individuals experiencing homelessness.

During this time, BCCF served as the fiscal agent for Federal Housing Funding through Michigan State Housing Development Authority (MSHDA). BCCF was able to secure funding that supported unsheltered populations, ensured people could maintain their housing status and ensured that resources were maintained in the community. This role resulted in the administration of over \$20 Million since 2019 in federal housing assistance funds, including rental assistance, eviction diversion, and emergency solutions funding.

Photos courtesy of the Michigan Economic Development Corporation.

EQUITY AT THE CENTER

The Council of Michigan Foundations leads, strengthens and supports Michigan's community of philanthropy by emboldening and equipping CMF members in the relentless pursuit of equitable systems and inclusive diversity, fortifying the field through public policy action, fostering the growth of current and future philanthropy leaders, and advancing exemplary philanthropic practices and field expertise.

Fremont Area Community Foundation


Fremont Area Community Foundation (FACF) formed the Newaygo County Housing Partnership to create a fund to spark housing development and preservation in Newaygo communities. According to FACF, the county of about 51,000 residents has a housing gap of about 300 to 400 units. Last year, Newaygo County commissioners approved \$1 million to help create the fund to support local housing creation. The fund has since supported a trio of projects that will add an anticipated 13 housing units in the community.

Blue Cross Blue Shield of Michigan Foundation

Blue Cross Blue Shield of Michigan Foundation supported recovery efforts for individuals experiencing homelessness in Marquette. Superior Connections works with those experiencing homelessness individually and collectively to complete overall health and housing goals. The organization supports individuals in finding appropriate housing, establishing medical insurance and/or food assistance, accessing appropriate mental health care, providing advocacy in medical and criminal justice settings, and more.

Huron County Community Foundation

Huron County Community Foundation (HCCF) is supporting a Community Hub Project, transforming buildings that are currently vacant in the community. Once transformed, the first floor will serve as an office space for HCCF, a coworking space, and a community board room. The second floor will be four residential units.

The hope is the project also functions as a case study for other downtown building owners to develop their second-floor units to meet this market need. 

This article was originally published by the Michigan Council of Foundations. For more information visit www.michiganfoundations.org.



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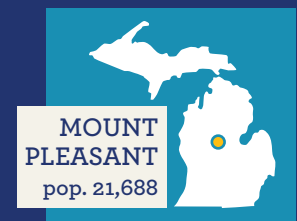
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ZONING REFORM

for Housing Choice and Supply



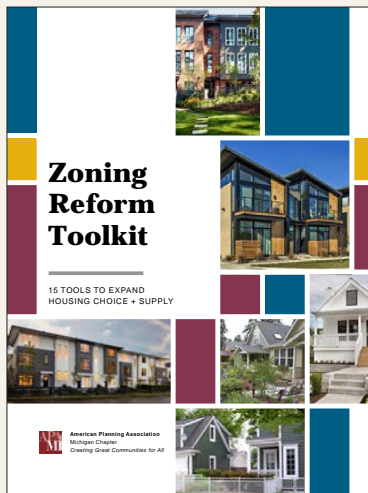
Zoning remains one of the most direct—and low cost—tools local governments can wield to address housing needs in their communities. In 2022, the Michigan Association of Planning (MAP) published the Zoning Reform for Housing Toolkit, outlining various zoning approaches to tackling local housing needs.

In late 2023, MAP surveyed communities around the state, and found that nearly every respondent was undertaking some local zoning reforms. This article excerpts and lightly edits both the introduction to the Toolkit and MAP's analysis of their survey.

A severe housing shortage has emerged in many communities. Increasingly, community leaders are recognizing that not only do outdated land use regulations suppress housing supply and drive up housing costs, but they can also widen and perpetuate existing socio-economic disparities. Whether first-time homebuyers, downsizing empty nesters, or families trying to live on a modest income, a range of community members may be excluded by a lack of housing opportunities.

Implementing zoning reforms to ease restrictions can play a significant role in increasing housing supply. These are local government issues, and there is much that municipalities and other local units can do to mitigate the dampening effect of zoning on homebuilding. By adjusting local zoning codes and other regulations, engaging and educating residents, and removing barriers to creating new housing units, local governments can take steps to address the housing shortage.

The Michigan Association of Planning's (MAP) *Zoning Reform Toolkit* provides local regulatory remedies to increase housing supply and shares communications strategies to overcome resistance to new development. We present 15 tools to encourage the construction of a variety of housing types to meet changing demographic needs and streamline approval processes which will begin to move the needle towards solving this complex issue.



The objectives of the Toolkit aim to:

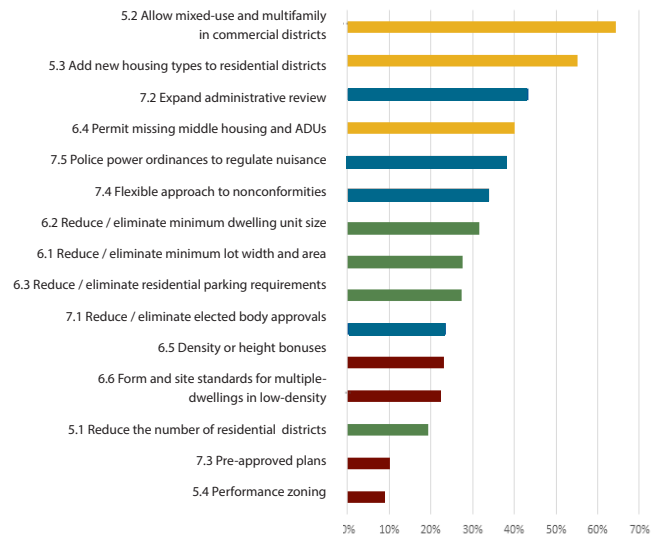
- Equip municipal leaders with the tools they need to update and contemporize local zoning and development review regulations to develop more, and a broader range, of housing types;
- Highlight successful case studies in Michigan and nationwide that demonstrate the application of recommended strategies to reduce or remove regulatory barriers;
- Share master plan language to support the implementation of each tool and demonstrate how to translate a vision into zoning policy;
- Create messaging best practices to help everyone—elected leaders, municipal staff, residents, businesses, and other stakeholders—to broaden their understanding of housing needs and potential solutions within Michigan; and
- Build the foundation for future work, focusing on housing strategies that can be championed by a broad coalition of stakeholders.

This Toolkit is designed to help municipal leaders implement zoning reform to expand housing choice and supply and, in the process, combat the affordability crisis. As a community manager, elected or appointed official, zoning administrator, planner, or other person involved in guiding community change, we hope this Toolkit will be useful to you as you have important (and likely difficult) conversations with your colleagues and constituents on this complex issue.

Zoning Survey

To measure the efficacy of its toolkit, MAP surveyed both its members and RRC Communities about zoning reform and specifically about awareness and use of the toolkit to inform housing decisions. The survey was built around one simple question: Which of the tools have you used to increase housing choice and supply in your community? MAP heard from 50 cities, seven villages, 58 townships, and four counties. Overall, the average number of tools used by each community was 4.6. Some used as many as 11, while only a couple reported having used none.

ZONING REFORM



The chart shows two favorite tools. The first, *Text amendments permitting new residential uses in existing districts*, took place most often in commercial districts (64 percent), offering synergies between these two use types. But a majority of respondents also reported making changes in their residential districts (55 percent). The next most popular tool was process-based: *Expanding administrative review* (43 percent, vs. longer and more uncertain discretionary approval processes. A complementary form-centered tool was also in the top tier (40 percent): *Permitting missing middle housing and accessory dwelling units*. *Police power ordinances* to regulate nuisances that are sometimes addressed through zoning (e.g., parking and noise) were employed by 38 percent of respondents. This process approach takes pressure off housing-specific regulations by using more direct methods to achieve the same result. A more *flexible approach* to nonconformities was used by 34 percent, another non-housing-specific process that creates overall regulatory relief.

The suite of form-based tools aimed at allowing smaller (more affordable), denser (supporting more commerce and amenities), and potentially car-optional residential choices received lower but still significant support. *Reducing or eliminating minimum dwelling unit size*, including deferring to the statewide building code rather than regulating via zoning, was the most popular at 32 percent. *Reducing or eliminating residential parking requirements* was used by 27 percent. Twenty-eight percent said they had *Reduced or eliminated minimum lot width and area*. Additionally, the survey provided an open comment box to answer the question, “What other tools has your community used to increase housing supply and choice?” Responses included new zoning tools, as well as other strategies for supporting land acquisition, leveraging incentive programs, and establishing partnerships with nonprofit housing organizations.

One of the tools used least is pre-reviewed plans; The League encourages readers to review our work, “This Used to Be Normal: Pattern Book Homes for 21st Century Michigan.”

Case Study: City of Mount Pleasant

MAP interviewed Director of Planning and Community Development Manuela Powidayko on Mount Pleasant's experience with zoning updates. Quotations are from Powidayko, who experienced the impacts of a tight local housing market when joining city staff in 2022.

Mount Pleasant developed a new master plan and rewrote its zoning ordinance to allow for much-needed development. Powidayko credits her predecessor Jacob Kain, now in Midland, with overseeing the process. Adjustments continue to be made in response to community needs.

"Locally, it's generally understood that 'we lost 10,000 [college] students since 2010,' but [the Census shows] we only lost 4,000 people in the city. So, we actually gained 6,000 [non-student] residents . . . We have new professionals that come to town that have a hard time finding housing. Qualitatively, me being a newcomer and trying to find housing was so hard. I put in eight offers, and they were over asking . . . A new doctor came to town, one-person household, and he wanted to find a cool place to live and just could not find it. No inventory whatsoever. If you wanted to own an apartment, it's impossible. If you want to live in an apartment you have to rent."

Among the significant zoning actions Mount Pleasant has taken are,

- **Reducing the number of zoning districts.**
"Many zoning districts are now down to two types: two housing districts, two commercial/mixed-use, one industrial. We allow Accessory Dwelling Units (ADUs) everywhere, and duplexes everywhere, and multifamily in most residential and commercial, and then we allow mixed-use in all commercial [districts]."
- **Elimination of minimum parking requirements city-wide.**
"We have a lot of parking design requirements, but no parking minimums. So, developers call me saying they can't find the number of parking [spaces] required in the ordinance, and we have to tell them it's not there."

- **Streamlining the approval process to increase clarity and efficiency.**

"Last year was a busy year. We had industrial sites, lots of them applying for enlargements, and a lot of them were approved administratively through a fast track that was created just before I got here. There was a 30 percent increase in applications compared to 2022 . . . [but] No ZBA meetings! Very quiet! We may have had one ZBA meeting last year. It seems very easy to process applications when they come."

While these changes may sound dramatic, most of the on-the-ground developments have been incremental: re-occupancy of vacant buildings or reconstruction of buildings damaged by fire, where more traditional zoning requirements would have put up too many barriers.

"There's not a lot of construction of single-family homes because of the prices: what has been shared with me from the development community is that 'we don't want to build new because construction prices are so high.' . . . We have a historic building purchased by a local builder; we've got smaller developers working. There's been a redevelopment site at 200 E. Broadway, where the developer wants to do mixed-use with commercial and residential."

While zoning might be the tool that planners are most well-known for, Powidayko stresses that zoning reform is far from a magic bullet for securing the housing that communities need. Mount Pleasant has also been active in identifying and marketing vacant sites to developers, as well as using financial tools like the Neighborhood Enterprise Zone, housing PILOT, and a grant program to add fire suppression to historic buildings in downtown. 

For the full Toolkit, survey, and other materials, visit <https://www.planningmi.org/aws/MAP/pt/sp/zoning-reform>; the July issue of MAP's Michigan Planner magazine contains additional case studies.



Mount Pleasant re-wrote its zoning ordinance and master plan to allow for much-needed development in its tight local housing market, such as duplexes (left) and mixed-use in commercial districts (right).



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HEALTH \$AVINGS ACCOUNTS:

The Best Long-Term Value in Municipal Health Care Plans

By Mike DiLorenzo

Municipalities are the perfect incubator for growth of enrollment and account values of Health Savings Account programs, commonly referred to as HSAs.

Historically, municipalities have offered more comprehensive benefits than private sector employers, and while these have been watered down to some extent due to economic pressures, these same pressures were felt by the private sector, thus the average health plan offering continues to be richer overall in the municipal world. Additionally, employee tenure at municipalities is nearly double that of non-municipal employers, allowing longevity to further bolster financial growth in an HSA.

However, the greatest benefactor of costly health plans is oftentimes the carrier itself, as statistically the majority of employees and their dependents are not high users of health care. The old 80/20 rule applies to so many things in life, including employee claim trends with about 20 percent of a covered employee population, incurring about 80 percent of the claims. Any variation even close to this ratio illustrates that only a small percentage of a covered employee population truly benefits from being enrolled in a high-cost, low deductible health care plan.

Such statistics support related insurance trends, that show 80 percent of employees across all industries are in the wrong health care plan, based on their health care needs and financial protection afforded to them across all plans.

Habitually, the health care industry has trained employees to place greater value on a health plan based on when the health plan starts paying, i.e., a low deductible health plan. However, there is far greater financial protection provided when the employee focuses their decision on when the employee stops paying for health care claims, commonly

referred to as the out-of-pocket (OOP) maximum. The OOP maximum must capture all covered out-of-pocket expenses attributable to deductibles, coinsurance, and copayments. Once an employee hits their OOP maximum, covered medical expenses are covered in full by the carrier for the remainder of the plan year.

Think about that for just a moment. Most employees buy the health plan with the lower deductible, at a higher employee contribution, under the ruse that it provides better financial protection, without ever comparing the OOP maximums of the health plans offered to them, which clearly paints the picture as to which plan provides greater financial protection for high utilizers of health care.

Enter the HDHP/HSA solution, that right-sizes coverage for the majority of employees, regardless of their level of claim utilization. But how can this be possible, you may ask?

Let's look at both ends of the claim spectrum in order to support this theory.

First of all, to paint the rest of the HSA picture, an HSA is simply the tax-favored financial carrot attached to a qualified High Deductible Health Plan, commonly known as an HDHP. The HDHP is designed to initially apply all covered medical and prescription services to the annual plan deductible, before coverage kicks in. This coverage feature is the number one reason employees quickly dismiss their consideration of this health care option for their coverage.

Employees and dependents with low overall claim utilization will benefit by being in an HDHP/HSA, in large part by paying lower premium contributions as HSA programs are lower in cost for like and/or similar deductible non-HSA plans. By reducing their employee contributions, they can use the savings to generously fund their HSA.

Conversely, employees and dependents with high claim utilization are typically afforded a lower out-of-pocket maximum under an HSA program, thus lowering their catastrophic claim liability. The HSA affords the high user population to cover those costs with pre-tax dollars, that well exceed the tax-favored status of an FSA program.

That brings us to yet another key selling point of the HSA, in that it offers triple tax savings in the form of:

- Contributions made to an HSA are pre-tax;
- Interest growth on HSA assets is not taxable; and
- HSA distributions for eligible medical, dental and vision services are non-taxable.

Combined with the many other advantages of an HSA offering including the following items, the HSA proves itself time and again to be the right coverage at the right price:

- Both employer and employee can fund an employee HSA program;
- Employees can modify their HSA contributions throughout the plan year;
- HSA balances roll over from year to year;
- HSA balances stay with the employee through job changes or retirement; and
- There are no time limits in which an employee is required to pay for claims with HSA distributions.

Municipalities approaching their next health plan renewal would be wise to review the HSA premiums and the oftentimes generous premiums savings that can be experienced by transitioning to an HSA alternative, with some of the savings used to fund the employee's HSA to drive enthusiasm and enrollment into the best value in municipal health care plans. [L](#)

Mike DiLorenzo is CEO and chief sales officer of Michigan Planners. He can be reached at 800-674-9235 or mdilorenzo@miplanners.com.



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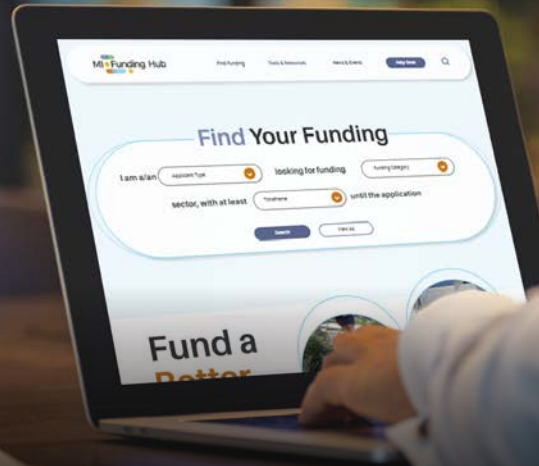


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Is Homelessness a “Status Crime”?

By Bill Mathewson

This column summarizes a key U.S. Supreme Court case, *City of Grants Pass, Oregon v. Johnson*, regarding how municipalities address homelessness. The decision of the Court is expected this year.

Rachel Reed in *Harvard Law Today* addressed the issue, “[a]re camping bans a legitimate way to tackle the nationwide homelessness crisis—or do they criminalize an unavoidable human need? . . . Last year, a federal point-in-time survey found more than 653,000 people experiencing homelessness—a 12 percent increase from 2022, and a record high. As cities and towns across the U.S. struggle to balance compassion with the desire for safe and sanitary public spaces, the Court’s decision is sure to impact the rights of both the homeless and the housed.”

Grants Pass basically chose to limit homeless congregations through anti-camping ordinances. The city had five ordinances, “. . . described as an ‘anti-sleeping’ ordinance, two ‘anti-camping’ ordinances, a ‘park exclusion’ ordinance, and a ‘park exclusion appeals’ ordinance, [which] result in civil fines up to several hundred dollars per violation. Persons found to violate ordinances multiple times could be barred from all City property. If a homeless person is found on City property after receiving an exclusion order, they are subject to criminal prosecution for trespass.”


A class action suit was brought by a group of homeless persons who challenged the ordinances, arguing that because sleep is a physical need, and because the city has no public shelters for homeless people, its laws punish their mere existence in the municipality.

The federal district court held for the plaintiffs; the Ninth Circuit Court of Appeals (COA) did as well, but with strenuous dissenting opinions. The COA opinion held that the city would be in violation of the Eighth Amendment were it to enforce its bans “when there was no other place in the City for [homeless persons] to go.” Thus, a central issue before the Supreme Court is whether the approach taken by the City is cruel and unusual punishment, under the Eighth Amendment.

That may, in turn, depend on “[w]hether the Court decides the ordinances in Grants Pass are ‘cruel and unusual’ . . . whether it

believes that the laws are **punishing a behavior**—camping on public land—**or a status**, being without a home.” The current Supreme Court will be considering the decision in a 1962 case which struck down a California law that made it illegal to be addicted to narcotics. In that case, the Court held that the law violated the Eighth Amendment, because it didn’t punish any conduct, but rather it was “status crime,” punishing someone for merely having an addiction. More recently, and directly applicable, is a Ninth Circuit COA decision from 2018 regarding an ordinance of the City of Boise. It held that “the Eighth Amendment prohibits the imposition of criminal penalties for sitting, sleeping, or lying outside on public property for homeless individuals who cannot obtain shelter.”

The U.S. Solicitor General filed a brief in the case taking a somewhat different approach than either the city’s or the plaintiffs’. She argued that the court should not have certified the group as a class. Instead, the individual circumstances of each person should be examined. As professor Carol Steiker put it in the *Harvard Law Today* article, “The argument is that people cannot be punished for sleeping outside if they have no alternative to sleeping outside, but that that should be a case-by-case determination, which is a more fine-tuned individualized approach.”

Among the dissenting views expressed as the case was heard by the COA and then appealed, was “this Circuit’s jurisprudence now effectively guarantees a personal federal constitutional ‘right’ for individuals to camp or to sleep on sidewalks and in parks, playgrounds, and other public places in defiance of traditional health, safety, and welfare laws—a dubious holding premised on a fanciful interpretation of the Eighth Amendment.” Other judges of the Ninth Circuit argued otherwise. “[The decision] does not establish an unrestrained right for involuntarily homeless persons to sleep anywhere they choose. Nor does it require jurisdictions to cede all public spaces to involuntarily homeless persons.” 

Bill Mathewson is a legal consultant to the League. You may contact him at wmathewson@mml.org.

City of Grants Pass, Oregon v. Johnson.

This column highlights a recent judicial decision or Michigan Municipal League Legal Defense Fund case that impacts municipalities. The information in this column should not be considered a legal opinion or to constitute legal advice.



Village of Honor's Pioneering Housing Project

By Morgan Schwanky



The Village of Honor continues to prove that small communities can produce projects that are shaping the future of our state. Despite a population of fewer than 340 people, Honor is home to a pioneering housing project that has now been replicated in other areas of northern Michigan.

"There was nothing like this, not even close, within the village, not even anywhere near this area of Benzie County," said Honor Village President Bill Ward.

The Honor Village Apartments are located on Main Street. When completed in 2023, they were the first new rentals in six years. The apartments are targeted to residents with incomes below 80 percent of the area medium income, which is often called workforce housing. The building's eight units each have two bedrooms and one and a half bathrooms.

The project was developed by the Traverse City-based nonprofit HomeStretch. The organization works to provide attainable housing solutions to the Grand Traverse region. Executive Director Jon Stimson has seen how the lack of attainable housing is a substantial issue for Honor and other municipalities in northern Michigan.

"Our popularity and seasonal draw have fueled the lack of affordable housing on a greater scale as properties are bought for short-term rentals. This has impacted the service industry employees and workforce population, who are being bought out of the market. Firefighters and teachers cannot move into the area due to a shortage of affordable housing

stock. In essence, we've been hit by a double whammy by rising construction costs and competition for short-term vacation rentals," said Stimson.

Finding solutions to these problems is not easy, but organizations and communities are coming together to make it happen—and it's working. Before the project was even completed, there was a waiting list. Everyone living in the Honor Village Apartments today are employed in Benzie County. There are even two people who can walk to their jobs in downtown Honor.

"This project became a model for others in the area. Jon has a plan for a standardized type of building he uses and the leasing structure. It has a good track record as far as keeping up the buildings and things. Since this project, he's built a larger unit in Suttons Bay, and he's also working on one in the City of Frankfort with a very similar model to ours," said Ward.

The work to make this all possible began with a vacant parcel of land owned by the Benzie County Land Bank. They approached HomeStretch about developing the land into multi-family housing. After purchasing the land, Stimson got to work with Honor to make it happen.

"He first brought the project to the village council, and then to planning and zoning. The land was right on the edge of two commercial and residential zones. It required a PUD [Planned Unit Development]. We had to do a zoning variance to build where it was built," said Ward.



The Benzie County Land Bank approached HomeStretch about developing multi-family housing on a vacant parcel it owned. It took two years to raise the capital and a zoning variance from the village for the project to be built.



Gov. Whitmer and HomeStretch Executive Director Jon Stimson.



The Honor Village Apartments are targeted to residents with incomes below 80 percent of the AMI, which is often called workforce housing. The building's eight units each have two bedrooms and one and a half bathrooms.

It wasn't the only challenge they worked through together. Raising capital for the project took two years. Even when they ran into difficulties, both HomeStretch and the village worked hard to push forward.

HomeStretch typically develops on land that has water, sewer, electricity, and natural gas in order to qualify for funding from the Michigan State Housing Development Authority (MSHDA). The land in Honor only had three of the four utilities, but they moved forward together without the full amount they normally work with from MSHDA.

Stimson found a way to bridge the gap through the Michigan Economic Development Corporation (MEDC). The funds from the MEDC came with their own requirements, including Honor joining MEDC's Development Ready Communities program and HomeStretch dropping their developer fee.

The challenges did not stop once funding was secured. Stimson had to innovate his building process because of labor and material shortages due to COVID-19. Factory-made components, including exterior walls from Holland, Michigan, were assembled on site to minimize labor. Through the new process, Stimson also created a more energy efficient design with apartments that are 100 percent electrically heated and cooled.

This project established the way Stimson wants to work with communities. "Donations of land through land banks and municipalities really make a lot of sense for us as we try to build more units. One of the big takeaways is that we need to be drawn into a community as opposed to going to the community and saying, 'this is what we're going to give you.' It works better when the community comes to us and says, 'We want you to do this project,' which paves the way for a better outcome," said Stimson.

While this project eased Honor's multi-family housing shortage, there are insights that can be applied to other communities. Continuing to look for solutions, being open to new ideas, and working together are crucial for our communities to make progress.

"The first step always in anything like this is your planning and zoning. You need to make sure you have people in planning and zoning who are weighing the needs along with the opportunities. You also need to have a positive mindset, wanting to make it happen," said Ward.

Communities from all over our state are producing projects that are changing the landscape of what we thought was possible. Who's next? [L](#)

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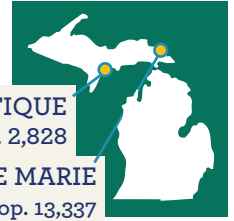
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Housing Project Loans through Build U.P.

By Rick Haglund



Like much of the rest of the country, Michigan's rugged Upper Peninsula faces a critical housing shortage. The picturesque UP is grappling with some special challenges, though. They include a persistent mismatch between low property appraisals and what banks can loan to convert vacant commercial buildings to apartments, and small—sometimes first-time—developers that lack enough capital to undertake complex residential projects. But a year-old program created by a regional economic development agency seeks to spark housing developments that officials say are critical to growing the UP's economy.

Build U.P. was launched in July 2023 by InvestUP, the lead regional economic development agency serving a rural peninsula of about 301,000 residents. Funded by a \$15 million grant from the state of Michigan, Build U.P. deposits money, known as cash collateral, with local banks to induce loans to developers for “shovel-ready” housing projects. The collateral is returned to Build U.P. when the loan is repaid. Build U.P. charges a one percent closing fee and one percent annual interest on the cash collateral, paid by developers.

Fund manager Steve Arwood said Upper Peninsula developers often have difficulty obtaining housing loans because of shortfalls in property appraisals, developers' collateral, and what banks are willing to lend for such projects. Build U.P. closes those gaps. The program is available for most types of housing projects, but priority is given to those that “demonstrate a relationship to job growth.” Build U.P. also buys municipal bonds floated by communities for housing-related infrastructure improvements, such as water, sewer, and roads.

After a slow start, Build U.P. announced its first two projects in May: a conversion of the former, vacant Chippewa County Courthouse Annex into seven one-bedroom and four two-bedroom apartments; and the transformation of the former MBank headquarters in Manistique into a mixed-use

development containing offices and three apartments—a three-bedroom and two two-bedroom units—targeted to nurses and other professional workers. “Both projects add critical housing and create new vibrancy to two of our core communities,” said InvestUP CEO Marty Fittante. The projects are scheduled for completion this fall. Fittante said nearly 200 more housing units are in the Build U.P. pipeline throughout the Upper Peninsula.

Build U.P. was created after repeated surveys of residents found a lack of housing was the biggest roadblock to attracting economic development to the region. “The last three polls we did showed housing was the number one issue among 21-to-39-year-olds,” Arwood said. “We have an aging housing stock, an aging population, and literally no one is moving,” he said. A study last year conducted for InvestUP by TIP Strategies in Austin, Texas said the UP needs to invest in more housing to attract new residents to reverse a four-decade decline in population that could otherwise continue for the next 20 years.

Arwood, the former president of the Michigan Economic Development Corp., said InvestUP considered getting into the housing loan business itself, but decided to partner with the peninsula's abundance of small, local banks that better understand their communities and developers. “The risk is incredibly low for us, but the upside is huge,” he said.

The fund, Arwood said, is patterned after the MEDC's Capital Access Program, which provides needed cash collateral to small businesses seeking loans. Fittante said InvestUP sought \$15 million in state funding for the Build U.P. program because local leaders believed the Upper Peninsula was shortchanged in funding allocated to Michigan by the American Rescue Plan, a \$1.9 trillion federal stimulus designed to speed the country's recovery from the COVID-19 pandemic.

“*The last three polls we did showed housing was the number one issue among 21-to-39-year-olds.*”

—Steve Arwood, Fund manager of Build U.P.



The Chippewa County Courthouse Annex in Sault Ste. Marie sat vacant for years before it was redeveloped into seven one-bedroom and four two-bedroom apartments.

Build U.P. hit roadblocks almost immediately after its launch, including spiking interest rates, skyrocketing inflation, and escalating building materials costs. “We did not know what was coming when we put this together,” Arwood said. “We hit triple headwinds. Everything literally came to a halt. But this year we’re starting to see a lot of things happening” as inflation and interest rates are subsiding, he said.

The Chippewa County Courthouse Annex, vacant for years, was redeveloped into apartments by the Community Housing Network. The Troy-based nonprofit specializes in providing affordable housing, mostly in Southeast Michigan. But it took an interest in the \$4 million project, called “The Annex,” after recently turning an 1890s-era schoolhouse in Sault Ste. Marie into 36 apartments, said C.J. Felton, Community Housing Network’s real estate development director. Build U.P. was a critical piece of the puzzle in making this project happen,” Felton said. “We are fortunate to have a permanent loan from Central Savings Bank, but it didn’t completely cover our appraisal gap. The (\$220,000) collateral from Build U.P. helped us close that gap and move forward.”

Local developers Kristina Behrens and Antonio Adan are hoping their \$819,000 renovation of the former MBank headquarters in Manistique with financing from Peoples State Bank of Munising will add vibrancy to the downtown area as well as make a small contribution to filling housing needs in the city. Build U.P. provided a \$175,000 cash collateral deposit to the bank. “Our goal is to add to the visibility of downtown Manistique as a destination to live, work, and play,” Behrens said. Manistique City Manager Corey Barr said there’s a critical shortage of housing for middle-income workers in Manistique that Build U.P. could help ease. “I think it’s a very good thing,” he said. More housing like the MBank project also could aid Schoolcraft Memorial Hospital, the city’s largest employer with 350 workers, attract more critically needed nurses who are having difficulty finding houses, he said.

“We are excited about assisting these two projects as this can be repeated elsewhere in all our Upper Peninsula communities,” Fittante said. “This is exactly what we envisioned when we created Build U.P.”

Rick Haglund is a freelance writer. You may contact him at 248-761-4594 or haglund.rick@gmail.com.



A critical housing shortage for middle-income workers inspired the transformation of the former MBank headquarters in Manistique into a mixed-use building of offices and apartments.



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Numerous appendices include:

- Open Meetings Act
- Freedom of Information Act
- Sample Council Rules of Procedure
- A Glossary
- Frequently Asked Questions
- A Sample Budget Ordinance





Housing Definitions

Affordable housing = Affordable housing is priced for households earning 60 percent of AMI or below.

ALICE = A United Way project that stands for Asset Limited, Income Constrained, Employed. ALICE represents residents who earn more than the U.S. poverty line, but less than the basic cost of living.

AMI (Area Median Income) = AMI is the household income for the median/'middle' household in a given region. Thus, if you were to line up each household from poorest to wealthiest, the household in the very middle would be considered the median. (Sallie Mae)

Attainable housing = Attainable housing is priced for households earning 60-120 percent of the area median income (all state and federal housing resources are designed to target income earners averaging 60 percent AMI or below. The one exception to this is the down payment assistance program for first-time homebuyers which extends to households earning up to 80 percent AMI). AMI is always based on the county-wide data sets. This can be frustrating for communities that have much higher rates of poverty than the county-wide average. However, the federal definition is what drives the funding allocation, so we are a bit stuck with it. (Definition courtesy of Ryan Kilpatrick at Housing Next, the *Review* July/August 2021).

Form Based Code (FBC) = A Form Based Code is a means of regulating land development to achieve a specific urban form. Form Based Codes foster predictable built results and a high-quality public realm by using physical form (rather than separation of uses) as the organizing principle, with lesser focus on land use, through municipal regulations. An FBC is a regulation, not a mere guideline, adopted into city, town, or county law and offers a powerful alternative to conventional zoning regulation. (Wikipedia)

HTIF Tax Increment Financing for Housing = Legislation that allows for the inclusion of housing costs to be reimbursed under Michigan's successful Brownfield Redevelopment/TIF programs. These tools are opt-in for units of government and provide tax abatements for projects that provide housing up to 120 percent of the AMI.

Missing Middle Housing = Missing middle housing describes a range of multi-family or clustered housing types that are compatible in scale with single-family or transitional neighborhoods. Missing middle housing is intended to meet the demand for walkable neighborhoods, respond to changing demographics, and provide housing at different price points. The term "missing middle" is meant to describe housing types that were common in the pre-WWII United States such as duplexes, rowhomes, and courtyard apartments but are now less common and, therefore, "missing." (Wikipedia)

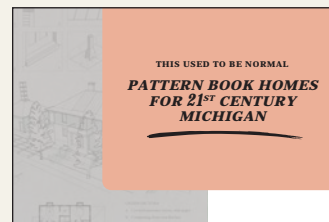
PILOT (Payment in Lieu of Taxes) = A PILOT is a method of supporting affordable housing developments by allowing the property to pay a set service charge instead of ad valorem taxes on eligible low-income housing units.

Workforce housing = Workforce housing is a term that is increasingly used by planners, government, and organizations concerned with housing policy or advocacy. It can refer to any form of housing, including ownership of single or multi-family homes, as well as occupation of rental units. Workforce housing is generally understood to mean affordable housing for households with earned income that is insufficient to secure quality housing in reasonable proximity to the workplace.

League Publications

Pattern Book Homes for 21st Century Michigan

Our book was developed as part of an initiative to provide developers and communities with free building plans for duplex and quadplex homes ideal for infill development in many of the state's older neighborhoods.



The League's Information Service provides member officials with answers to questions on a vast array of municipal topics. Call 1-800-653-2483 or email info@mml.org.

Women's Elected Leadership Intensive Fosters Learning, Leadership, and Community Among Michigan's Elected Women

By Margaret Mooney

In 2018, the Michigan Municipal League launched its 16/50 Project with a goal to increase the percentage of women who hold Michigan's chief municipal administrator positions. At that time, only 16 percent of individuals in these roles were women, despite women making up over 50 percent of Michigan's population—thus, 16/50. Since then, 135 women have graduated from the 16/50 Project's Women's Municipal Leadership Program (WMLP) and at least 14 of these graduates have gone on to lead Michigan's communities in chief administrative officer jobs.

As interest in this program grew, many female elected officials also voiced their desire to participate and grow as leaders in fellowship with other women. The League heard this message and designed the Women's Elected Leadership Intensive (WELI)—with the first cohort completing the five-week program in spring 2024.

In their applications, the women shared their motivations for participation, the challenges and opportunities they are facing in their municipalities, and their goals for overall leadership growth. Common themes included the desire to be a strong leader and impact positive community change. Skills for navigating conflict, engaging with residents and garnering their trust, and building confidence as a female leader were also among what participants hoped to develop. Relationship building with peers was a primary goal as well and proved paramount to the program's success.

Held on Thursday evenings via Zoom, this group of 29 women came together to hone their leadership skills so that they may best serve their municipalities as elected officials. In order from week one through week five, WELI covered the following topics:

- sunshine laws and parliamentary procedure;
- finance and budgeting;
- community engagement;
- communications and media; and
- economic development.

For Torri Mathes, who presented on community engagement strategies, "the most gratifying part was the thoughtfulness of the participants." A WMLP graduate herself, Mathes noted attendees' "passion and dedication to excel and evolve as leaders." She also described participation in trainings like WELI as "a valuable reminder to both administrators and the public that elected officials are [their] partners in working toward the best interests of communities."

During this session, participants shared the community engagement strategies they have tried, which reinforced the fact that many elected officials face similar challenges and opportunities. According to Mathes, this discussion emphasized the idea that "collaboration on projects that affect multiple communities is not only a great way to pool resources and efforts together but can also strengthen



The first cohort of the Women's Elected Leadership Intensive (WELI).

relationships that are crucial for advancing regional progress in local government initiatives."

As a direct continuation of the community engagement work from week three, the fourth WELI session with Carrie Rathbun Hawks of Rathbun Public Relations provided participants with tips and tools for effective communication. While there is no one-size-fits-all approach, Rathbun explained that "multiple mediums maximize messages" and a combination of strategic communication efforts is important for local officials when building relationships and establishing trust in their communities. Whether it be through a community newsletter, social media groups, or flyers displayed on the bulletin boards at a senior center—some examples that have worked well for WELI participants—transparency is key.

Rathbun also explained that "the landscape for elected officials is unique with the growth in technology" and described WELI attendees as "a group of women leaders who wanted to learn, grow, and capitalize on opportunities for positivity and education." She added that they were "engaged the whole way through" and "it was an honor to be a part of their journey to represent and serve their communities in the best way possible."

After the final virtual session, WELI participants completed the program with an in-person Leadership and Well-Being

Summit at the League's Capital Office in Lansing. This event provided a chance to strengthen the relationships that had formed and foster a sense of community among the group. The Summit highlighted leadership skills presented by executive coach Heidi Frye and the significance of well-being while serving in elected office. Frye, who is also a presenter for the WMLP, led several activities to help attendees understand who they are as leaders and the importance of being their most authentic selves.

The day started with an icebreaker exercise that prompted the group to finish the sentence "I am powerful when I..." and share their responses one-on-one with others around the room. This exercise was one of many that made for an immersive and empowering day. In the feedback following the Summit, Frye was described as "phenomenal" and "a very gifted speaker who knows how to help unpack any self-doubt that we may experience as women in leadership."

Reflecting on their experience, participants shared that they felt "truly a part of something" and valued the other elected women that they were able to meet. This feeling was true for both newly elected and seasoned officials alike and speaks to the importance of knowing that "you are not alone."

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WELI concluded with an in-person Leadership and Well-Being Summit where participants felt "truly a part of something."





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