

Agenda  
Ottawa County Housing Commission  
West Olive Administration Building – Conference Room F  
12220 Fillmore Street, West Olive, MI 49460  
Thursday, March 7, 2024, 10:00 am



1. Call to Order
2. Establish Quorum
3. Approval of the Agenda for the March 7, 2024 Meeting
4. Approval of the [Minutes](#) from the January 4, 2024 Meeting
5. Old Business
  - A. [RLF Implementation Update](#)
  - B. [Conflict of Interest](#)
6. New Business
7. Public Comments
8. Other Business/Discussion Items
  - A. [FYI Articles](#) - *the inclusion of the FYI list of articles does not in any way imply endorsement or approval by the Ottawa County Housing Commission of the items contained therein*
  - B. Next Meeting: April 4, 2024 (10:00 a.m.)
    - I. Discuss possible reschedule due to Spring Break
9. Adjournment

## UNOFFICIAL MINUTES

## OTTAWA COUNTY HOUSING COMMISSION

DATE: January 4, 2024

PLACE: Ottawa County Fillmore Complex, Conference Room F

PRESENT: Holly Cole, John Gibbs, Pat Harmon, Klynt Marcusse, Jared Schuitema

ABSENT: None

STAFF: Paul Sachs, Pam Vanden Heuvel, Kylie Vosburg, Ben Wetmore

PUBLIC: David Barnosky, Jose Capeles, Brian Davis, Ryan Kilpatrick, Peter Kooshian, Lindsey Reames, Tom Reinsma, Chris Uhl, Don Wilkinson, *and other attendees that did not sign-in*

CALL TO ORDER

President Gibbs called the meeting to order at 10:00 a.m. A quorum was present to do business.

APPROVAL OF AGENDA AND MINUTES

HC 24-01 Cole moved to approve the Agenda for January 4, 2024. The motion passed.  
UNANIMOUS

HC 24-02 Cole moved to approve the Minutes from September 14, 2023. The motion passed.  
UNANIMOUS

ANNUAL REVIEW OF RULES OF PROCEDURE (I.E. BYLAWS)

HC 24-03 Cole moved to approve the Rules of Procedure (i.e. Bylaws). The motion passed.  
UNANIMOUS

ELECTION OF OFFICERS

HC 24-04 Schuitema nominated John Gibbs as President.  
There were no additional nominations.  
The motion passes as shown by the following votes: Yeas: Cole, Harmon, Marcusse, Schuitema (4) Abstentions: Gibbs (1)  
UNANIMOUS

HC 24-05 Gibbs nominated Jared Schuitema as Vice President.  
There were no additional nominations.  
The motion passes as shown by the following votes: Yeas: Cole, Gibbs, Harmon, Marcusse (4) Abstentions: Schuitema (1)  
UNANIMOUS

HC 24-06 Gibbs nominated Pam Vanden Heuvel as Secretary.  
There were no additional nominations.  
The motion passes as shown by the following votes: Yeas: Cole, Gibbs, Harmon, Marcusse, Schuitema (5)  
UNANIMOUS

**UNOFFICIAL MINUTES**OLD BUSINESS

Ryan Kilpatrick (Housing Next) and Chris Uhl (IFF) presented to the Commission an update on the Revolving Loan Fund (RLF) implementation. Continuous outreach and education is ongoing about the fund; the Commission was asked to help identify any area employers who may be willing to contribute financially to the fund. IFF is preparing an informational, data-centric report, pursuant to its contractual obligations, in order for the County to better understand the impact of its contributions to the fund. Uhl asked the Commissioners what metrics are necessary to include above and beyond general reporting requirements; metrics such as cost per unit, geography, and market rate deals were mentioned. The Commissioners also discussed the need to pursue a housing demonstration project with a local unit of government(s) that incorporates incentives as a means to activate more creative housing opportunities, combined with local zoning modifications, to help increase new housing stock options for residents. The Commission also discussed the mechanics of community land trusts and how they can play a role in facilitating housing needs, as well as opportunities within existing manufactured/mobile home communities.

NEW BUSINESS

None

PUBLIC COMMENTS

Public comments were made by the following:

1. Tom Reinsma
2. Dave Barnosky
3. Peter Kooshian

OTHER BUSINESS/DISCUSSION ITEMS

Lindsey Reames and Jose Capeles presented to the Commission an update on the Grand Rapids Housing Commission's (GRHC) recent enrollment process for Housing Choice Vouchers (HCVs). They also shared that due to the fair market rents (FMR) in Ottawa County being higher than the average FMR that HUD uses for HCVs that GRHC is suggesting a study of local rental rates be completed. The study, if conducted, would be used to appeal to HUD for an increase in its FMR calculation for Ottawa County. GRHC is currently looking for partners to fund this study. Reames also informed the Commissioners that HCVs may be used towards lot rent (mobile homes) and towards mortgages.

President Gibbs noted there are articles included in the packet for review.

President Gibbs stated that the next Housing Commission meeting is scheduled for Thursday, February 1, 2024 at 10:00 am.

ADJOURNMENT

HC 24-07

Schuitema moved to adjourn the meeting at 11:51 a.m. The motion passed.

UNANIMOUS

## Ottawa County Revolving Loan Fund - Status Updates

As part of the OC RLF investment agreement, Ottawa County has contracted with Housing Next to provide support services for the purpose of ensuring the community is aware of the Revolving Loan Fund, its intended purpose, the parameters under which the fund may invest in Housing and to ensure that local partners are able to connect directly with the staff at IFF - the organization through which Ottawa County has invested.

For anyone interested in learning more about the purpose of the fund, what types of housing projects could potentially be supported by the fund, or the process to get started on a potential development, please contact Ryan Kilpatrick: [ryan@flywheelmomentum.com](mailto:ryan@flywheelmomentum.com) for a preliminary conversation.

You may also contact the IFF staff directly if your project is ready for financing.

Chris Uhl (Executive Director of the Eastern Region): [cuhl@iff.org](mailto:cuhl@iff.org)

David Development (Senior Underwriter): [ddevellder@iff.org](mailto:ddevellder@iff.org)

The following series of posts are intended to provide more context about why the revolving loan fund was created, how it is intended to function alongside other programs to support housing in Ottawa County, and what other tools may be necessary over time.

### Projects Funded to Date

The Ottawa County Revolving Loan Fund has been used to assist with financing on two projects in Ottawa County as of January 1, 2024. These investments include Hom Flats at Waverly & 24th Street in the City of Holland and Samaritas Senior living on Savidge in the Village of Spring Lake.

### Project Details

#### Samaritas Senior Living

In 2018, Four Pointes Center for Successful Aging in Grand Haven began an earnest effort to establish additional affordable senior housing options in Northwest Ottawa County. Four Pointes created a small subcommittee of volunteers and staff members who were dedicated to finding a solution that would provide more housing for seniors who could no longer afford to age-in-place within their own communities. This subcommittee worked tirelessly for three years. They explored multiple potential pathways, they helped to establish the Ottawa County Housing Commission, the talked with several developers and builders, and ultimately began a relationship with [Samaritas](#) to pursue a LIHTC development.

Samaritas was able to bring multiple staff members to assist with potential site identification and relationship building with local officials. The staff at Samaritas with support from Four Pointes volunteers, explored more than half a dozen potential sites for a 40-60 unit senior living facility.

Invariably, each site had problems. Many were not zoned to allow for multi-family development, but instead only permitted single family homes. Some of the sites were more than 50% wetlands and could not accommodate a building and the necessary parking required under local zoning. One of the sites was an excellent fit and in a great location but the seller was looking for much more money that a non-profit developer could afford to pay while still keeping the senior living affordable to those who needed it.

Ultimately, a relationship with the Spring Lake Presbyterian Church offered some promise. The church had owned two single family homes on Savidge and adjacent to the church property and was willing to sell the homes at a very reasonable price if it meant they would be supporting affordable housing for the region. Samaritas and Four Pointes then made their case to the Village Planning Commission and received support for both the site plan and a tax incentive that would allow the project to reduce costs to the tenants. The only challenge left, after more than 4 years of effort, was financing the project.

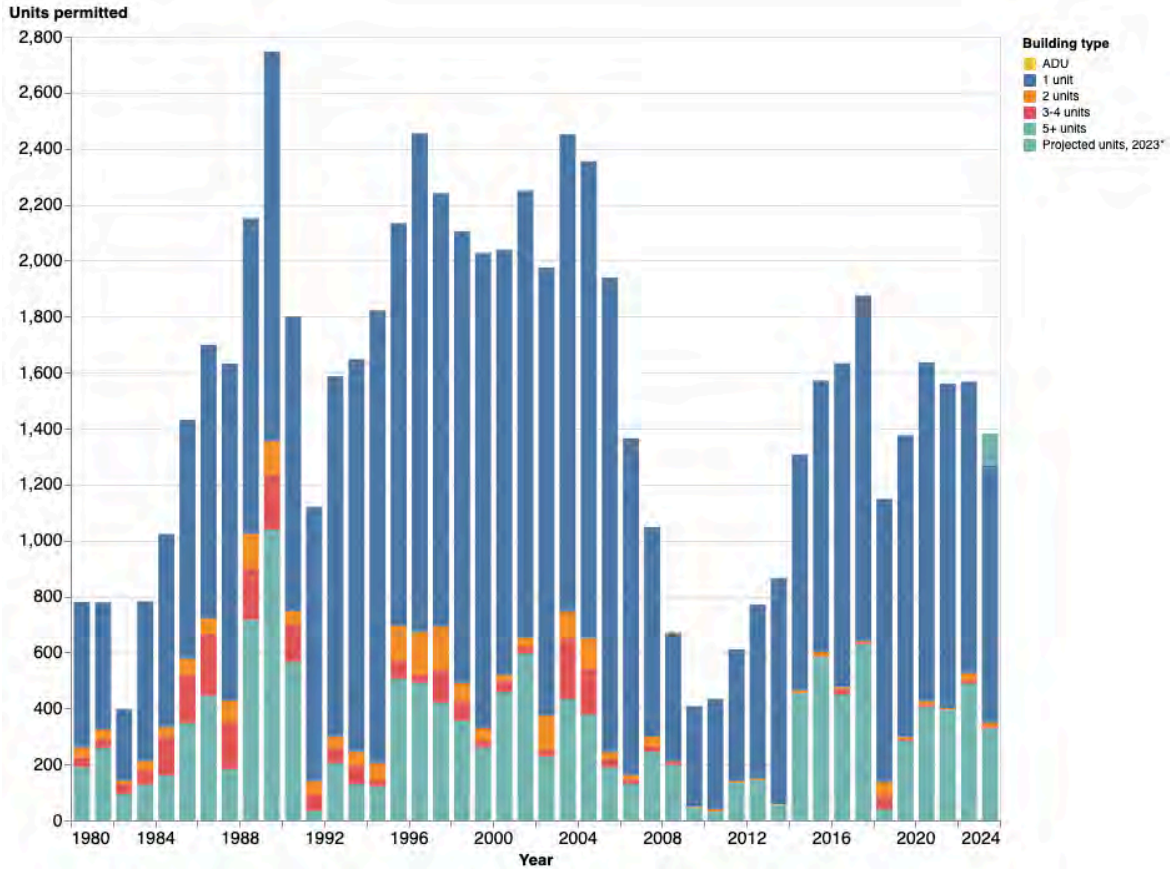
In the time between 2018 and 2022, construction costs had jumped by more than 50% and interest rates had more than doubled. The average cost to build and finance a one-bedroom apartment had grown from \$135,000 to \$215,000 in just four years. Samaritas then set out to apply for a tax credit allocation from the Michigan State Housing Development authority. For a detailed primer on how the federal tax credit program works, please visit [www.localhousingsolutions.org](http://www.localhousingsolutions.org)

The proposed development in Spring Lake was a good candidate for funding from the State, with just one problem - even if the project were to receive tax credit funding, the cost of development would still exceed the sources of funding by a little over \$1,000,000.

### **Background for Revolving Loan Fund**

The population of Ottawa County has grown at a faster rate than every other county in the State of Michigan since 2010. Ottawa County has also added more jobs per capita than any other County in the State over the same time period. Meanwhile, new housing construction has not kept pace with the rate of population and job growth in the County.

For the 17-year period between 1989 and 2005, an average of 2,040 new housing units were constructed each year. Residential construction fell by roughly 75% during the period between 2006 and 2012. Since 2012, new housing construction has averaged 1,323 units per year, this is roughly two-thirds of the average number of units built prior to 2005, despite the much quicker pace of growth in the community.

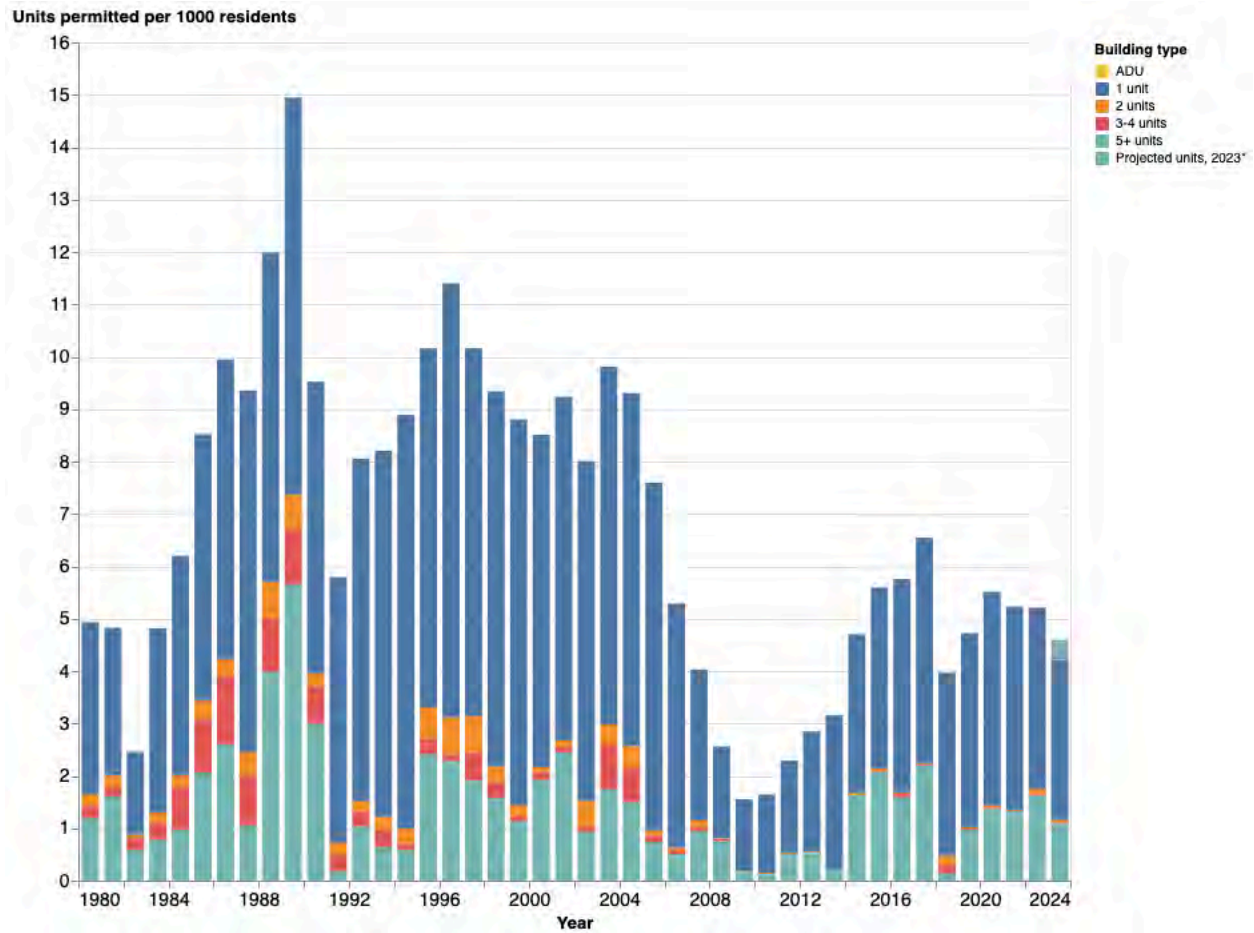


When we compare this data on a per capita basis, we can see that during the period between 1989 and 2005, Ottawa County added roughly 9 new housing units for each 1,000 residents in the County. For the period between 2010 to 2024, the number of new housing units added per capita has fallen to just 4.3 - less than half the pace of new housing growth as compared to the 1990s and early 2000s.

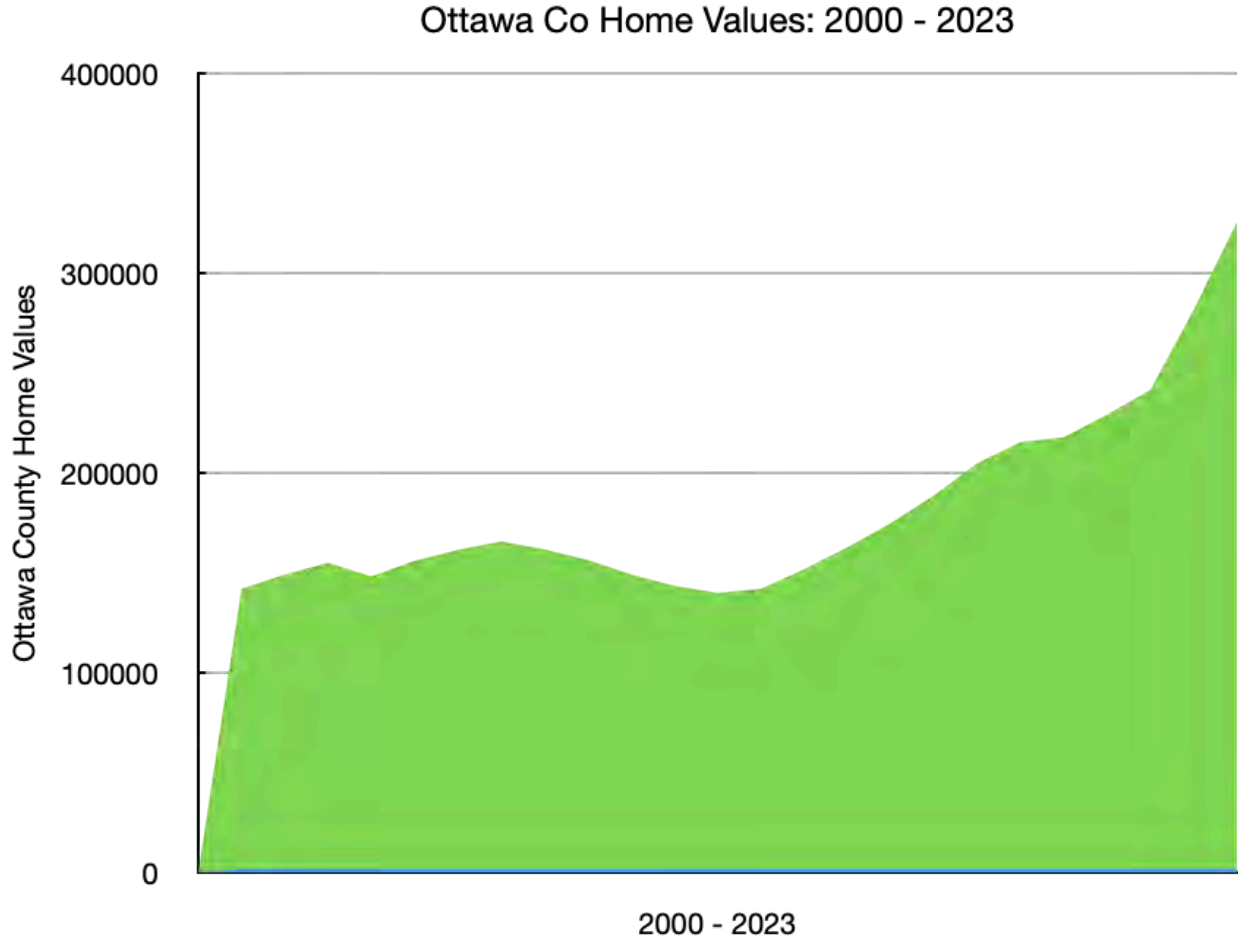


Meanwhile, when we look at housing markets across the country, we can see that markets that are producing significant amounts of new homes are also experiencing real time slowing of

home prices. Minneapolis MN is a clear example of a midwestern city achieving price relief as a result of large-scale new construction.



We know from basic economic principles that, if demand for something goes up and the available amount of supply does not increase with demand, the result will be an increase in price. This is exactly the trend we have seen in Ottawa County over the last 23 years. The chart below illustrates the increase in home values from 2000 - 2023 in Ottawa County. Prior to 2005, when the number of new building permits was averaging roughly 9 new homes per 1,000 residents in Ottawa County, the pace of home value growth was steady and modest. Average home values increased by 3% - 4% per year. This allowed for homeowners to see a reasonable rate of appreciation year over year, but it also allowed new first-time homeowners to enter the market.



By 2013, home value appreciation had risen to 6.8% per year, and by 2017 home value appreciation had risen to 8.2%, more than double the typical appreciation rate prior to the recession when new home construction was keeping pace with job growth and regional housing demand. In 2021 and 2022, home value appreciation rose to more than 15% per year.

In 2005, the median home value in Ottawa County was \$161,000. With interest rates at roughly 5%, the monthly cost of a 30-year mortgage was \$780. After taxes and insurance, the cost of homeownership for the median home in Ottawa County was \$1,100 per month. This made homeownership affordable to a family earning about \$45,000 per year.

In 2022, the median home value in Ottawa County was \$325,000. With interest rates at roughly 7.5%, the monthly cost of a 30-year mortgage was \$2,045. After taxes and insurance, the cost of homeownership for the median home in Ottawa County was \$2,628 per month. Now, in order to be able to afford to be a homeowner in Ottawa County, a family must earn \$105,000 per year. This means that a young family working toward becoming first-time home buyers must earn 133% more per year than the previous generation of first-time home buyers.



**Who Needs Housing in Ottawa County?**

The 2021 Ottawa County Housing Needs Assessment identifies a need for 15,731 additional housing units by the end of 2025 if the County is to find some market-based equilibrium to reduce the rate of home price appreciation and rent growth in the County. Reaching this goal will require communities across the County to add a collective average of 3,000 new homes per year to the existing housing stock. This is only slightly more housing per capita than was added during the period between 1989 and 2005.

Ottawa County Housing Needs Estimates (2020 to 2025)			
Housing Segment		Number of Units*	Priority
Rentals	Low-Income Rental Housing (<\$625/Month Rent)	~1,421	High
	Affordable Workforce Rental Housing (\$625-\$1,249/Month Rent)	~1,667	High
	Market-rate Rental Housing (\$1,250+/Month Rent)	~1,297	High
For-Sale	Entry-Level For-Sale Homes (\$100K-\$149K)	~1,321	High
	Moderate-Income For-Sale Homes (\$150K-\$249K)	~5,117	High
	High-Income For-Sale Homes (\$250K+)	~4,908	High

\*Number of units assumes product is marketable, affordable and in an appropriate location. Variations of product types will impact the actual number of units that can be supported. Additionally, incentives and/or government policy changes could encourage support for additional units that exceed the preceding projections.

Over the last 10 years, Ottawa County has added tens of thousands of jobs in manufacturing, engineering, health care, and education. These are the marks of a thriving economy and a very healthy business climate. However, with each of those new jobs often comes a new family in need of a home.

**The average salary for a first or second year engineer is \$82,000.** Too little to afford the median home in Ottawa County but enough to afford the current average market rate rent of \$1,600 per month for a two-bedroom apartment.

**The average salary for an entry-level manufacturing technician is \$22/hr (about \$50,000 per year with minimal overtime pay).** Too little to afford the median home in Ottawa County and too little to afford average market rate rent. This income level would require a housing subsidy of roughly \$400 per month to bridge the gap between what their wage affords them and what it actually costs to rent in the local market.

**The average salary for an elementary school teacher in Michigan is \$66,000 per year.** Too little to afford the median home in Ottawa County and just enough to afford the average market rate rent for a two-bedroom apartment.

**The average salary for a nurse in Michigan is \$88,000 per year.** Too little to afford the median home in Ottawa County, but enough to afford market rate rent.

Each of these four occupations have dominated job growth in Ottawa County over the last 10 years, but none of these occupations pay salaries that are large enough to allow them to afford to purchase the median home in the County. These wages are highly competitive and these are better wages than many employed residents in Ottawa County have ever made themselves. Many current Ottawa County homeowners bought homes on salaries of \$35,000 to \$50,000 per year 25 years ago. But this is no longer a viable option for too many workers in our region and it is largely because new housing construction has not been able to keep pace with job growth and housing demand.

If homeownership is a priority in Ottawa County there are two possible avenues to achieve it, and we will likely need to pursue them both.

### **Traditional Subsidies for Homeownership**

The largest federal housing subsidy in the United States is the mortgage interest tax deduction that homeowners are allowed to take on their principal residence. Prior to the 2017 Tax Cut and Jobs Act, the mortgage interest tax deduction cost American taxpayers roughly \$70 billion per year and the majority of those deductions were supporting homes priced over \$500,000. That federal subsidy has since been reduced significantly, but has not been recalibrated to better support low and moderate income households who want to become homeowners.

The second largest federal housing subsidy is the Low Income Housing Tax Credit which is primarily used to finance the construction and preservation of rental apartments. It is technically possible to use these tax credits for homeownership, but the financing structure is in no way friendly to building owner occupied housing.

So, that leaves the heavy lifting when it comes to support low and moderate income homeownership to local units of government and philanthropy. In Ottawa County, achieving an affordable mortgage for a household earning \$50,000 per year would require homes that are available for purchase in the \$120,000 to \$150,000 price range. Remember that the median home value in Ottawa County is currently \$325,000. There are still a small handful of homes available for sale in the roughly \$200,000 price point, but these can be assumed to need significant investment in repairs and deferred maintenance.

If the median home price is \$325,000 and what moderate income households can actually afford is closer to \$150,000 or less, that means we need to find \$175,000 in subsidies to offset the cost difference. And/or, we need to find much more efficient ways to build homes.

## Reducing regulatory barriers to housing construction at the right price points.

### What does it cost to build housing today?

The basic elements of housing construction can be lumped into five broad categories.

1. Land
2. Construction
3. Design & Engineering
4. Permitting
5. Financing & Cost of Capital

**Land Costs:** If a construction project needs long term financing (i.e. a mortgage or 10 - 30 commercial loan), the cost of land will impact the cost of construction. A bank does not want a property to be overleveraged on the cost of land. So, more often than not, the value of the structure must be at least 4x to 5x the value of the land. Preferably, the value of the structure is somewhere between 6x and 10x the value of the land. This is the first problem we face in Ottawa County. Land values are relatively high compared to other regions in the State. High land values are driven in part by the proximity to Lake Michigan, in part by the stellar school districts in most of Ottawa County, and in part by the excellent downtown amenities in Holland, Grand Haven, and Spring Lake. These are all healthy indicators of economic strength for the County.

However, another factor impacts the cost of land on a per home basis. The *amount* of land a builder or homeowner is required to purchase in order to build a new house. If the value of one acre of land is \$100,000 and a builder is only permitted to build one home on that acre, the full value of the land must be taken into consideration when asking for a construction loan or a mortgage. More often than not, the home should be valued at around \$400,000 (minimum) to be comparable to the land value of \$100,000 unless there are other features of the property that are inherently valuable as well (i.e. a significant natural feature like lake views, river frontage, etc.).

If, instead of only being permitted to build one home on an acre the same builder is permitted to build 7 homes on an acre, the cost of the land per home plummets. Now, the value per divided parcel is closer to \$15,000 to \$20,000 and it becomes much more straightforward to build a simple, high quality home for well under \$400,000.

**Construction Costs.** The current median cost of residential construction is \$265 per square foot in Ottawa County. The most expensive parts of a home are typically kitchens and bathrooms. But on average, \$265/ft is a safe assumption.

In most communities in Ottawa County, builders and homeowners are required to build homes with at least 1,000 or 1,200 square feet. While this is much smaller than the average home being constructed today, it is still more house than many people need. Keep in mind that  $\frac{2}{3}$  of all

households in Ottawa County are single adults or two adults without children at home. However, 1,000 square feet will cost a minimum of \$265,000 to build, plus land costs, plus utility costs (sewer/water connection or well/septic installation). All of this easily adds up to well over \$300,000, even when land is relatively inexpensive.



If, however, local municipalities were willing to permit smaller cottages that range from 600 to 1,000 square feet, these could be built for a price point much closer to \$200,000, especially where land is used efficiently.

*Small home cottage clusters with shared green space.*

Similarly, allowing for multi-family condominium buildings with a range of unit sizes from 500 to 1,500 square feet creates much more diversity of housing type and price point. This gives potential homebuyers far more choice in the market place.



*Multi-unit condo buildings*

### **Where is the breakdown?**

Unfortunately, there is not a single silver bullet that can solve for the lack of housing supply and the lack of affordability in Ottawa County. Given the ingenuity and entrepreneurial spirit in our region, the community surely would have solved this shortage long ago if there had been a simple solution. Instead, our current housing shortage is the result of two decades of compounding factors, many of which are rooted in the over regulation of land and construction.

# Ottawa County Housing Authority Conflict of Interest Policy

## OTTAWA COUNTY HOUSING COMMISSION CONFLICT OF INTEREST POLICY

To be Reviewed and Signed at Each Annual Meeting

**Scope:** This Policy applies to any member (hereinafter "Individual") of the Ottawa County Housing Commission (hereinafter "OCHC").

**Definitions:** The following terms used in this Policy have the meanings ascribed below:

**"Financial Interest"** means any employment compensation, shareholder interest, equity interest, profit sharing arrangement, or any other compensation arrangement.

**"Family Member"** means the Individual's parents, spouse, siblings, children, or grandchildren.

**"Contract"** means a written or oral agreement, including employment agreement, involving an Individual, Family Member or any legal entity in which the Individual and/or Family Member has a Financial Interest.

**"Promptly"** means as soon as possible prior to the formation of the Contract if the Financial Interest exists, or within 10 days of the development of a Financial Interest.

**Reporting:** Every Individual shall Promptly report in writing to the Ottawa County Administrator the existence and nature of any known Financial Interest that he or she or any Family Member possesses in any Contract in which the OCHC is a party or a potential party. In the event that the Ottawa County Administrator or his or her Family Member possesses a known Financial Interest in any Contract to which the OCHC is a party or a potential party, the County Administrator shall Promptly report the aforementioned Financial Interest, including the nature of that interest, to the Chairperson of the Ottawa County Board of Commissioners.

**Restriction:** The OCHC shall have the right to require any Individual to terminate his or her relationship with the OCHC, unless a Financial Interest or the Family Member's Financial Interest is terminated. The OCHC further retains the right to impose other restrictions designed to minimize or neutralize any potential conflict of interest due to the Financial Interest.

**Individual Statement:**

I have read this Policy and by my signature below I confirm my compliance with it.

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Name (typed or printed):** \_\_\_\_\_

# How Big is a House? Average House Size by Country – 2024

By: Lindsay Wilson

## Redefining “Enough Space” – Average House Size Around The World

[Updated: 01/04/2024] What is the size of your residence? Does it adequately meet your needs? Is there a globally optimal square footage per person for living spaces? This article explores the evolving dimensions of houses across the globe, and contemplates the notion of “adequate space.”



Average house sizes continue to increase

Data suggests a trend of increasing average house sizes and bigger houses contribute to a bigger home's carbon footprint. The New York Times profiled [Graham Hill's](#) lifestyle in a **420 square-foot** (39 square-metre) apartment, a size comparable to the average homes in Hong Kong and India. Hill posited that minimalistic living is more enriching.

Critics like [Christie Aschwenden](#) pointed out Hill's frequent travel might cancel the environmental benefits.

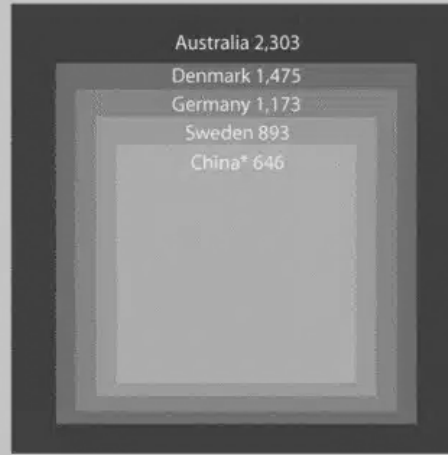
This brings us to an intriguing question: What is the appropriate size for a home? To answer this, we collated data from multiple sources including CommSec, RBA, UN, US Census, European Housing 2002, Australian Bureau of Statistics, Canadian Home Builders Association, Infometrics, and the Japan Statistical Yearbook.

## Average House Size By Country – Graphical Comparison

To get a little perspective I've put together a graphic to illustrate how big the average new home is around the world. The figures are in square footage of usable floor space, and include data for both houses and flats.

# How big is a house?

Average new home size around the globe in ft<sup>2</sup>



Note: data for 2009 builds, \* China figures urban only

Sources: CommSec, RBA, UN, US Census  
shrinkthatfootprint.com

Average house size for 15 countries around the world: smallest is 484 square feet in Hong Kong and largest is 2303 square feet in Australia

In the countries I could get data for the average new home varied in size from 45 m<sup>2</sup> (484 ft<sup>2</sup>) in Hong Kong up to 214 m<sup>2</sup> (2,303 ft<sup>2</sup>) in Australia.

The average house size in the US was 214 m<sup>2</sup> (2299 ft<sup>2</sup>) in 2022. The average house size in the UK is relatively small at 76 m<sup>2</sup> (818 ft<sup>2</sup>) while the average house size in Canada is quite big at 181 m<sup>2</sup> (1,948 ft<sup>2</sup>). For China the data only reflects urban properties, which now average 60 m<sup>2</sup> (646 ft<sup>2</sup>) and have almost doubled in size in the last 15 years.

## Table Of House Sizes By Country

The same information, updated with new sources of information is given in this table below, conveniently given house sizes in different countries using both square feet and converted to equivalent square meters as a measure of the house area.

Country	House Size (square feet)	House Size (square meters)
Australia	2303 sq. ft	214 sq. meters
Austria	1043 sq. ft	97 sq. meters
Belgium	1293 sq. ft	120 sq. meters
Canada	1948 sq. ft	181 sq. meters
China	646 sq. ft	60 sq. meters
Denmark	1475 sq. ft	137 sq. meters
Finland	880 sq. ft	82 sq. meters
France	1206 sq. ft	112 sq. meters
Germany	1173 sq. ft	109 sq. meters



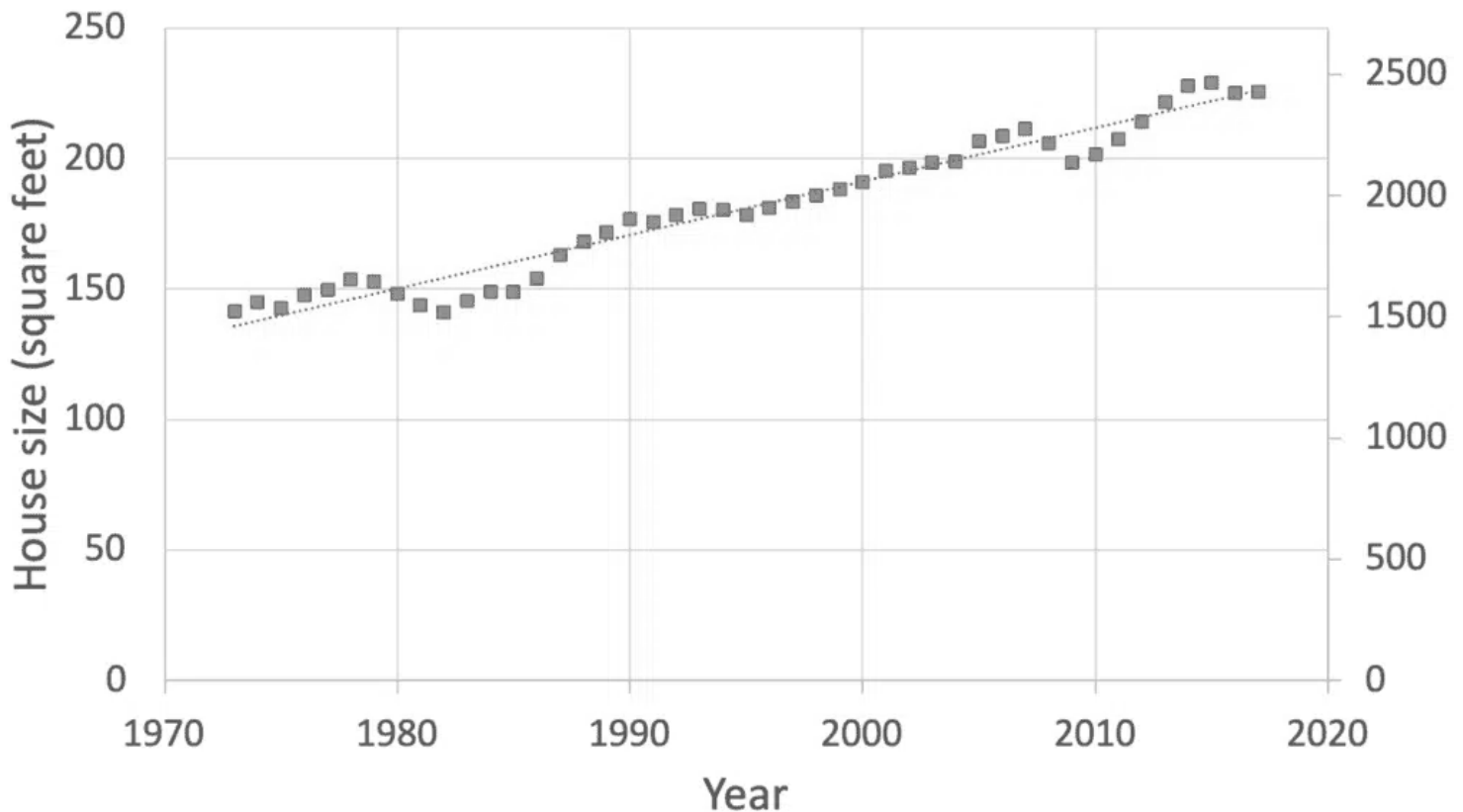
Greece	1356 sq. ft	126 sq. meters
Hong Kong	484 sq. ft	45 sq. meters
India	504 sq. ft	47 sq. meters
Ireland	957 sq. ft	89 sq. meters
Italy	872 sq. ft	81 sq. meters
Japan	1023 sq. ft	95 sq. meters
Luxembourg	1359 sq. ft	126 sq. meters
Netherlands	1261 sq. ft	117 sq. meters
New Zealand	2174 sq. ft	202 sq. meters
Portugal	902 sq. ft	84 sq. meters
Russia	614 sq. ft	57 sq. meters
Spain	1044 sq. ft	97 sq. meters
Sweden	893 sq. ft	83 sq. meters
United Kingdom	818 sq. ft	76 sq. meters
United States	2164 sq. ft	201 sq. meters

## Average US House Size Has Been Increasing Over Last 50 Years

In the US, the average house size has been **increasing** since the 1970s. The peak was actually in 2015 at 2467 sq ft (229 sq meters) and then it dropped slightly over the next two years. New data from 2022 indicate that things haven't changed much – the average house size was 2,299 sq ft which still puts it below the 2015 peak.

Larger houses demand more heating and cooling. Unless increased demands are offset by gains in efficiency or renewable sources, we will see greater carbon emissions from residential energy. Also house sizes change slowly. In a span of 10 years, the average increased from 2250 to 2400 sq ft for the US.

## House Size in USA for newly built houses 1973-2017



Average US house size peaked in 2015 and dropped slightly afterward. The trend is upwards and there are no indications overtime house sizes won't increase.

There are other ways to mitigate both heating and cooling demands. These include better insulation, and better heating and cooling technology. On ShrinkThatFootprint we cover ways to reduce heating and cooling demands.

## Average House Square Footage Of Floor Space Per Person

There are all sorts of reasons for these differences. **Wealth levels, urbanization rates**, land access and climate all play a part. Nonetheless the scale of the differences is pretty fascinating.

The thing that is really missing from this picture is people. We can take our analysis a little further by looking at how much floor space this equates to per person.

Using data on average household size we can estimate floor space per inhabitant for new homes. This analysis is a bit rough and ready, as it assumes new homes are being built for the average household. Nonetheless it is useful because it helps to control for the considerable differences in household size between countries.

Here are the figures in square-meters.

## How much space is enough?

Average residential floor space per capita in m<sup>2</sup>



Note: data for 2009 builds, \* China figures urban only, assumes average national household size  
Sources: CommSec, RBA, UN, US Census  
shrinkthatfootprint.com

Average residential floor space in square meters

At just 15 m<sup>2</sup> (161 ft<sup>2</sup>) a person in Hong Kong has just a quarter of the floor space of the average Australian or American.

## The Graham Hill House Is Not So Remarkable In Certain Countries

If Graham Hill lives by himself then his trendy 39 m<sup>2</sup> (420 ft<sup>2</sup>) is similar to someone from Sweden. In fact in the range from 30-45 m<sup>2</sup> (323-484 ft<sup>2</sup>) are the averages for Italy, the UK, Japan, Spain, Sweden, France and Greece.

At our place we have 110 m<sup>2</sup> (1,184 ft<sup>2</sup>) for a family of four, which is 27 m<sup>2</sup> (291 ft<sup>2</sup>) per person. Having previously lived in a few different flats of 50-60 m<sup>2</sup> as a couple this feels pretty palatial, and is certainly more than enough for us. But 30 m<sup>2</sup> per person is much more generous in a four person family than it is in a studio apartment for one.

## London's Minimum Space Standard

In London they have a new minimum space standard as part of the London Plan. For new flats the minimum standards are 37 m<sup>2</sup> (398 ft<sup>2</sup>) for one person, 50 m<sup>2</sup> (538 ft<sup>2</sup>) for two people in one bedroom, 61 m<sup>2</sup> (657 ft<sup>2</sup>) for three people with two bedrooms, 70 m<sup>2</sup> (753 ft<sup>2</sup>) for four people in two bedrooms and 74 m<sup>2</sup> (797 ft<sup>2</sup>) for four people in three bedrooms. Are these enough space?

In my mind if you have decent ceiling heights, good windows, clever storage and not too much stuff a little space can go a long way.

## Smaller Houses Take Less Energy To Build And Keep Habitable

A smaller home requires less embodied energy to build, has lower heating and cooling needs, needs fewer furnishings, takes less time to maintain and requires less work to fund.

In terms of carbon emissions small is beautiful. But how small is too small?

## Sources Of Data

There is no uniform source of data on house sizes.

Most data was curated from a select number of sources: Japan Statistical Yearbook, European Housing 2002, Australian Bureau of Statistics, Canadian Home Builders Association, Infometrics, US Census.

Data for India was obtained from a 2008 India Times article that cited a figure from a government report National Sample Survey Organization.

## New Sources Of Data

Many governments publish dwelling areas for new construction. Therefore an alternative way to assess house sizes is to use only “new construction” data, which is not bad because such data is most up-to-date. The drawback is that it doesn’t reflect old construction houses in which many people live.

A compromise is to divide this article into two, with a new section that uses only statistics on new construction. The reason is that the data for new construction will tend to be better due to modern methods of record keeping.

Australia Bureau of Statistics – House size data set

US Census – Dwelling highlights

## Caveats About The Data

- The data is from self-reported house sizes, which lead to inaccuracies.
- Averages include apartments and standalone houses.
- There is regional variation within each country; for instance, the U.S, with its diverse range of state-by-state housing conditions.

These limitations aside, the data provides a broad-strokes picture of worldwide housing trends.

# Why Americans Are Leaning Toward Smaller Homes



## Not all new homes are big homes

The classic picture of a big home with a white picket fence and a sprawling yard may be a thing of the past. The American dream of owning a home lives on, but it's taking on a different face, as many home buyers are increasingly thinking smaller. What's behind the growing desire for smaller homes?

## The Changing Face of the American Dream

Not surprisingly, cost is a major driver of the trend toward smaller homes. Smaller homes mean smaller mortgages, lower development costs and reduced spending on management and upkeep. Smaller spaces also mean smaller costs all around from utilities, taxes, raw materials and maintenance to furnishings and other interior decor.

Cost is especially concerning for millennials, who overwhelmingly suffer from student loan debt. Between towering debt and tighter credit conditions (we can thank the 2008 housing bubble burst for that), many young people are buying smaller homes later.

## Smaller Families, Smaller Homes

Today's young Americans are starting families later and having fewer children. According to [Pew Research Center](http://www.pewresearch.org/fact-tank/2018/05/04/more-than-a-million-millennials-are-becoming-) (<http://www.pewresearch.org/fact-tank/2018/05/04/more-than-a-million-millennials-are-becoming->

[moms-each-year/](#)), smaller families have been trending since at least the 1970s. And that doesn't seem to be changing anytime soon. Instead of a home in the suburbs with enough space for a growing family, this crowd prefers modest-sized one- and two-bedroom homes or townhomes in a more urban setting.

Millennials aren't the only ones fueling the push for smaller homes. It seems maturing Gen Xers and baby boomers are also after something simpler. Lucas Callejas, a real estate agent with [Triplemint](#) (<https://www.triplemint.com/>) in New York, says empty-nesters represent their biggest clientele for downsizing. Callejas says home buyers in this demographic are "leaving the neighborhoods that have the public schools they wanted" and moving to neighborhoods that "fit their needs better," whether that's being near the grandkids or closer to the coast.

## Mindset Shift from 'More' to 'More Fulfilled'

Aside from the practical reasons behind choosing a smaller home, there's something bigger at work — the changing mindset of Americans. After almost 50 years of a community standard driven by consumption, the tide is turning away from filling your big home with things and more toward practical, liveable spaces.

While past generations may have been keeping up with the Joneses, today's home buyers place less importance on possessions and more on personal development. Agent Shelly Place, also with Triplemint, says buyers are reserving more of their money for life experiences like travelling. Millennials and Gen Xers are focused not only on saving money, time and energy, but also on more mindful consumption and reducing their carbon footprint.

The current rash of TV sensations like "Tiny House, Big Living," "Tiny House Nation" and "Tidying Up with Marie Kondo" are a reflection of minimalism's growing momentum. Along with it, the market is seeing more pressure for smaller, two-bedroom condos and townhouses. But despite the overall shift in the housing market toward simplicity, practicality and more mindful living, as of 2016, [90 percent of homes](#) (<https://www.apartmenttherapy.com/one-big-reason-millennials-want-smaller-homes-and-it-could-change-the-housing-market-250567>) on the market still had three or more bedrooms.

It will be interesting to see where the trend of smaller homes, and the housing market, goes from here.

Rebecca Rosenberg (<https://www.newhomesource.com/learn/author/rrosenberg/>)

Rebecca Rosenberg is a freelance copywriter, digital media strategist and world traveler. After working in marketing for some of Austin's most beloved brands, Rebecca started her own business and left Texas behind to travel the world. You can find her currently bumming around Europe. Often flying solo, she has visited over 35 countries and



lived abroad in four. In addition to being a digital nomad, Rebecca is an avid hiker, design enthusiast and certified plant nerd. She speaks English, Spanish, German and Korean.

# Partners break ground on state's first multifamily passive housing project

Rachel Watson - January 8, 2024



Renderings from Pinnacle Construction Group show designs for Samaritas Spring Lake at 734 E. Savidge St. in Spring Lake Township. Credit: Courtesy image

Pinnacle Construction Group has started building what will be the first multifamily certified passive housing development in the state of Michigan.

The Grand Rapids-based design-build firm began site work last month and will hold a groundbreaking Jan. 12 for Samaritas Spring Lake, a 53-unit affordable housing rental project at 734 E. Savidge St. in Spring Lake Township.

Michigan-based nonprofit social services and affordable housing provider Samaritas will be the majority owner-operator of the approximately \$16.3 million development. Pinnacle Construction Group is the architect, contractor and a minority owner of the project, along with Manistee-based Little River Development LLC, the real estate development arm of the Little River Band of Ottawa Indians.

Construction is expected to wrap in February 2025.

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## **An edge among competitors**

When completed, the development will be certified through the Passive House Institute U.S. Inc., or PHIUS, an advanced sustainable building certification program that focuses on reducing energy to zero or near-zero carbon emissions through elements such as high-performance insulation, windows and walls.

Joel Lautenbach, executive director of affordable living development for Samaritas, said the nonprofit chose to pursue passive housing certification in part because it would earn the project



extra points from the state's low-income housing tax credit program, which has a highly competitive application process.

"You can score points in your application for pursuing those green energy programs beyond the baseline," he said. "A few of them are three points, and the passive house one is four points. ... We felt confident that by pursuing the passive house certification that we'd be a more competitive project when we went in for tax credits."

In January 2023, the Michigan State Housing Development Authority awarded the project Low Income Housing Tax Credits (LIHTC) worth nearly \$15 million over a 10-year period.

## Achieving a high standard

James Lewis, director of real estate development for Pinnacle Construction Group, is PHIUS certified and will be working with third-party consultants Chicago-based Eco Achievers and Chris West of Eco Houses of Vermont to ensure the project is compliant with program standards.

The Samaritas Spring Lake project will be about as close to zero carbon emissions as it can possibly be, Lewis said.

"A passive house is what would be considered an advanced green or sustainable certification process. This one focuses primarily on energy usage and the reduction thereof," he said. "It does also have a bunch of indoor air quality and water management and a bunch of stuff that LEED also incorporates in their program. But the primary focus of it and why 'passive house' came to be is to set energy targets for buildings that are very ambitious. This will be the first multifamily passive house project to be certified in the state of Michigan."

## The passive house movement

PHIUS is a Chicago-based nonprofit founded in 2003 as the U.S. offshoot of the global passive house movement that gained steam in the years following the oil embargoes of the 1970s that caused skyrocketing energy costs.

Lewis obtained his PHIUS certification in 2014 and two years later completed his first multifamily passive house project in Madison, Wis. while working for Heartland Housing Inc.

PHIUS started out as a single-family program but quickly branched into the multifamily space.

Lewis said that multifamily buildings can more easily and cost effectively achieve the passive house standards because of their scale.

"I would say multifamily is substantially more cost effective," he said. "Part of what happens in a single-family house is there's a lot of wall area to livable area, and because the standard is so focused on putting a bunch of insulation in the walls, when you get that volume to wall area ratio





down so low, you just have to spend a lot more money making your walls a lot thicker, in terms of insulation.”

Additionally, multifamily units are much smaller than single-family homes, so there’s more “internal heat load” to the building, which means less heating is needed in a passive apartment project than in a single-family home “because of the intensity of the occupancy,” he said.



*Once completed in 2025, Samaritas Spring Lake will be the first multifamily certified passive housing development in the state of Michigan. Credit: Courtesy image*

## Cost savings on two fronts

Lewis said that combination of factors allows developers of passive multifamily projects to keep costs “pretty close” to industry standards for new construction.

According to Lautenbach, the reduction in energy costs that will result from the passive housing construction also will save residents who will pay their own utilities costs in the long term, which is another consideration in the LIHTC process.

Based on tracking data from Heartland’s project in Madison, Lewis expects that residents at Samaritas Spring Lake will pay about one-third less in utility costs than they would in a similar new construction building that is not passive house-certified.

Samaritas currently operates 17 affordable living communities across the state, with plans to double the number of locations over the next 10 years.

Lautenbach said Samaritas hopes to continue pursuing passive housing certification in future projects.

Pinnacle expects to do the same with other projects, Lewis said.

The partners bought 1.85 acres across several combined parcels for \$520,000 in December from Spring Lake Presbyterian Church, located next door at 760 E. Savidge.

It originally contained two houses. One was demolished to make room for the apartments and the other will be used as a residence for the Samaritas caretaker who will oversee the apartments and provide supportive services.

The project backers said the church had been reserving the land to be used for affordable housing development, and Samaritas ended up being the right partner.

The four-story building will have 43 one-bedrooms ranging from 625 to 650 square feet apiece, and 10 two-bedroom units ranging from 875 to 975 square feet.

The housing will be designated for individuals, couples, families and seniors making 30% to 80% of Ottawa County's area median income, which was \$23,910 to \$63,760 for a two-person household in 2023, according to the U.S. Department of Housing and Urban Development.

The development will include a community room, library, outdoor patios and greenspace. Residents will have access to the church's gazebo and playground next door via a path that will connect the two properties.

Eight of the 53 apartments will be targeted toward members or descendants of members of the Little River Band of Ottawa Indians. Samaritas also received eight project-based vouchers from the Grand Rapids Housing Commission, which will allow the nonprofit to offer eight of the units to individuals or families on waiting lists for subsidized housing.

Besides the LIHTC credits, the project partners also received \$1.5 million in funding from Ottawa County's American Rescue Plan Act funding.

The remainder of the project financing will come from deferred developer fees and a permanent loan through Chicago-based nonprofit lender IFF via the Ottawa County affordable housing revolving loan fund.

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#### **Rachel Watson**

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Kate Carlson - January 26, 2024



*Construction on an ICCF Community Homes project in Grand Rapids' Baxter neighborhood in mid-2023. Credit: ICCF Community Homes*

The Grand Rapids Planning Commission hopes city officials enact five policy changes that board members say would gradually help increase housing supply, diversity and affordability.

The zoning ordinance amendments that the commission unanimously approved Thursday include easing restrictions on accessory dwelling units (ADUs) and reducing or eliminating parking minimums in certain areas. Other proposed changes would reduce unit occupancy limits, adjust group-living requirements and allow for more small-scale residential infill projects throughout the city.

If enacted by the full City Commission in the coming months, the zoning changes would be "super valuable" for helping average homeowners increase housing density, said Ryan Kilpatrick, lead consultant for Housing Next.

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The city's current zoning ordinance is well-suited for large-scale, multifamily developments, but those projects are difficult to build in a market with high interest rates and construction costs, he said. They're also not accessible to typical landowners.

"A lot of what has been proposed is very helpful to the average homeowner to get through the (development) process in a streamlined fashion with checks still in place," Kilpatrick said.

City officials had requested planning staff and the planning commission to examine ways to increase the city's housing stock shortly after the 2023 Kent County Housing Needs assessment



was published in February 2023. Study results showed 34,699 more housing units will be needed in the county by 2027, and 14,106 of which will be needed in the city of Grand Rapids to stabilize the housing market.

The planning commission has discussed the proposed zoning changes at its past several meetings, and also held a joint work session with the city commission in July 2023 to go through all of the proposed changes in detail. The proposed zoning amendments will now go on to the city commission for consideration, which could take place in the coming months.

## Public weighs in

Thursday's planning commission meeting drew both strong supporters and opponents to the proposed zoning changes.

Patrick Tischler, who identified himself as a property owner and property manager, was among several Heritage Hill neighborhood residents who spoke against the proposed changes. The Heritage Hill residents shared most of the same concerns, including that the city did not give neighbors enough notice of the changes. Tischler raised concerns about unintended consequences involving absentee landlords and private equity or other outside investors buying up housing in the city.

"I'm concerned we're rushing and we need to slow things down," Tischler said. "Table and reevaluate (the zoning amendments) to make sure those things don't happen."

Kilpatrick said outside investors are already coming into town, and that pausing on the zoning proposals is unlikely to stop that trend.

Grand Rapids Planning Director Kristin Turkelson acknowledged that there would be tradeoffs if the amendments are enacted.

"It may be more difficult to find a parking space out in front of your home, but if we prioritize housing instead of the need for housing in the proximity of your vehicle, these are the changes we need to consider," Turkelson said.

Achieving the city's housing goals will require zoning regulation changes that apply to every neighborhood. That could lead to an increase in traffic in the city, but it would not be more than the streets could handle, Turkelson said.

Andrew Carley, director of land use advocacy group Strong Towns Grand Rapids, was among people who spoke at the meeting in support of the zoning amendments and goals of creating more affordable housing.

"People are losing their apartments and losing their homes because we are not effective at building affordable housing," Carley said.

Nathan Biller, a local small-scale developer, told commissioners that he wished the amendments went further.

“The quiet majority stands behind you and we’re counting on you,” Biller said during the meeting.

“Thank you for prioritizing people over parking. That is the correct order of our city’s values.”



Here’s a look at the issues covered under the zoning amendments:

### **Accessory Dwelling Units**

ADUs allow for the construction of a single housing unit on the same lot as an existing residence, which affordable housing advocates have pointed to as a way to achieve a slight increase in housing density for single-family neighborhoods. The city’s zoning ordinance for ADUs has made it hard for any of these developments to get off the ground, along with financing and lending obstacles that come with ADU projects.

The zoning changes advanced on Thursday would streamline the review process by allowing ADUs as a permitted use, remove the owner occupancy requirement, modify the height and setback requirements, permit ADUs for single- and two-family dwellings, and eliminate the parking requirement.

### **Unit occupancy, group living requirements**

The zoning changes would increase the number of unrelated occupants who are able to live in a dwelling unit from four to six people. The proposal also would modify single-room occupancy (SRO) requirements to allow for SRO developments in residential districts, where they are currently banned, through a tiered review process based on proposed unit size.

The amendment also proposes modifying transitional and emergency shelter requirements to allow small-scale shelters in residentially zoned districts, adding use regulations and requiring a good neighbor plan when they are permitted as a special land use.

### **Small-scale residential infill**

In Traditional Neighborhood-Low Density Residential zoned districts, the amendments would allow changes including reducing lot area and width requirements for two-family and multiple-family residential developments of six or fewer units, and allowing the conversion of existing single- and two-family housing stock to higher densities.

### **Parking minimums**

Also under Traditional Neighborhood-Low Density Residential zoning, the changes call for eliminating parking requirements for developments of six or fewer dwelling units on Link Residential or Network residential streets, as defined in the city’s Vital Streets plan. As well, developers would be able to gain parking reductions for projects if their development is located within a half-mile instead of the current 300-foot requirement to transit.

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Developer plans 202 apartments in second Holland-area project



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# Another 36 ‘working class’ homes to be built in city of Muskegon

Updated: Jan. 26, 2024, 7:22 a.m. | Published: Jan. 25, 2024, 2:38 p.m.



A large West Michigan homebuilder plans to build 36 rental houses on lots scattered throughout the city of Muskegon that will be affordable to “working class” families. (Lynn Moore | MLive.com)



By Lynn Moore | Imoore8@mlive.com

MUSKEGON, MI – A large West Michigan homebuilder plans to build 36 rental houses on lots scattered throughout the city of Muskegon that will be affordable to “working class” families.

The plan by Allen Edwin Homes of Portage is the latest development in a significant push by the city to increase its housing stock. A study released last year found there is a need for 3,000 additional housing units in the city over the next five years.

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Allen Edwin will keep rents for the mostly four-bedroom, two-bathroom homes between \$1,400 and \$1,700 per month, according to information provided to Muskegon city commissioners.

The commission agreed to a new form of financial incentive on Tuesday, Jan. 23, that will allow Allen Edwin to construct the homes and not lose money on them.

“There’s a lack of affordability for what we would call middle-income people, so moderate and middle-income folks,” Muskegon Director of Development Services Jake Eckholm told the commission.

The financial incentive involves foregoing traditional property taxes in exchange for a fee equal to 10% of rents collected on the homes. Known as “payment in lieu of taxes” – or PILOT – the incentive previously was only available to housing developments qualifying for low-income housing tax credits, which “almost always” involve large apartment complexes, commissioners were told.

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Legislation approved in late 2022 allows cities to enter PILOT agreements with smaller apartment developments and single-family homes, and this is the first time the city has taken advantage of the relaxed requirements.

The agreement with the city requires Allen Edwin to keep rents affordable to families earning up to 120% of the median household income for 15 years. The agreement can be renewed.

The housing study found a need for 1,611 additional rental units, including 403 with rents ranging from \$895 to \$1,430 and 295 in the price range of \$1,431 to \$2,145.

The city’s aging housing stock is insufficient to meet the needs of various populations who have no choice but to move to the suburbs, city officials have said. Those include young professionals looking for a step up in housing as well as retiring baby-boomers wanting to



downsize.

The types of people who could potentially rent the Allen Edwin homes include a new full-time teacher or a family in which one adult works full-time in manufacturing and the other works part-time in retail, Eckholm wrote in a memo to commissioners.

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“Essentially these houses will be targeting ‘working class’ people who are often house burdened and until recently have had few options available to them for subsidy,” Eckholm wrote.

The homes will be built on 36 lots in the city that are currently owned by the Muskegon County Land Bank Authority, which Allen Edwin homes will purchase for \$3,500 each. The Land Bank takes ownership of vacant property that is tax delinquent or abandoned and works to return them to the tax rolls.

Allen Edwin typically builds about 1,000 single-family homes a year in Michigan and northern Indiana, Brian Farkas, the company’s director of workforce housing, told the commission.

Its “bread and butter” are homes that sell for between \$300,000 and \$500,000, Farkas said.

The large scale of its operations along with the new PILOT incentive helps the company afford to build the workforce housing, he said. Allen Edwin also manages its own rental property, he said.

If rent on the 36 Allen Edwin homes averages \$1,500, the city would assess about \$64,800 in PILOT fees annually, Eckholm wrote in his memo. After distributing the money to other taxing jurisdictions, the city would collect about \$14,000 per year as compared to \$45,000 from traditional property taxes, he wrote.

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The city has launched ambitious strategies to address the need for affordable housing. They include [a large-scale infill project](#) promoting construction of new homes on hundreds of vacant lots as well as a decrease in minimum home sizes.

The city has committed \$5 million in American Rescue Plan Act funding, commonly known as COVID recovery payments, to support infill housing construction and cover differences between sales prices and construction costs. The goal is to sell roughly half of new infill homes to people earning between 80% and 120% of the area median income.

West Urban Properties has an agreement with the city to build 100 homes, and Briggs Construction has agreed to build six.

The commission on Tuesday sold for \$225,000 a home at 740 Leonard Ave. that had been built by Briggs as part of the infill project.

[Several low-income and senior apartment complexes](#) in the city have been proposed in recent months but are dependent on competitive federal tax credits through the Michigan State Housing Development Authority. Preliminary scoring of those projects show that three scored among the six highest in the state, Eckholm told commissioners Tuesday.

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Rachel Watson - January 29, 2024



*A drone shot shows the Alpine Avenue corridor in Walker from near the I-96 interchange looking north. Credit: City of Walker*

Urbanists and economic development experts say a study underway in Kent County could help stakeholders get on the same page about the best places to put new housing development.

Housing Next, a group formed in 2018 to address the housing shortage in Kent and Ottawa counties, is working on a study of 21 key commercial corridors in Kent County that would be ripe for housing development based on public utilities like water and sewer, as well as the presence of public transit and underutilized buildings.

The group led by Executive Director Brooke Oosterman hired its former executive director Ryan Kilpatrick, owner and principal of Grand Rapids-based Flywheel Community Development, to help conduct the study.

Housing Next is looking at 21 key commercial corridors in the study. Although Oosterman and Kilpatrick declined to disclose the full list, it includes Plainfield Avenue, Alpine Avenue, Fulton Street, Kalamazoo Avenue, 44th Street and 28th Street. It spans municipalities including Plainfield Township, Walker, Wyoming, Kentwood and Grand Rapids.

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Kilpatrick said a draft report will be ready by March or April to share with community stakeholders, with the final version expected out in late spring.

“We’ve always said that there is no one-size-fits-all solution for housing, and the more we engage with communities, the more we recognize that established neighborhoods are going to stay generally the same as they’ve been for at least another generation,” Kilpatrick said. “But we have a number of corridors in the community that are seeing lack of investment or disinvestment, where retail isn’t working out as well as it did 20 or 30 years ago, and where we



have this mix of big-box and small-box retail stores, plus some older residential, plus a lot of underutilized or vacant parking lots or just vacant lots. So right now we're analyzing those corridors."

The study is funded by Housing Next's traditional network of backers, which includes a mix of unspecified foundations, businesses and municipalities, Kilpatrick said.

Early conversations about conducting the as-yet-unnamed study began last July at the Grand Rapids Area Chamber of Commerce's Grand Rapids Policy Conference, with a draft proposal outlining the cost and framework shopped around to funders in time for work to begin in late November.



*A view of the 44th Street corridor in Kentwood. Credit: City of Kentwood*

## Study details

Kilpatrick said the work started with geographic information systems analysis to look at where utilities and infrastructure already exist.

"Now, what we're doing is working on a pattern book that essentially outlines the core DNA elements of a really solid, walkable neighborhood along a commercial corridor, so that it's easy for local municipalities to plan and zone for that land use type," he said.

The corridors will be evaluated for the presence of trees, adequate lighting and safe driving lanes and crosswalks to determine their pedestrian friendliness, Kilpatrick said. In cases where those elements do not exist, the report would make recommendations.

The study will look at underused retail areas that could accommodate adaptive reuse or new construction housing, particularly in areas that can handle the additional vehicle trips that new housing would generate.

One of the advantages to those areas is they tend to already have public transit in place, which would require less surface parking.



*The 28th Street corridor in Kentwood looking northeast near the intersection at East Beltline Avenue. Credit: City of Kentwood*

## **An easier sell for communities?**

As Crain's Detroit Business noted in a report last month on the housing shortage, opposition from neighbors — frequently called "NIMBYs," short for "not in my backyard" — stands high among the external factors that get in the way of housing development in Michigan, with some of the top concerns being infrastructure capacity, environmental effects, noise and traffic.

Oosterman said developments along commercial corridors would theoretically be less disruptive to residents on all of those fronts.

"If there is consensus around a scalable solution to the housing shortage that offers opportunity and alleviates other challenges that the community is facing, it's a benefit to all to be able to have that conversation," she said.

Oosterman said having a corridor plan that city staff and elected officials can use to communicate land use goals with one voice is one piece of the puzzle. Another piece is demonstrating the cost savings associated with putting new development where infrastructure already exists.

Kilpatrick added the study also will evaluate the potential for an increased tax base for cities that redevelop dying corridors.

"We (will) look at how much taxable revenue is coming in as a result of those existing spread-out patterns of just single-story commercial, and how much additional taxable revenue could be generated if we started to think about pockets of mixed-use walkable neighborhoods," he said.

## **'Context-sensitive' solutions**

Kilpatrick said he will be applying to this study some of the lessons learned from his previous consulting work with the city of Grand Rapids to make corridors more developer-friendly, like



But he and Oosterman emphasized all recommendations will be “context-sensitive” to each area’s unique situation.

“We really are going to be looking for leaders, stakeholders and community members to be a part of the conversation in each municipality that we’re in, because we do recognize that even with that urban core consistency across the board for those key corridors, we know that the history, the architecture, the strategies moving forward are going to look a little bit different ... for each of those communities,” Oosterman said.



*The Plainfield Avenue corridor looking southwest from the intersection with Northland Drive. Credit: Plainfield Township*

## A local case study

In addition to Grand Rapids, another municipality that has already done a lot of heavy lifting is Plainfield Township.

Suzanne Schulz has been the urban planning practice leader for Progressive AE since 2019, and before that served as planning director for the city of Grand Rapids for 14 years.

After joining Progressive AE, she helped Plainfield Township develop Reimagine Plainfield, a new vision for its main commercial artery, Plainfield Avenue. The two-year process culminated in the township board adopting a new zoning ordinance in 2021 that allows for mixed-use developments on that corridor. Plainfield has struggled with high retail vacancy rates and business turnover since the former North Kent Mall closed in 2000.

She said Housing Next’s study could help other townships accomplish some of the same analysis.

“I think part of it is a discussion ... (of) is this corridor being successful? What is our tax base in this corridor? In Plainfield’s case, we found that they went six years without any increase in tax receipts. It was just flat because they weren’t getting any new development,” she said.

Schulz encouraged stakeholders during that engagement process to think how much better places can be when they shift from being “drive-through zones” to “drive-to zones” with a mix of



“Then, you’d also have the density to support those businesses, so it becomes this virtuous cycle ... of more people to shop and eat that support the commercial districts that people want, which attracts more people and more energy into the community, as well as tax dollars, and so it helps keep tax rates low for the rest of the community,” she said. “It also provides us housing opportunities that currently don’t exist ... in places where neighbors would generally (not) oppose it.”

While Plainfield has yet to approve a housing project for the corridor since the zoning change took effect, Township Superintendent Cameron Van Wyngarden said he believes that is mostly related to construction costs.

“There’s some additional costs that come with redeveloping an existing site, and then you’ve got that on top of higher interest rates right now, and it really has pushed back on some of those projects that we thought maybe had some potential,” he said. “But we see this as something that we’ll still be working on when the interest rates come back down, and we’re building the story that this is the place to go.”

Van Wyngarden said the township made other changes to the zoning ordinance to pair with allowing mixed-use developments in commercial zones, including protecting existing residential neighborhoods through required buffers, setbacks and landscaping, so that when developers do come knocking, they’re likely to encounter less resistance from neighbors.

He said he’s hopeful the township’s new zoning ordinance — paired with Housing Next’s commercial corridor study — will inspire developers to turn from greenfield sites in floodplains to commercial areas that are development-ready.

“We need to do a better job as local governments to sell those opportunities, to talk about what incentives are available with all the state programs that have recently come out ... and really market those areas as an alternative to more greenfield development,” he said. “Even though it’s a lower cost for the developer today, it has a higher economic cost for the community down the road as we have more roads (and) more infrastructure to maintain.”

*A view of the new Ada Village area looking north toward Amway Corp.'s headquarters. Credit: Discover Ada*

## The bigger picture

Schulz said Housing Next, developers and municipalities need to look no further for examples of suburbs using their limited space to best advantage than the work that Hudsonville has done to create a walkable mixed-use downtown area, or the 10-year effort that led to the creation of Ada Village, which now offers housing, retail and restaurants.

"It's more than double the value on half the land in those types of scenarios," she said. "Building new neighborhoods along these corridors really does provide a noncontroversial path that is low-hanging fruit."

Travis Alden, senior director of community development for The Right Place Inc., said he is thankful Housing Next is tackling a countywide corridor improvement playbook, because if there's anything that holds back employers from bringing jobs to the region, it's the lack of housing.

"From an economic development perspective, I don't know if we have a conversation with a business or major employer where housing doesn't come into the conversation at some point," he said. "Maybe eight, 10 years ago, housing was thought of as separate from economic development. That certainly is not the case here in 2024."

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MIDLAND



Mill End Lofts in Bay City

Doug Coombe

# If we build housing, economic development will come

KATHY ROBERTS | THURSDAY, FEBRUARY 1, 2024





What comes first – employees or homes? Government and business leaders in the Great Lakes Bay Region are working together to try to answer that riddle.

One thing all the experts agree on – we cannot grow in population or attract new businesses if we don't increase the number of homes available in the area. Another point everyone agrees on is that the "missing middle" housing is key to growth.

The missing middle includes single-family homes, townhouses, and duplexes. Families who need the missing middle homes are those who earn between 60% and 120% of the median household income.

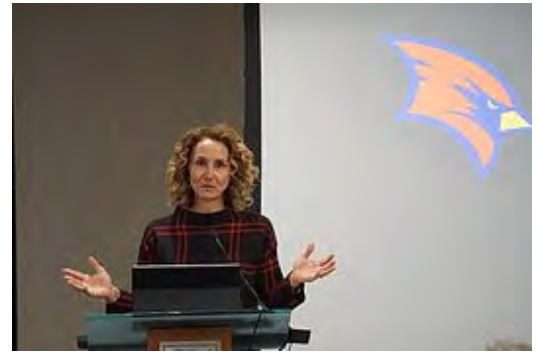
In Bay County, the median household income was \$57,887 in 2022, according to Data USA. That means families earning between about \$35,000 and \$70,000 don't have enough housing options in this area.

As the region considers what it needs to do to grow, the Great Lakes Bay Regional Alliance convened the Great Lakes Bay Regional Housing Summit at Saginaw Valley State University on Fri., Jan. 26 to talk about successes and where we go from here.

Amy Hovey, Executive Director of the Michigan State Housing Development Authority and the keynote speaker at the event, said housing is key to almost everything. Stable housing

would do much to alleviate many of the issues people in the state face, including mental and physical health challenges, gaps in education, and a lack of childcare.

“We have to start with housing,” Hovey said. “We can’t achieve any of those goals if people don’t have a stable, safe place to live. You don’t need childcare if you don’t have a home. Research shows kids have a higher educational attainment when they stay in the same district, when they stay in the same home.



**Amy Hovey is the executive director of MSHDA.**

One step toward addressing the problem is considering what’s working in the region. Matthew Felan, Great Lakes Bay Regional Alliance President and CEO, explained at the summit that lack of housing is one of the challenges inhibiting growth in the region.

SVSU President George Grant Jr., who also serves on the Alliance Board of Directors, expanded on what Felan said. “This is an important topic,” he told the audience of about 300 people from businesses, nonprofits, schools, government, and economic development organizations in Bay, Midland, Isabella, and Saginaw counties. “How do we attract businesses and people? We know it’s a great region, but how do we get others to know it’s a great region?”

Ken Horn, Executive Vice President of the Alliance, greeted the audience and explained the genesis for the event. As Horn travels the region and discusses the Alliance’s goal of growing the regional population by 40,000 people by 2040, he sees obstacles to the goal. (Click here to read more about Operation 40K.)



The obstacles include availability of childcare, transportation, and housing. “Housing, by far, stood out among all the issues,” Horn says. “If we’re going to attract any kind of new industries, new businesses, where are the workers going to live? How do we accommodate them? It’s an issue we have to address together.”

During the summit, regional representatives explained what’s working. Horn said he hopes the leaders in the room are able to take the best ideas and implement them in new areas.

Jenifer Acosta, of Acosta Real Estate & Development, spoke to the importance of missing

middle housing. Acosta has practical experience in developing housing for people in that middle income bracket. Acosta Real Estate and Development is behind The Times Lofts, The Davidson Building, The Legacy, and Drift. Item 8 A

In addition to the company she founded, Acosta also serves as Vice President of Real Estate Development at Renovare Development. Renovare is a woman-owned social impact real estate development company. It incorporates environmental, social, and governance in each project. The focus is on transformational projects.



**Jenifer Acosta, owner of Jenifer Acosta Development at The Legacy in Downtown Bay City.**

Renovare is working with Housing Forward, a Midland Business Alliance program that advocates a data driven approach to housing. At the summit, Acosta said Renovare is involved in 300 housing units across the state with a collective value of \$90 million. The projects are mixed use, meaning they incorporate housing and commercial space.

“We think like women when we develop,” she said. “We eat, sleep, and breathing housing and community building.” She said the housing crunch comes from a variety of factors. Acosta said about 72% of homes in Michigan are designed for traditional families consisting of two parents and a couple children. But only 20% of the families in Michigan live in that type of home.

Hovey also cited that change in family size. While Michigan’s population has stagnated in recent years, families have changed. In the past, the average household was a little over four people. Now, the average household size is two people.

Another factor squeezing the housing market is people owning vacation homes, Hovey said. That means some families spend only part of the year in each home, reducing what’s available. The number of short-term rentals also is on the rise, further reducing available homes.

Acosta said another problem is that good, alternative living options don’t exist for older people. That results in us staying in our single-family homes longer, keeping affordable homes off the market and out of reach for young families.

When first-time homebuyers do find something in their price range, it often needs significant

repairs. The cost of those repairs often puts the home out of reach.

For those who want to rent, the picture isn't much better. Rent is steadily rising. In Midland, the average rental cost \$746 a month in 2018. Last year, the average monthly rent had risen to \$1,510. At the same time, Midland has lost 2,800 rental units in the last decade.

"How are we welcoming people who want to live here?" Acosta asked. Instead, when we attract new businesses here, the new employees have to look for homes in surrounding communities while commuting to work. That leads to them feeling disconnected to the community and more likely to leave the area, Acosta said.

Addressing the problem is complex. Renovare offers technical assistance to developers. "Our end goal is to get more housing and help you be as successful as possible," Acosta said. "In the end, we want more local investment and local developers."

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#### **Broadway Lofts in Mount Pleasant**

Trevor Keyes, President and CEO of Bay Future, said the area has been successfully recruiting new businesses. He pointed to SK Iltron CSS and Mersen USA as examples. Keyes highlighted one local developer - MDL Companies - that is launching housing projects in Bay County.

MDL is developing rental housing in Auburn, near Valley Center Technology Park, said MDL Companies President/CEO Mike Loomis. Auburn Meadows will be visible from US-10 and Garfield Road.

Loomis said one thing that's helped developers is the improved aesthetic appeal of our communities. He pointed specifically to improvements in Downtown Bay City, Uptown Bay City, and Downtown Mt. Pleasant. He believes these downtowns will attract younger people to the area.

Jim McBryde, President and CEO of Middle Michigan Development Corporation, which represents Isabella, Clare, Gladwin, and Osceola counties, pointed to Broadway Lofts in Downtown Mt. Pleasant as a success story in his region.

Broadway Lofts includes 38 apartments on the upper levels and 13,000 square feet of retail and office space on the ground floor. The success of Broadway Lofts shows that people in the area are ready to pay for quality housing. During the development of Broadway Lofts, he heard from naysayers that the market-rate apartments wouldn't move. People would only

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**The Housing Summit was held on Fri, Jan. 26.**

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“The opposite was true,” McBryde said. “We actually sold out of the market-rate units before the low-income. It showed me that we were right from the very beginning about the missing middle.”

During his presentation, McBryde pointed out Michelle Sponseller, Downtown Development Director for the City of Mt. Pleasant in the audience. He praised the city and Sponseller for working with developers to bring Broadway Lofts to life.

Horn introduced Saginaw Future and explained that Saginaw is the population base for the region. “When Saginaw grows, the region will grow,” Horn said. “We need to root Saginaw on to make the region grow.”

Saginaw Future highlighted its Bancroft and Eddy buildings. In each case, the buildings had been foreclosed on before being turned into housing. Today, a combined \$7 million investment in the two properties netted 150 new housing units.

Hovey, Executive Director of the Michigan State Housing Development Authority, praised the projects already under way. But Hovey also estimated that if we realize the goal of growing our population by 40,000 people by 2040, we’ll need to add about 30,000 homes.

That’s not an unrealistic goal. Hovey said tools exist in the state to help developers. She talked about state money that can fund government initiatives and developer costs.

One piece of legislation in the works now comes from Sen. Kristen McDonald Rivet, who was at the summit. Hovey said McDonald Rivet introduced Senate Bill 293, which allows the state to allocate Housing and Community Development to more areas. The fund, which was created 20 years ago, is only for low-income housing being created in downtown areas. There’s no money for folks in the middle income levels.

“That’s \$50 million a year that I could put in missing middle,” Hovey said. “But without that bill getting passed, I am completely restricted.” The bill passed the State Senate, but is waiting for House approval.

No matter what happens at the state level, Hovey said we’re doing the right things in this

area to set us on course for solving the problem. "I agree with everything every speaker had to say, which isn't always the case everywhere I go, but you all got it going on," Hovey said.

"You're moving in the right direction. You have the data, you're looking at the data, you're looking at the conversations that need to be had and you should be applauded for that. People are talking about the housing crisis. They are realizing these are important conversations. We need to continue to work together. We need to innovate and we need to look for new ways to approach an old problem.

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Read more articles by Kathy Roberts.

Kathy Roberts, a graduate of Central Michigan University, moved to Bay City in 1987 to start a career in the newspaper industry. She was a reporter and editor at the Bay City Times for 15 years before leaving to work at the Bay Area Chamber of Commerce, Covenant HealthCare, and Ohno Design. In 2019, she returned to her storytelling roots as the Managing Editor of Route Bay City. When she's not editing or writing stories, you can find her reading books, knitting, or visiting the bars of Bay County. You can reach Kathy at editor@RouteBayCity.com

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# Ottawa County’s hot housing market pushes property tax increase to legal maximum

Published: Feb. 07, 2024, 7:45 a.m.



A hot housing market and statewide inflation are pushing property taxes in West Michigan up. Canva



By [Audra Gamble | agamble@mlive.com](mailto:agamble@mlive.com)

OTTAWA COUNTY, MI — Ottawa County homeowners should expect their property taxes to go up this year as much as the state allows for the second year in a row.



According to the county's Equalization Director Brian Busscher, preliminary numbers indicate property taxes will go up 5% in 2024, the maximum amount allowed by law.

This is the second time ever the property tax increase will be 5% after they went up that same amount in 2023 for the first time since a state law went into effect in 1994 capping property tax increases year to year.

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While giving a report to the Ottawa County Board of Commissioners last week, Busscher said overall inflation went up 5.1% last year, forcing the 5% increase on home taxable value.

Over the last decade, average property tax increase amounts have been more in the 2-3% range, with the 2022 increase at just over 3%.

**RELATED:** [Ottawa County property taxes expected to go up at highest rate in 30 years](#)

The residential home market, however, went up 13.78% last year. And that increase isn't likely to slow down any time soon, according to Busscher.

“I’m presenting to you that the market is not dropping,” Busscher told the county board. “People feel the market is dropping because if you go on Zillow, quite often you see the price cuts. Certainly, we’re seeing an increase of days on the market, but from an assessing market, we’re looking at what they’re selling for.”

Property tax valuation numbers are calculated by looking at home sales over a two-year period, meaning there’s a lag between the current home market and the valuations used for property tax increases.

“The residential home market is going up by 13.78%,” Busscher said. “And next year, the market will likely go up even more because some of those sales aren’t even in there yet.

“The two-year study showed almost a 14% increase and (a) one-year study showed not only are the values continuing to increase, but they’re increasing at a faster rate.”

Busscher said the continued increase in home market value isn’t a surprise, nor is it unique to Ottawa County. He said the property tax increase is based on the statewide consumer price index, so other counties should expect a similar hike in property taxes.

“The consumer price index is the rate of inflation, so it’s exploring things far broader than the home market,” Busscher said. “This is not just Ottawa County, this is statewide.”

Ottawa County homeowners will first see their new tax assessment amounts in late February via mailed assessment change notices. The new property tax amounts will be due for the first time in July.

The taxable value of homes is generally valued at half of their market value. For example, a home valued at \$200,000 would have a taxable value of \$100,000. Property taxes vary by local municipality based on millage rates for schools, police and libraries among other things.

For residents living in Georgetown Township in the Jenison Public Schools district, the 2023 property taxes on the \$200,000 house are estimated to be around \$3,000. For a resident of the city of Holland in the Holland Public Schools district, the property taxes on a \$200,000 house will be around \$4,400.

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# Michigan needs statewide zoning reform to bring down housing costs

Governor’s plan to spend more than a billion dollars, \$140,000 per unit, won’t solve the problem

February 7, 2024



By [Jarrett Skorup](#)



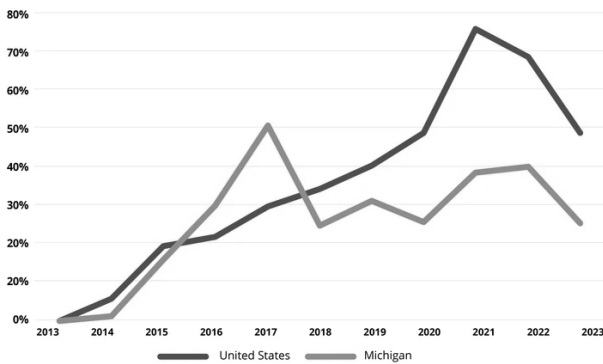
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Only the government would use taxpayer money to pretend to solve a problem rather than actually solving it at no financial cost. This is how Michigan makes housing law.

The state could use more housing. While Michigan’s overall population is stagnant, the number of actual households increased by 200,000 in the past decade. The Great Lakes State is also a popular tourist destination and place for people [to have second homes](#). The Michigan State Housing Development Authority says we need 190,000 more housing units just to “[curb a crisis](#).”

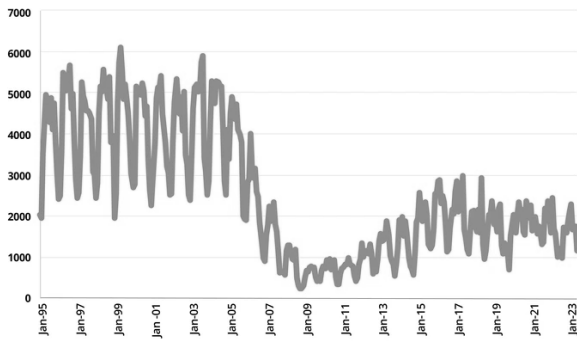
Michigan lags the rest of the country in issuing housing permits. The number of housing units permitted each year has declined since 2017. Overall housing permits are one-third to one-half of the number of permits pulled in the 1990s and early 2000s.

Housing Unit Permit Growth from 2013



Source: Census Bureau

Michigan Housing Permits



Source: Census Bureau

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In her State of the State address, Gov. Whitmer proposed a plan to spend \$1.4 billion on 10,000 units. “The rent is too damn high, and we don’t have enough damn housing,” Whitmer said. “Our response will be simple: build, baby, build!”

The governor has the right idea but not the right plan. There is a lot the state can do to encourage more development and lower the costs of housing. Changing the rules to build matters more than how many more subsidies the state offers.

Similar plans to give subsidies to select developers and non-profits for limited and specific types of builds have not worked. Corporate welfare simply cannot create enough housing to meet the actual demand. Instead of spending an astounding \$140,000 per unit, state lawmakers should simply allow builders to build.

How? By eliminating or curtailing barriers to housing, usually in the form of local zoning codes. These include where and what people can build, minimum housing sizes, parking spots, requirements that houses look similar to one another, setback limits and more.

Metro Detroit has some of the strictest zoning laws in the country. Tourist destinations across Michigan also severely limit where people can build, the types of housing they can build and how residents can use their own property. Some of this is beginning to change – Traverse City and Ann Arbor have begun loosening up their zoning codes – but it is not enough.

State lawmakers need to get involved. Unless codes are directly related to public safety (like traffic rules), these regulations should be reviewed. In blue states, like California, and red states, like Montana, state lawmakers have limited the number and types of regulations municipal governments can place on housing providers.

These solutions work. Rent and home prices have begun to come down in the United States. Why? “The influx of record-high new multi-family homes exerted downward price pressure on median asking rents [in 2023],” according to a recent report from Rent.com.

It is simple supply and demand. Michigan’s housing needs have not been met by a corresponding increase in supply because of government restrictions. State lawmakers should prevent onerous local regulations that are blocking people from developing their own property as they see fit.

# Implementing inventive housing solutions to attract new residents

SARAH SPOHN | WEDNESDAY, FEBRUARY 7, 2024



Kaleigh Middelkoop

Part of Wabash's charm lies in its historical homes.



Wabash is on a mission to address its declining population. Located just 45 miles southwest of Fort Wayne, the county is taking a collaborative, innovative approach. Part of that approach is finding solutions to address housing needs in their communities.

Together with The Community Foundation of Wabash County, Grow Wabash County, The Wabash County Commissioners, and the cities and towns of Wabash, North Manchester, Lagro, Roann, and LaFontaine, Imagine One 85 is a comprehensive plan to implement plans that help combat reversing population decline.

Alex Downard is the director of Imagine One 85, which aims to shift Wabash County's four consecutive decades of population decline.

"We're focused on making Wabash County the best place to live, raise a family, work, and play," Downard says. "My work is on the implementation of those recommendations out of the Imagine One 85 plan."

Imagine One 85 constructed a county-wide branding and marketing initiative with a detailed plan to help drive people to Wabash County. They partnered with Visit Wabash County and launched a LiveIN Wabash County website which shares personal stories and real-life perspectives of residents, burgeoning business owners, and growing families who live in the area.

Wabash Mayor Scott Long says the campaign aims to help turn those population numbers around.

"We're trying to drive the population increase, and this is one facet of doing that," Mayor Long says. "The LiveIN Wabash County campaign is one aspect of that, and there's a focus on how to capture people from surrounding areas to come and live here."

The website features many different tabs and pages that showcase local amenities like world-class theater and performing arts, outdoor adventures and trails, housing options across different neighborhoods and community comparisons, trusted realtors, employment opportunities, education and childcare options, retirement life, and other helpful information.



**A Wabash resident walks down Market Street.**

The site also includes a link to a local ambassador page, which invites potential new residents to connect with current folks who are living, working, and playing in Wabash. They can share their perspectives, give tips on local go-to spots, and might even become neighbors down the line. While marketing campaigns can be flashy and enticing, sometimes it's best to hear it directly from the locals.



**Wabash residents walks down Market Street.**

“You can reach out directly to these Wabash County residents to ask them questions about why they live here, and what it’s like to live here,” Downard says. “I’ve always said that what makes Wabash County different is that we’ve got a lot of really good people. A few of those residents and community leaders have volunteered to be ambassadors. There’s no pressure – we’re not forcing a meeting or a connection. We trust those individuals will be honest and give their fair reasons for why they chose to live here or answer any questions that potential residents or movers may have. We’re a traditional small town in terms of we will wrap around somebody when they get there and really welcome them to this community.”



There's also a form that potential new residents can fill out, detailing information about where they currently live, what kinds of needs they'll have regarding childcare, employment, retirement activities, housing preferences like rentals versus home ownership, and more.

"It's a process that will follow as we look at actively taking a stance to recruiting residents here, as opposed to passively hoping that the word gets out and people move here. We're taking an active marketing campaign and driving people to find Wabash County and visit. Christine at Visit Wabash County always says 'it starts with a visit.' We hope we can convert that visit to a permanent move and a resident into our community."



**Shopping in Wabash**

Mayor Long says he has witnessed a recent shift in what attracts visitors and potential new residents to a community.

"For years, economic development used to be that you create jobs and people are attracted. Now people are attracted to communities, your quality of place, quality of life, and all the

amenities you can offer are more attractive to companies that want to locate within your community. It's kind of done a 180 on the thinking. To create quality of life, quality of place, and quality housing, that's what's going to attract people to the community." Item 8 A

With such a strong community, it prompts one to ask why the population is declining. The answer is rather grim— it's not due to folks moving out, but rather, aging out Downard says.

"Our death rate is almost double what our birth rate is every year," he says. "The one thing that has shifted in the last two years is our net migration rate, the people that moved in and out of the county. We were up 185 in 2021, and in 2022, we were up an additional 190 people. We're doing a great job of attracting people here, and when they come, they stay here."



**Wabash is home to a number of historic homes.**

Part of the charm of Wabash's community is the amount of local historic homes. With the rising cost of construction materials, many folks aren't selling their homes– they're staying

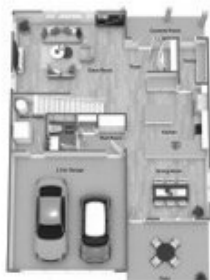
“That’s where we have to get creative with different programs and housing initiatives,” Downard says. “We aren’t seeing as many people selling their homes today, just because of how the market has been. We’re working on a few different innovative housing types, a few different townhome projects, and a single-family shared greenspace development at the old Parkview Hospital site, called Legacy Heights Development.”

## LEGACY HEIGHTS Wabash, IN

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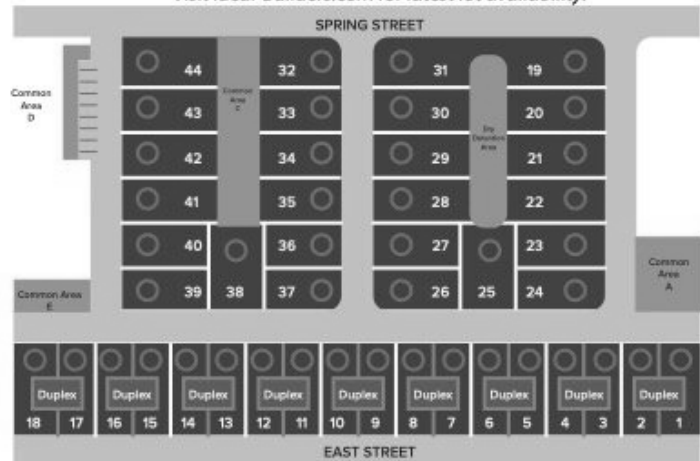
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### Legacy Heights flyer

Part of these ‘creative solutions’ include a few recent small-scale developments and training to encourage more. Wabash has already broken ground on the Legacy Heights site, which will feature 44 units, the first of which will be constructed this year.

The organization also launched a groundbreaking small-scale developer training program to help empower individuals to bring their visions and dreams of a community to fruition. The program provides those new to real estate development, current and seasoned small-scale

developers an area to collaborate and cultivate a successful ecosystem of development. By crafting connections between bankers, contractors, architects, and local government, participants can receive the groundwork for creating transformative projects in the community. Item 8 A

“We’ve created 11 training sessions geared around small-scale real estate development, everything from design to construction, picking and marketing projects, all around revitalization and development opportunities,” Downard says. “The second pillar of the program is project-based coaching. If somebody has a house they’re looking to flip, or want to purchase a downtown building, the coaches can help bring that vision to fruition. The third piece is for small-scale developers that don’t have the financial resources or need additional investment, so they can have the opportunity to package that project and shape out the details, to be able to pitch it to local people to invest in their project.”

Downard says the project aims to help train local people to help solve local problems in real estate, help them invest locally where they live, and create a sense of ownership. The program is in partnership with Builders Mart, which is holding the billing cost of materials for developers until completion. This helps alleviate financial burdens until the unit sells.

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#### **A home for sale in Wabash.**

“It’s a unique partnership and a commitment from Builders Mart that we’re so thankful for,” Downard says. “They’ve bought into what we’re trying to do here and they’re willing to support that, and help hold some of that carrying cost that sometimes hinders development.”

Mayor Long says the solution requires a combination of many different moving parts and specific housing style preferences.

“Empty nesters are looking to downsize their family homes, and have less maintenance,” he says. “We’re looking at some potential townhomes they can move into, where they wouldn’t have a yard to mow. That in turn, opens up those family homes for the younger generation to come in and purchase at a lower price point than a brand new home. We’re looking at everything: single-family, duplexes, and multi-family, market-rate apartments also.”

Mayor Long says he hopes to market Wabash as a community that’s welcoming to new residents like young professionals, while also caring for current residents, and those starting families and ‘putting down roots’ – helping with both the attraction and retaining of the

*Wabash is the focus of our Partner City series underwritten by Visit Wabash County. This series will capture the story of talent, creativity, investment, innovation, and emerging assets shaping the future of Wabash County, about an hour Southwest of Fort Wayne.*

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*Read more articles by Sarah Spohn.*

*Sarah Spohn is a Michigan native, but every day finds a new interesting person, place, or thing in towns all over the Midwest. She received her degrees in journalism and professional communications and provides coverage for various publications locally, regionally, and nationally – writing stories on small businesses, arts and culture, nonprofits, and community.*

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## REAL-ESTATE

# Large-scale project at Shops at Westshore back on the table with big changes

**Austin Metz**

Holland Sentinel

Published 4:05 a.m. ET Feb. 9, 2024 | Updated 4:05 a.m. ET Feb. 9, 2024

HOLLAND TWP. — A proposed development that would continue the evolution of The Shops at Westshore was back in front of the Holland Township Planning Commission this week for the first time since 2021.

Representatives for the mall have re-submitted a Preliminary Planned Unit Development Application for a project known as “Westshore Legacy” (previously known as The Commons at Westshore) to create a walkable, mixed-use residential community with recreational and natural amenities. The application was originally approved in February 2021.

**More:** Holland Township will lease rec center space for \$100 per year

"This has truly been a long-term vision, one where they have focused on getting it right, finding the right partners, being patient, but also putting the money where the investment makes the most value and the most sense for the community as a whole," said Har Ye Kan of HYK Consulting.

Since 2021, much has changed at the 56.43-acre property, including the transformation of the former JC Penney into the GRCC Lakeshore Campus and the announcement of the Holland Charter Township Community Center, which will fill the former Younkers.

In light of those changes, representatives have refined their plans for the property.

## Here are six things to know:

1. The presented concept has three commercial outlots, including two potential drive-thrus with US-31 visibility. One could potentially hold a coffee shop.
2. There's been a significant reduction in proposed residential units from 266 to 186. The change means fewer apartments and more townhomes, a move meant to diversify housing in the township.

3. There are three phases proposed, but they'll likely be developed concurrently. Phase one includes the three potential outlots; phase two includes 19 townhomes; and phase three includes three apartment buildings, 18 townhomes, five live/work units; and the development of an ecopark and community green space.
4. Residential units include studio spaces (640-660 square feet), one-bedroom (695-809 square feet), two-bedroom (830-967 square feet) and three-bedroom (1,225-1,320 square feet) spaces and townhouses ranging from 1,800 to 2,400 square feet.
5. The entire 56-acre project includes 1,535 parking spaces, including 280 residential spaces and 1,255 commercial spaces.
6. This week's meeting was the preliminary phase of the PUD, said Corey Broersma, community development director for Holland Township. The commission can evaluate the concept to see if it's suitable as a PUD and provide direction to the applicant.

Representatives said there are additional components that could become part of the project in the future, including senior living and much needed daycare services. Those conversations are happening behind the scenes.

Planning commissioners were largely in favor of the project, though there were some questions on parking and walkability.

"If you think about what this place looked like 10 years ago, what it looks like today and what it's going to look like 10 years in the future, it's amazing," said Commissioner Doug Becker. "I think it's a great turn around and a textbook case of community redevelopment."

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There's no current timetable for when developers could break ground on the project. Representatives said any move toward construction will be dictated by the market.

— *Contact reporter Austin Metz at [ametz@hollandsentinel.com](mailto:ametz@hollandsentinel.com).*



# How a church's vision is supporting affordable housing in Spring Lake

SHANDRA MARTINEZ | MONDAY, FEBRUARY 12, 2024



Rev. Dan Anderson standing in front of Spring Lake Presbyterian Church.



When Spring Lake Presbyterian Church decided to sell a parcel of vacant land, it was looking for an opportunity to make a difference in the neighborhood and the community by addressing the shortage of affordable housing.

“We were trying to find that developer that had this shared mission with us,” said the Rev. Dan Anderson, who has been with the church at 760 E. Savidge St. in Spring Lake for nearly 31 years. “We didn't want to sell it to someone who would put something in here that wouldn't meet the needs of the larger community.”

The church found the perfect developer in Samaritas, a non-profit committed to building affordable housing across Michigan.



**A groundbreaking for Samaritas of Spring Lake took place on Feb. 8.**

Samaritas of Spring Lake is a 53-unit affordable housing rental project at 734 E. Savidge St. in Spring Lake Township that will go up on two acres. It will sit next to the church's playground.

The pastor says his church will invite the future residents to use the playground area, where a pavilion is located. It's an outdoor gathering spot for the church.

"We have live bands, and we open it up to other organizations in the larger community coming and using our property," said Anderson. "We just try to be good neighbors."

### **'Great opportunity'**

Ottawa County Commissioner Roger Bergman, who took part in the Samaritas groundbreaking on Feb. 8, is a supporter of the project, which is in his district.

"The use of this piece of property in this way is a really great opportunity not just for the community it will serve, but the community at large," Bergman says.



Roger Bergman

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A portion of Ottawa County's \$57 million in American Recovery Plan funds will be used for

the project, he says.

The \$16 million development will serve people whose income is between 30% and 80% of the area median income, which translates to annual incomes between \$24,000 and \$64,000, explains Joel R. Lautenbach, executive director of affordable living development for Samaritas.



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#### Joel Lautenbach

“So that’s really the people who are working in the local stores, the librarian, the teacher, people that are just like me who struggle to find affordable options for housing,” Lautenbach says.

Most of the apartments will be one bedroom with high-quality finishes. The project’s construction partner is Pinnacle Construction Group, which is the architect, contractor and a minority owner of the project, along with Manistee-based Little River Development LLC, the real estate development arm of the Little River Band of Ottawa Indians.

“Our construction partner does really good work,” Lautenbach says. “We just completed another project together in downtown Muskegon. This is our third project, so we’re confident in its quality, and people really have a positive response.”

#### **Ideal location**

The location in a waterfront community known for its high quality of life couldn’t be better, he adds.

“Spring Lake is beautiful,” says Lautenbach. “You’ve got the water, a walkable downtown, the amenities, the things that people need in life. When the Michigan state housing agency looks at projects, they want to find places that offer these things. So as a developer of housing, we are always looking for places that offer that mix of amenities, those quality-of-life elements.”



A rendering of the Samaritas in Spring Lake project.

Samaritas is using the Low Income Housing Tax Credit Program to finance the development that will take more than a year to construct.

“There's a lot of communities throughout the state like Spring Lake and small areas throughout the state where housing is needed, as well as the very rural areas of the state,” says Chad Benson, director of development at the Michigan State Housing Development Authority. The state agency has worked with Samaritas on several affordable housing projects throughout the state.

“It's great to have partners because these are complicated developments,” Benson says. Samaritas does a good job of bringing it all together to create a good, affordable housing product that serves the communities that it's located in. Samaritas is very mission-focused. In a lot of ways, their mission is aligned with our mission to create affordable housing for the residents who really need it.”

*Photos by Shandra Martinez*

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# How Ryan Kilpatrick and Housing Next are changing the paradigm about affordable housing

SHANDRA MARTINEZ | THURSDAY, FEBRUARY 15, 2024



Ryan Kilpatrick

Tommy Allen



Housing Next has evolved, growing from an Ottawa County-based organization to one that includes Grand Rapids and the rest of Kent County. The board that represents the multicounty regional organization also includes a representative from IFF, a Chicago-based nonprofit that provides funding to address housing needs.

The new structure has been key to not only expanding the geographic footprint but expanding the staff. Brooke Oosterman is the executive director and Jennifer Radaz is the community relations manager. The organization's first employee and the face of the organization, Ryan Kilpatrick, now is working behind the scenes as a consultant.

As executive director, Oosterman represents the organization in the community, while Kilpatrick is in the background figuring out financing strategies and legislative tools.

Kilpatrick's new role reflects the growing demand for strategies first championed by Housing Next, which began in 2018 as a pilot project funded by Ottawa County's two biggest foundations to address the affordable housing crisis. Across Ottawa and Kent Counties, two out of five renters need housing that is priced below the median.

Housing Next, which is made up of local public, private and nonprofit representatives, now is trying to send the message that there is a different way to promote affordable housing.

"We basically just did the math and said there's not enough subsidy out there," says Kilpatrick. "To finance all the affordable housing we need a paradigm shift. It's fundamentally a system change. We've got to be thinking about how we build and regulate housing in a way that makes it affordable."

### **Subsidies not enough**

Kilpatrick blames the affordable housing crisis on 75 years of housing policies and infrastructure subsidies that favored large single-family homes on large lots.

"It's sort of an ideology that everybody should be homeowners and we should all have our own sense of open space, which were great ideals," he says. "But infrastructure has gotten more expensive. The cost of construction has gotten more expensive. And our local codes continue to require these really expensive buildings on expensive lots served by expensive infrastructure. And then we wonder why isn't housing affordable anymore?"



**Joshua Spencer, strategic impact director for Kent County, and Ryan Kilpatrick, executive director of Housing Next.**

“Frankly, it's because we don't let it be affordable. We don't allow folks in the market to build something small on a small piece of property or build something attached on a small piece of property.”

The community doesn't have the resources to just subsidize its way out of the problem, Kilpatrick says.

“It wasn't possible to say hey, we're just going to solve our housing problem by providing a subsidy and keep building the way we've always been building,” he says. “We realized that we're not going to get bailed out by the federal government. The state isn't suddenly going to create this huge tax-incentive program that solves for all of our housing needs. We have to solve this from the ground up.”

### **Taking message to other communities**

Kilpatrick continues his work for Ottawa and Kent Counties through his firm, Flywheel Companies. His shift to full-time consultant was driven by demand from other communities



that wanted assistance in using new ways to address their affordable housing shortage. Item 8 A

Initially, he consulted with the other communities under an agreement with Housing Next with revenue going to the nonprofit. But over time, Kilpatrick had enough clients that it became clear that there was an entire business model that he could work on. He now is working with communities across the state to replicate the model he developed in Ottawa County, tailoring it to each area.

Kilpatrick began his career as a consultant to municipalities before being hired by the city of Douglas, where he worked for five years, until 2014, as director of community and economic development.

“That was such a good experience for me because I got to understand municipal finance. I got to understand local politics and I got a clearer sense of seasonal tourism’s impact on both the local economy and housing,” says Kilpatrick.

He watched Douglas change from Saugatuck’s sleepy sister town to its own resort destination, driving up home prices dramatically.

“When I first started working there, you could still find homes for less than \$100,000. By the time I moved on in 2014, there was really nothing under a quarter million, and those were really old. Now, you can’t get into that market under \$400,000,” says Kilpatrick.

The experience helped him understand the issues driving scarcity in housing and the challenges facing elected leaders caught between a community’s long-term objectives versus constituents who don’t like the impact a project might have on them personally.

“Having that education in municipal government gave me a perspective that it doesn't matter if we've got all of the data. We have to be able to talk about this in a way that makes sense to the average neighbor, who doesn't have time to read the whole agenda packet and listen to the two-hour presentation from the engineers. We've got to be able to distill this in a way that it makes sense and show there are viable, sustainable solutions for the long term.”

## **Fresh approaches**

He found that many municipalities were open to new ideas, especially if they could learn from a project in another community and not have to reinvent the wheel.

“If somebody's already done it, can you bring us some resources?” he says of the feedback

he received from the communities. "Help us understand how this works. Talk to our city commission or town council, make sure that they understand how it works and they're supportive. Give us the space and the time and the energy to really digest all of this and then select the tools and the programs that actually will work for us in our community."

One of the challenges with denser projects is that some people believe these areas can develop into pockets of high crime, requiring more resources. This is mostly a myth, but when higher density neighborhoods are exclusively reserved for low-income households and when these neighborhoods are designed in isolation from the rest of the community, those myths can become reality, Kilpatrick explains.

"When we create concentrated pockets of poverty, and then isolate those pockets of poverty from the kind of traditional daily amenities of the community, there are going to be pain points and conflicts," Kilpatrick says.

"We need those folks in our community because they're essential workers. They're working in retail stores and restaurants. They're cleaning buildings and taking care of elderly. We've got to make sure that they have opportunities to live in the same neighborhoods that the rest of us do, but understand that the homes that are affordable to that income segment aren't going to look exactly like the homes that are affordable to somebody who's working in a C suite."

The challenge, he says, is helping community officials understand that because new construction is expensive, new housing can be affordable only with some level of support and innovation, whether through tax incentives, grants, or other ways to offset that cost.

Older residences often become naturally occurring affordable housing, as long as the community has enough housing overall.

"Our message to communities is you need to be able to do both," he says. "You need to be able to have enough housing in your community that you actually get some naturally occurring affordable housing from the older stock, and you've got to be able to prioritize subsidies or tax incentives for some new construction because there's probably not going to be enough naturally occurring affordable housing over the next decade to serve all of the folks who need it."

By following that paired approach over the next 10 to 15 years, Kilpatrick says, communities can increase housing supply and diversity enough to create a market equilibrium.

In the past five years, Housing Next has had a direct hand in creating about 6,500 units. In [Item 8 A](#) addition, it has:

- Created a large public investment in a revolving loan fund with partner IFF providing matching dollars. Now, \$80 million of dedicated investment will be recycled in Kent and Ottawa counties year over year for the next 20 to 30 years.
- Laid the groundwork for housing innovation by getting communities ready for different types of development.
- Worked with the Housing Michigan Coalition to pass legislation that expanded brownfield tax increment financing for housing, made neighborhood enterprise zones eligible in all communities, not just urban cores, and created new residential facilities tax exemptions.

“You don't have to use every one (of these tools),” says Kilpatrick. “You can think creatively about how you want to use these in your local community. But now we have resources available to help solve problems that we didn't have a year ago.”

***Photos by Tommy Allen.***

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NATIONAL

# The hottest trend in U.S. cities? Changing zoning rules to allow more housing

FEBRUARY 17, 2024 · 6:00 AM ET

HEARD ON WEEKEND EDITION SATURDAY



Laurel Wamsley

**4-Minute Listen**

PLAYLIST

Transcript



A view of the Kingfield neighborhood from the roof of the Sundial Building, a new 12-unit apartment building in Minneapolis.

*Tim Evans for NPR*

America is facing a housing crisis.

The U.S. is short millions of housing units. Half of renters are paying more than a third of their salary in housing costs, and for those looking to buy, scant few homes on the market are affordable for a typical household.

To ramp up supply, cities are taking a fresh look at their zoning rules that spell out what can be built where and what can't. And many are finding that their old rules are too rigid, making it too hard and too expensive to build

many new homes.

So these cities, as well as some states, are undertaking a process called zoning reform. They're crafting new rules that do things like allow multifamily homes in more neighborhoods, encourage more density near transit and streamline permitting processes for those trying to build.

One city has been at the forefront of these conversations: Minneapolis.

That's because Minneapolis was ahead of the pack as it made a series of changes to its zoning rules in recent years: allowing more density downtown and along transit corridors, getting rid of parking requirements, permitting construction of accessory dwelling units (ADUs), which are secondary dwellings on the same lot.

And one change in particular made national news: The city ended single-family zoning, allowing two- and three-unit homes to be built in every neighborhood.



## ENVIRONMENT

### Why Sprawl Could Be The Next Big Climate Change Battle

Researchers at The Pew Charitable Trusts examined the effects of the changes between 2017 and 2022, as many of the city's most significant zoning reforms came into effect.

They found what they call a "blueprint for housing affordability."



The brick facade of the Sundial Building.  
*Tim Evans for NPR*

"We saw Minneapolis add 12% to its housing stock in just that five-year period, far more than other cities," Alex Horowitz, director of housing policy initiatives at Pew, told NPR.

The researchers also examined what kind of housing was built. They found that for all the hubbub about duplexes and triplexes in former single-family-only areas, very few have been built. One reason is that they still had to

be the same size as a single-family home, making them less feasible to build.

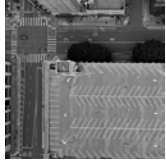
Instead, the vast majority of new housing was in midsize apartment buildings with 20 or more units.

"The zoning reforms made apartments feasible. They made them less expensive to build. And they were saying yes when builders submitted applications to build apartment buildings. So they got a lot of new housing in a short period of time," says Horowitz.

That supply increase appears to have helped keep rents down too. Rents in Minneapolis rose just 1% during this time, while they increased 14% in the rest of Minnesota.

Horowitz says cities such as Minneapolis, Houston and Tysons, Va., have built a lot of housing in the last few years and, accordingly, have seen rents stabilize while wages continue to rise, in contrast with much of the country.

In Houston, policymakers reduced minimum lot sizes from 5,000 square feet to 1,400. That spurred a town house boom that helped increase the housing stock enough to slow rent growth in the city, Horowitz says.



## NATIONAL

### From Austin to Anchorage, U.S. cities opt to ditch their off-street parking minimums

#### Allowing more housing, creating more options

Now, these sorts of changes are happening in cities and towns around the country. Researchers at the University of California, Berkeley built a zoning reform tracker and identified zoning reform efforts in more than 100 municipal jurisdictions in the U.S. in recent years.

Milwaukee, New York City and Columbus, Ohio, are all undertaking reform of their codes. Smaller cities are winning accolades for their zoning changes too, including Walla Walla, Wash., and South Bend, Indiana.

Zoning reform looks different in every city, according to each one's own history and housing stock. But the messaging that city leaders use to build support for these changes often has certain terms in common: "gentle density," building "missing middle" housing and creating more choices.

Sara Moran, 33, moved from Houston to Minneapolis a few months ago, where she lives in a new 12-unit apartment building called the Sundial Building, in the Kingfield neighborhood. The building is brick, three stories and super energy efficient — and until just a few years ago, it couldn't be built. For one thing, there's no off-street parking.



"It was exactly what I was looking for," Moran says of her 450-square-foot space, on a cold but sunny day in January. "I specifically wanted a smaller apartment because it takes less time to maintain. You can spend more time traveling because you're not paying as much for a big apartment, and then it's a little

Sara Moran sold her condo in Houston and moved to Minneapolis. Her new apartment is next to a bakery and close to bike paths.

Tim Evans for NPR

easier to live in whatever neighborhood you like."

Now, she rides her e-bike out her patio door, and there's a bus stop on the corner and a bakery next door. "There's just so much I can

do in terms of walking to things, biking to things," Moran says, adding that she hasn't biked in sub-10-degree temperatures just yet. "I think I might use that bus if it stays under 10 degrees long."

The Sundial is the sort of building many cities want more of: housing that offers options for people at different income levels and different stages in their lives, in neighborhoods that already have amenities like restaurants and transit routes.



NATIONAL

**The U.S. needs more affordable housing — where to put it is a bigger battle**

Meg McMahan, planning director for the city of Minneapolis, says the Sundial is a good example of how these reforms can make more housing units possible in more places.

It's no accident that throwing out the parking rules was vital to the Sundial's construction. "The elimination of parking requirements has been the most effective regulatory reform we have made," McMahan says.

### **"We're really dealing with outdated and inequitable regulations"**

Cities' zoning rules often stand in the way of building much new housing.

A 2019 analysis by *The New York Times* looked at 11 U.S. cities and suburbs and found that in most of them, 75% or more of the residential land is zoned to allow only detached, single-family homes. No rowhouses, no apartments. In Connecticut, researchers found that three-unit homes are permitted by right on just 2.5% of the state's land and that nine towns allow only single-family housing.

"We're really dealing with outdated and inequitable regulations that in too many places really have choked housing supply," says Angela Brooks, president of the American Planning Association, which has made zoning reform one of its top priorities.

Zoning regulations can be exclusionary in several ways, says Nolan Gray, an urban planner and the author of the book *Arbitrary Lines: How Zoning Broke the American City and How to Fix It*.

"If you look at the origins of policies like single-family zoning, they were fairly explicitly designed to segregate cities both on the basis of socioeconomic status and then, of course, race," he says. "The ability to determine what type of housing can be built where is the ability to determine who gets to live where. And so if you say, well, 'You're only allowed to live here if you can afford a detached single-family home on a 7,500-square-foot lot,' you're excluding a lot of people."



The Sundial is located between neighborhood houses and a larger mixed-use building along Nicollet Avenue.

*Tim Evans for NPR*



## RACE

### A 'Forgotten History' Of How The U.S. Government Segregated America

Gray is also research director at California YIMBY, a group that advocates for more housing. He's glad to see several cities in the Midwest and the South take on reform efforts like those underway in California, before *their* housing prices skyrocket.

"Most American cities and most American states have rules on the books that make it really, really hard to build more infill housing," he says. "So if you want a California-style housing crisis, don't do anything. But if you want to avoid the fate of states like California, learn some of the lessons of what we've been doing over the last few years and allow for more of that infill, mixed-income housing."

California is among those taking on zoning reform at the state level, in recent years passing lots of legislation to address the state's housing crisis, including a



law that requires cities and counties to permit accessory dwelling units. Now, construction of ADUs is booming, with more than 28,000 of the units permitted in California in 2022.

Some zoning reform efforts have hit roadblocks, however. Changes to allow denser housing in Montana and Austin, Texas, have been blocked by judges after lawsuits from homeowners. And in Minneapolis, part of the comprehensive plan that put an end to single-family zoning is on hold after a judge ordered an environmental impact review. The city is appealing the decision and asking the state legislature to change the law.

Some states are making it harder to bring legal challenges to these reforms on the basis of environmental impact reviews, says Vicki Been, faculty director at the NYU Furman Center for Real Estate and Urban Policy.

"You're seeing states — California, Oregon, Washington — saying you can't challenge an environmental impact review on the basis of traffic congestion, which is just a very difficult analysis to do," says Been.

And the national housing picture is starting to change. At least half a million apartments were completed last year, and nearly 1.7 million housing units are currently under construction. Rents are starting to level off.

### **"Mountains of minutiae that matter"**

Jim Kumon and his wife, Faith, are the developers who built the Sundial Building where Moran lives. The Kumons live in the building now, too, with their children.

Kumon also happens to be a zoning connoisseur and has consulted with cities including neighboring St. Paul, which passed a major overhaul of its zoning code in October. He says St. Paul learned some things by watching the implementation in Minneapolis, especially when it comes to 1-to-6-unit buildings.



Jim Kumon, co-owner of the Sundial Building, also lives there with his family.

For instance, he says, on a lot that already has a single-family home on it, it's far easier to put a duplex in the backyard than to build a new triplex where the house is standing. So if you want to encourage more lots with three units, the code should allow different formats.

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## ECONOMY

### Rent costs are leveling off and even dropping around the U.S.

Kumon says that whenever the legal challenge is resolved, Minneapolis will be able to learn from the other cities that have followed its lead. And while zoning can be a weedy topic, it's a vitally important one, says Kumon.

"There are so many things we talk about that don't actually move that meter" to produce housing in the U.S., he says. "This is one of those thankless mountains of minutiae that matter. This really matters."

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LOCAL

# Sales prices for Ottawa County homes fell in November

USA TODAY Network

Published 3:09 a.m. ET Feb. 20, 2024 | Updated 3:09 a.m. ET Feb. 20, 2024

OTTAWA COUNTY — Newly released data for November shows potential buyers and sellers in Ottawa County saw houses sell for lower than the previous month's median sales price of \$337,250.

The median home sold for \$315,000, an analysis of data from Realtor.com shows. That means November, the most recent month for which figures are available, was down 6.6% from October.

Compared to \$305,000 in November 2022, the median home sales price was up 3.3%.

Realtor.com sources sales data from real estate deeds, resulting in a few months' delay in up-to-date data. The statistics don't include homes currently listed for sale, and aren't directly comparable to listings data.

Information on your local housing market, along with other useful community data, is available at [data.hollandsentinel.com](https://data.hollandsentinel.com).

Looking only at single-family homes, the \$335,000 median selling price in Ottawa County was down 4.3% in November from \$350,000 the month prior. Since November 2022, the sales price of single-family homes was up 11.7% from a median of \$300,000.

One single-family home sold for \$1 million or more during the month, compared to six recorded transactions of at least \$1 million in November 2022.

Condominiums and townhomes decreased by 6.3% in sales price in November to a median of \$267,000 from \$285,000 in October. Compared to November 2022, the sales price of condominiums and townhomes was down 17.9% from \$325,000. Three condominiums or townhomes sold for \$1 million or more during the month, compared to one recorded transaction of at least \$1 million in November 2022.

The number of recorded sales in Ottawa County dropped by 22.3% since November 2022, from 314 to 244. All residential home sales totaled \$89.5 million.

In Michigan, homes sold at a median of \$221,733 in November, up 0.8% from \$220,000 in October. There were 9,500 recorded sales across the state, down 15.6% from 11,261 recorded sales in November 2022.

The total value of recorded residential home sales in Michigan increased by 6.2% from \$3.1 billion in October to \$3.2 billion in November.

Of all residential home sales in Michigan, 1.78% of homes sold for at least \$1 million in November, up from 1.14% in November 2022.

Sales prices of single-family homes across Michigan decreased by 0.6% from a median of \$215,000 in October to \$213,691 in November. Since November 2022, the sales price of single-family homes across the state was up 12.5% from \$190,000.

Across the state, the sales price of condominiums and townhomes rose 7.7% from a median of \$260,000 in October to \$280,000 in November. The median sales price of condominiums and townhomes is up 0.7% from the median of \$278,156 in November 2022.

The median home sales price used in this report represents the midway point of all the houses or units listed over the given period of time. The median offers a more accurate view of what's happening in a market than the average sales price, which would mean taking the sum of all sales prices and dividing by the number of homes sold. The average can be skewed by one particularly high or low sale.

*The USA TODAY Network is publishing localized versions of this story on its news sites across the country, generated with data from Realtor.com. Please leave any feedback or corrections for this story here. This story was written by Ozge Terzioglu.*



Courtesy Housing Next

# What's next for housing in Kent and Ottawa counties

SARAH SPOHN | TUESDAY, FEBRUARY 20, 2024

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*This article is part of the Block by Block series, supported by FHLBank Indianapolis, IFF, and the Community Economic Development Association (CEDAM).*



**Nontraditional developers are looking at bringing solutions to the missing middle.**

Located in Kent County, Grand Rapids is growing faster than the rest of the state in terms of population growth. Kent County has grown five times faster than the state since 2010. Even though the state's population is expected to decline over the next five years, the City of Grand Rapids and Kent County are poised to do the opposite. Grand Rapids is a suitable, attractive, diverse community that many people want to stay in and even move to. That sounds like a good problem, right? Well, not when the area is experiencing housing shortages.

According to a new Housing Next study, there is currently a housing gap with nearly 35,000 units needed by 2027. That's almost a 59% increase since 2020. Although this

number includes units at all price points, lower- and middle-income residents account for over half of those looking to buy homes and rent units.

Housing Next, a regional partnership in West Michigan, focuses on issues surrounding housing supply. Partnering with local government, developers, and nonprofits, the organization believes in a holistic approach to housing. They aim to remove barriers and create housing at all price points.



Chris Uhl

Chris Uhl is the executive director of the Eastern region for IFF, which began in 1988 as a loan fund to lend money to nonprofits to help develop real estate. This community development financial institution (CDFI) has invested more than \$1.4 billion in nonprofits like Housing Next through community-centered lending throughout the Midwest. IFF serves 10 states in the Midwest, including two offices in Michigan, one in Detroit, and one in Grand Rapids.

“Since our inception, we’ve always been lending into the affordable housing space. It’s been about a third of our business over the years,” Uhl says.

“With Kent and Ottawa County, we were asked to be the investee for some affordable housing revolving loan funds. With Ottawa County, they put \$10 million of their ARPA funds invested in IFF to create a revolving loan fund for the residents. In Kent County, they did the same with \$17.5 million.”

Uhl says that for every dollar of public investment, IFF raises an additional two dollars from bank partners, foundations, and other sources. Within Kent and Ottawa counties, he says a better part of \$100 million is available for financing affordable housing.

“We’ve developed quite a diverse pipeline working with Ryan Kilpatrick and Housing Next,” Uhl says. “The first project that we closed in Kent County was with Dwelling Place in Grand Rapids, with 42 units of for-sale affordable housing using Community Land Trust. We also closed on a deal in Spring Lake [in Ottawa County] with Samaritas, who’s doing 52 units of affordable rental housing.”



**Joshua Spencer, strategic impact director for Kent County, and Ryan Kilpatrick, executive director of Housing Next.**

## **Workforce housing the priority**

The majority of this development pipeline lies in rental units for the workforce housing category, for people getting started in their career but not necessarily looking for a house just yet. Uhl says the IFF work in Grand Rapids focuses a lot on apartments for young professionals and their families. This is just one piece of the puzzle when it comes to addressing housing needs. The solution requires much collaboration and teamwork among municipalities, developers, community residents, and officials.

“Housing Next has been on the ground for a couple of years, working on everything from zoning to educating officials and helping to establish the pipeline,” Uhl says. “Having a group like that help coordinate those efforts, first and foremost, is huge. Having certain municipalities that recognize the need for this housing who are proactively trying to find solutions to attract more of it, like in Grand Rapids and



Holland, is crucial. We're seeing an abundance of projects in those places, and we're seeing some other places start to come along, like Wyoming and Kentwood." Item 8 A

One of the things Uhl is most excited about is the nontraditional developers who are looking at bringing solutions to the missing middle. These solutions for affordable housing specifically target households in the 60% to 120% area median income range.

"We're doing a number of bridge loans out of this fund for missing-middle funds that come into projects," Uhl says. "It's really cool to see that these tools not only have been created, but they're being utilized by the developers to make more of these projects happen."



**Joshua Spencer**

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## **Kent County initiatives**

Joshua Spencer, strategic impact director for Kent County, works on special projects

to improve and implement initiatives in the county. The county also partnered with Housing Next and IFF. Item 8 A

The Housing Next study specifically shows that Kent County has a 20,593-unit shortage, and the median sale prices of homes increased by 75.8% since 2016. Spencer says the county is short on housing units at every income level, but this especially impacts those in the affordable housing bracket.

“We know we have to remove barriers for development of additional housing units,” he says. “Just over a year ago, as part of its allocation of ARPA funding, the Kent County Commission allocated \$17.5 million to launch a new loan fund that would provide low-cost loan capital for affordable housing developments. We were fortunate to find IFF as a partner, who matched that, to get us up to just over \$50 million in a loan fund that will incentivize affordable housing.”

Although it’s a great step, Spencer says this is just one part of the county’s comprehensive strategy. They’re also voting on a county-wide Brownfield Redevelopment Authority. This would allow for affordable housing development as an eligible use of tax funds captured through the established Brownfield Development Authority.

“That gets to reducing the net costs of development, so we can cover the gaps in development, allowing the developer to then sell that unit at a more reasonable rental rate to get more affordable units into the market,” Spencer says. “That’s another thing we’re excited about rolling out to all of our communities in Kent County.”



**Dwelling Place Community Land Trust development in Grand Rapids.**

In working with partners including Housing Kent and Heart of West Michigan United Way, Kent County hopes to work towards both short-term and long-term goals when it comes to housing. This includes providing services to those experiencing homelessness and being able to have steady employment to maintain their homes.

“We’ve been working with our partners and know that the county alone can’t do this,” Spencer says. “We have a role to play in that, and we’re identifying where we plug in, making sure our resources are in conjunction with our partners to address this in a more holistic way with a broader strategy.”

With their experience as one of the larger CDFIs in the country and the state, Spencer says working with IFF has been a great match.

“Affordable housing is their specialty, that experience and their match to our funding to grow the impact of the county is very attractive to us,” he says. “They’ve really

plugged in to the whole network and were just a natural partner for us to go with.” Item 8 A

Spencer hopes to see more projects like Dwelling Place pop up and has a goal of 10% of the projects to be for-sale units. He estimates the County will surpass that goal, with the help of loan funds and other resources.

“This will be a priority for Kent County for some time,” Spencer says. “I don’t think we’ll look a year from now and see that all the solutions are in place. We’re looking at how to partner with our local communities to help them meet their housing goals. As we look at the County holistically, this is something we’ll keep working with our partners on to address this long term.”

**Sarah Spohn is a Lansing native, but every day finds a new, interesting person, place, or thing in towns all over Michigan, leaving her truly smitten with the mitten. She received her degrees in journalism and professional communications and provides coverage for various publications locally, regionally, and nationally — writing stories on small businesses, arts and culture, dining, community, and anything Michigan-made. You can find her in a record shop, a local concert, or eating one too many desserts at a bakery. If by chance, she’s not at any of those places, you can contact her at sarahspohn.news@gmail.com.**

**Photos by Tommy Allen.**

**Chris Uhl photo courtesy IFF. Home rendering courtesy Housing Next.**

*This article is part of the Block by Block series, supported by FHLBank Indianapolis, IFF, and the Community Economic Development Association (CEDAM). Block by Block follows small-scale minority-driven development and affordable housing issues in the state of Michigan.*

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GRAND RAPIDS

# Developer interest in turning vacant property into affordable housing grows in Grand Rapids

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The downtown skyline of Grand Rapids, Michigan on Thursday, July 6 2023. (Joel Bissell | MLive.com) Joel Bissell | MLive.com



GRAND RAPIDS, MI – Grand Rapids’ relatively new policy to prioritize the redevelopment of vacant property into affordable housing is working, and developer interest in participating is growing, city officials say.

Last week, city commissioners signed off on the tentative sale of two vacant properties to be developed into new, single-family homes for buyers below the area median income.

That greenlight adds to three other vacant property developments also given tentative approval, and there’s just over a dozen more vacant properties in the city that staff are currently reviewing housing development applications for.

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“Given that we have (15) applications that we’re reviewing, I think there is increasing interest in this and increasing awareness of this, and so I’m hopeful that a number of those can move forward,” said Jono Klooster, interim economic development director for the city of Grand Rapids.

In 2022, the Grand Rapids City Commission adopted a new policy that prioritizes the sale of vacant property owned by Michigan’s State Land Bank first to qualified nonprofit housing developers for affordable housing projects in the property’s first six months on the market.

Then, between six months to a year, the properties are available to any developer but must be made into an affordable housing development.

After a year, the properties are available for sale to anyone, with projects being prioritized in the order of those that forward the goals of affordable housing, homeownership, local ownership and then emerging developers.

For nonprofit developers looking to construct affordable homes on the vacant properties, the city so far has sold the lots for \$5,000 each. And the city works with the developers to help subsidize the builds using federal funds.

Since the policy’s adoption, one vacant home has been rehabilitated and sold at market rate and four affordable homes are under construction on vacant properties.

“I think the policy is effective in that we’re getting the outcomes that we want,” said Klooster. “(Four) new homes are being constructed, and they will be made available for home ownership for households owning 80% area median income or below and that is, as defined in the policy, that’s our top priority.

“That’s the ultimate outcome that we’d like to see most often.”

According to the Michigan State Housing Development Authority, 80% area median income in the Grand Rapids area is \$53,040 a year for a household of one, \$60,640 for two, \$68,240 for three and \$75,760 for four.

But city leaders also recognize that Grand Rapids doesn't need just more affordable homes; it also needs more housing at all price points. According to a 2023 study, Grand Rapids needs roughly 13,880 more housing units by 2027 to meet projected population growth.

**RELATED:** Grand Rapids, Kent County need 34,699 new housing units by 2027. Can it be done?

That's why the policy outlines pathways for those looking to increase homeownership and turn vacant property into more housing, even if it's a house that's sold at market rate and without income restriction.

"The home that was renovated and sold (under the policy), it was a property that was blighted and it's now a very nice newly renovated property and it was sold at a market rate," Klooster said. "There are households in the community that need that product as well and can afford that product and that was an opportunity to provide that.

"If we had instead only required affordable housing, then that property probably would still be sitting there unoccupied, but instead we have a household living there now, which is a positive outcome, and we need more of that."

The policy also requires developers to have their building plans and financing finalized before the city greenlights the sale of the vacant property, reducing the chance that a property continues to sit vacant and not activated into more housing.

"We didn't want to sell property until a project was ready to be built, so the fact that we have not sold a property that is still sitting there waiting means that the program is working the way it's supposed to," Klooster said.

"When we sell a property, we expect a project to start very quickly and have all sorts of security that that's going to happen, and it appears that we set that up effectively."

Including the five properties currently under option for sale, the city has 62 vacant properties held by Michigan's State Land Bank. Four of those properties have existing homes on them that need rehabilitation.

Eighteen of the properties are currently not available for sale, as staff are waiting for possible zoning reform being considered by the city commission in the coming months that would allow for duplexes to be constructed on them.

The city is also looking to use the properties to provide opportunities for new developers interested in breaking into the field.

One of the biggest challenges that remains is the current cost of home construction, which Klooster said can sometimes be more than the home's appraised value.

He said city staff are currently working to identify more funding and financial resources to negate this, and that allowing for more density may also be part of the solution.

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