

Agenda
Ottawa County Housing Commission
West Olive Administration Building – Conference Room G
12220 Fillmore Street, West Olive, MI 49460
Thursday, April 11, 2024, 10:00 am



1. Call to Order
2. Establish Quorum
3. Approval of the Agenda for the April 11, 2024 Meeting
4. Approval of the [Minutes](#) from the March 7, 2024 Meeting
5. Old Business
 - A. Housing Next's Educational Workshop Preview
 - B. RLF Implementation Update (Standing Agenda Item)
6. New Business
 - A. [MicroHomes Neighborhood Concept Development](#)
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: May 2, 2024 (10:00 a.m.)
9. Adjournment

UNOFFICIAL MINUTES

OTTAWA COUNTY HOUSING COMMISSION

DATE: March 7, 2024

PLACE: Ottawa County Fillmore Complex, Conference Room F

PRESENT: Holly Cole, Pat Harmon, Jared Schuitema

ABSENT: John Gibbs, Klynt Marcusse

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

PUBLIC: Virginia Beard, Ryan Kilpatrick (virtual), Tom Reinsma, Chris Uhl, *and other attendees that did not sign-in*

CALL TO ORDER

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

APPROVAL OF AGENDA AND MINUTES

HC 24-08 Cole moved to approve the Agenda for March 7, 2024. The motion passed.
UNANIMOUS

HC 24-09 Cole moved to approve the Minutes from January 4, 2024. The motion passed.
UNANIMOUS

OLD BUSINESS

Ryan Kilpatrick (Housing Next) and Chris Uhl (IFF) presented to the Commission an update on the Revolving Loan Fund (RLF) implementation. Staff will coordinate with Kilpatrick and the Housing Commission to preview/attend an upcoming Housing Next educational workshop for area leaders and developers on the RLF. The Commission asked Kilpatrick to include active hyperlinks in the written status update that was included in the meeting packet prior to sharing this information with the local units of government. Kilpatrick agreed and stated that the document is meant to be interactive.

Vice President Schuitema asked Secretary Vanden Heuvel to obtain signatures on the Conflict of Interest Policy from the Commissioners following today's meeting.

NEW BUSINESS

Vice President Schuitema asked Harmon and Sachs to provide some insight into promoting rezoning to the local municipalities to allow for smaller home sizes. Harmon and Sachs informed the Commission why allowing smaller home sizes would be beneficial to both young adults and retirees not needing a large home.

PUBLIC COMMENTS

None

UNOFFICIAL MINUTESOTHER BUSINESS/DISCUSSION ITEMS

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

Vice President Schuitema stated that the next Housing Commission meeting is scheduled for Thursday, April 4, 2024 at 10:00 am. The Commission discussed rescheduling the April meeting and determined that the April Housing Commission meeting will now be held on Thursday, April 11, 2024 at 10:00 am.

ADJOURNMENT

HC 24-10 Schuitema moved to adjourn the meeting at 11:14 a.m. The motion passed.

UNANIMOUS

THE OTTAWA COUNTY HOUSING COMMISSION'S MICROHOME DEVELOPMENT CONCEPT

Built by citizens, not tax dollars



The Project:

A personalized housing pilot, launched in Ottawa County, will increase the supply of 'starter' homes that are missing from the existing housing ecosystem. Helping residents build equity through homeownership is the strategy needed to help everyone flourish.

SIZED FOR YOU. SIZED FOR LIFE. SIZED FOR PRICE.

Subsidy-free housing **under**

\$180,000

(initial target price point)

The standard American home is 2,800 sq ft on average. At 1,000 sq ft or less, these smaller homes could be the solution to affordability and practicality.

The Innovation: Personalized housing communities, with intentionally small building footprints, built by private citizens, local businesses, & nonprofits – supported by local government policies, rather than tax dollars.

- The OCHC will facilitate this project by connecting with local officials to **overcome zoning and policy barriers** that bring up the cost and minimum size requirements for housing.
- The OCHC will also **build support from residents, businesses and other stakeholders** to invest in local, sustainable workforce housing.
- **Homes in the \$100k-\$180k range will be available** in the housing ecosystem, again, for first time home buyers wanting to remain a part of the community and elderly residents looking to age in place.
- Providing a supply of **this type of housing could solve half or more of the housing need** in Ottawa County.

IS THIS A TYPE OF HOME YOU WANT TO LIVE IN?

IF YES, LET US KNOW!

VISIT: MIOTTAWA.ORG/OCHC

The Strategy: The OCHC is diligently preparing a formal strategy to launch the microhomes concept. One of the first steps is to garner support of residents who are interested in this type of development.

Let us know at the link above!

(SITE NOT ACTIVE UNTIL MAY 2024)



Finding Solutions for Older Adults to Age in Grace

By considering the needs of a burgeoning senior population, planners can promote creative and community-focused housing options.



Bridge Meadows, an intergenerational community in North Portland, Oregon, is a cohousing community offering affordable housing for older adults. To bring together the residents, a 6,200-square-foot courtyard acts as the backyard for approximately 75 children, parents, and elders who call it home. Image courtesy of Bridge Meadows.

Feb. 29, 2024

By PATRICK SISSON

When today's older adults think about how to spend their golden years, the picture they paint is more active and energetic than previous generations. Building new housing to accommodate these more engaged, community-focused older adults often requires forethought and energy on the part of builders.

Examples of this new take on senior living can be found across America — from Oregon to Illinois. And in Loveland, Colorado, efforts are underway to build a pocket neighborhood called [Kallimos Communities](#), envisioned as a small, walkable, multigenerational village. It's currently clouded by knotty regulations, overlapping agency involvement, and planning challenges. After more than a year of proposals and negotiation, the project is making progress — but construction hasn't started.

"It's outside the box, and we don't fit inside the box, so we're working with a lot of entities to create a new box," says Megan Marama, chief operating officer of Kallimos. The company plans to submit a final plan

More of these types of projects need to break ground — and fast.

A severe shortage of affordable and accessible housing for America's oldest adults, exacerbated by the same kinds of zoning and building code challenges hampering overall housing supply, is getting worse as the nation's senior population rapidly expands. Urban planners will need to use creative solutions and new approaches to planning and zoning to prioritize the creation of new, age-friendly housing in communities.

"Frankly, planners and many others have been able to get by for years by not necessarily focusing on aging needs, because there has been a relatively small percentage of older adults in the overall population," says [Rodney Harrell](#), vice president of family, home, and community for [AARP's Public Policy Institute](#). "That's going to change when well over 20 percent of the population will soon be over 65."

The coming crash of the 'silver tsunami'

The nation's overall housing supply already faces a severe shortage and challenges, according to the report [America's Rental Housing 2024](#) by Harvard University's Joint Center for Housing Studies (JCHS), as the number of renter households spending more than 30 percent of their income on rent and utilities has reached a new high of 22.4 million, while the median age of renters is now 44.

There's a significant shortage of affordable, accessible, and age-friendly housing for the nation's senior population, which is set to rapidly expand in a demographic shift being called the "silver tsunami." The number of Americans aged 65 and older in the U.S. has soared by over 34 percent in the last decade, while the country's housing supply hasn't kept pace.

The problem will only be exacerbated, says Jennifer Molinsky, a former planner and current project director of the Housing an Aging Society Program at JCHS. As the overall senior population increases in average age, there likely will be more householders aged 80 and up, and older renters will continue to see higher monthly housing payments and stagnant incomes — a dire forecast.

Rodney Harrell, vice president of family, home, and community for [AARP's Public Policy Institute](#), talks about accessory dwelling units (ADUs) and other options for affordable age-friendly housing.

In its 2023 [Housing America's Older Adults report](#), JCHS declared that there was an "enormous unmet need," and found 11.2 million older adults are housing-cost burdened. JCHS found that there are now more cost-burdened renters, across all generations, than has ever been measured in modern U.S. history. These housing challenges make financial stresses, medical challenges, loneliness, and mental health issues worse. Meanwhile, [an AARP study on senior homelessness](#) found 1 in 5 Americans over 55 lacked a permanent place to live — underscoring the need to close the senior housing gap and create rental options.

Traditional senior housing plays a role in solving this shortfall, but expanding housing options and retrofitting existing housing is needed, too — particularly in the suburbs and exurbs, Molinsky says.

"There's a misconception that the main way to think about housing for older adults is senior living facilities," says Harrell. "We need to have affordable options throughout the housing stock and in all our communities for people of all ages, including older adults."

Planners that see this silver tsunami can plan for it. [AARP research](#) found 9 out of 10 Americans over 65 want to stay in their communities as long as possible, so focusing on increasing density, walkability, and car-free transit options in existing communities are important. Harrell underscores the value of accessory dwelling units (ADUs) to provide seniors with more housing options or to provide rental income for people who want to stay in their homes. Additionally, planners and cities can incentivize builders to focus on age-friendly, age-in-place features, including more accessible design, as a tradeoff for density bonuses.

One agency that has hit the ground running is the planning department in Loveland, Colorado, the proposed home of Kallimos. Planners have actively encouraged clusters of small, cottage-type homes by creating a new lot type in a recent code update. Urban cottage lots are meant to allow developments in spaces smaller than the current 3,500-square-foot standard lot and are tailor-made for these concepts. They've also altered standard wide roads to include wider sidewalks, narrow lanes, and more visible pedestrian crosswalks to make the development more walkable for seniors.

Projects proving housing is health

These are changes that, like so many planning best practices, benefit residents of all demographics. And while Loveland City Planner Kerri Burchett, AICP, says the Colorado community has been focused on tackling the affordability issue — Loveland's median home price is \$518,500 — she has found that solving problems for seniors can create a domino effect.

By incentivizing and allowing owners to split land into smaller lots, older homeowners can sell parts of their property and age in place. Density bonuses create more opportunities for affordable senior rentals, which can entice older residents to move out of their multiple-bedroom, single-family homes, getting those units back into the market for younger families. The urban cottage lot concept will hopefully catalyze new, more affordable projects that achieve townhome density, but maintain individual yards.

The need is clear. "We have a 4,000-household waitlist for affordable housing in Loveland, which has a population of 80,000," says Burchett. "And a third of [those are] senior or older adult households."



Gardening in communal garden boxes is a favorite activity for residents of Bridge Meadows Beaverton in Oregon, where they grow everything from sunflowers to tomatoes. Image courtesy of Bridge Meadows.

Accessible older adult housing becomes more effective when projects go beyond housing, Molinsky says. She advocates for solutions that lean toward common spaces, shared meals, and service coordinators — a step before assisted living that invests in and realizes the health benefits of community engagement.

This has been a rallying cry for intergenerational developments across the nation, which deliberately pair older and younger populations. Bridge Meadows in Oregon has developed four facilities that house seniors along with foster children and their foster parents. The arrangement gives elders emotional and social support, helping them live with more "meaning and purpose," says Derenda Schubert, the nonprofit's executive director.

Previous Bridge Meadows multifamily developments, where the organization functioned as a codeveloper, ran up against zoning regulations that required additional approvals and conditional use permits, which raised development costs and hampered affordability. Schubert advocates for more zoning flexibility.

Size matters too. Schubert likes capping these developments below 50 units to create smaller, more deliberate communities. That can be challenging because many incentive programs for affordable housing target and support larger projects. Changing these formulas would allow developers to target smaller plots of land and do more infill projects, integrating their projects within denser urban areas.

"I would love to see housing agencies put aside some money for these creative ideas that have long-term effects," she says. "We are a long-term investment. Elders stay happy and healthy here. They don't pass away at a hospital or nursing home. They live out their lives here, reducing costs on other systems. Planners think about housing — but housing is health."

In Chicago, the city has helped pioneer a series of colocation projects, which pair new or rehabbed public library branches with affordable housing development. Local builder Evergreen Real Estate Group has been involved in a pair of these projects that place senior housing above libraries, cutting costs on both projects and creating de facto senior centers and gathering spaces between the stacks.



Independence Branch Library and Apartments, a six-story, mixed-use development built in 2019 in Chicago's Irving Park neighborhood, features 44 units of affordable rental housing for older adults above a public library. Image courtesy of [John Ronan Architects](#).

Evergreen Director of Development David Block extolled the virtue of allowing different kinds of nonretail tenants on the ground floor of such developments, noting that regulations tend to mandate retail tenants on the ground floor. By making it possible for the Chicago Housing Authority and Chicago Public Library to collaborate, these facilities not only foster community cohesion but also connect residents to existing urban amenities, including transportation networks. The developer is now exploring another such project in Denver.

Location can be crucial

A key advantage of these new forms of senior housing is proximity. Building amid existing neighborhoods and public infrastructure allows for overlapping services and cheaper, quicker access to community, retail, medical services, and support. Matthias Hollwich, founder of HWKN Architecture and author of the book *New Aging*, believes office-to-senior housing conversions offer extensive benefits in dense neighborhoods across New York City and elsewhere. The architect is currently developing a concept called FLX Live, with aims to set up projects in Chicago and Toronto.

An impediment to launching these projects, from a planning perspective, comes from zoning rigidity. Many cities strictly separate residential and commercial use, especially in office districts. Allowing more mixed-use development makes these types of conversions — which become more and more feasible as [office vacancies hit a national record](#) — faster and more affordable.

If planners begin with older adults in mind — inserting them into conversations by centering them in building codes, zoning rules, transportation plans, and community engagement — they can encourage an evolution toward age-friendly communities.

Small steps, like altering park planning to include more benches and restrooms, or bigger changes, like zoning reform that encourages dense neighborhoods, can help everyone — not just seniors. Looking at planning through an intergenerational lens, says Schubert, can unlock new solutions for long-standing challenges.

"We've got to break outside of our normal, day-to-day, this-is-the-only-way-it-works approach," says Marama. "Small tweaks make significant differences."

Patrick Sisson, a Los Angeles–based writer and reporter focused on the tech, trends, and policies that shape cities, is a *Planning* contributing writer.

Millions in state funding to prepare blighted schools, other properties for housing

Rachel Watson - March 5, 2024



The Muskegon County Land Bank received \$1.4 million to rehabilitate the 94-year-old former Froebel School in Muskegon that Samaritas plans to convert into housing. Credit: Muskegon County Land Bank Authority

County land banks across West and Southwest Michigan plan to use millions of dollars in recent state funding to prepare blighted properties for redevelopment, including former schools that could be converted into housing.

The Michigan Department of Labor and Economic Opportunity (LEO) last month awarded more than \$30 million in grants from the State Land Bank Authority to 13 counties and the city of Detroit to rehabilitate blighted properties. Nearly half of the funds are supporting housing-related projects.

This was the fourth and final round of grants in the state- and federally-funded Blight Elimination Program, which LEO designed to help “disproportionately impacted communities” prepare vacant properties for redevelopment.

Keep up with all things West Michigan business. Sign up for our free newsletters today.

Land banks in Muskegon, Manistee, Calhoun and Van Buren counties were among the latest grant recipients.

“Given the need in (our) county and statewide, we want to make sure that we’re addressing (residential properties), especially given the age of our housing in Muskegon,” said Tim Burgess,



The program has so far injected more than \$100 million into projects across the state, according to LEO data.

The first two rounds committed state budget funding to the effort between fall 2022 and summer 2023. Rounds three and four, awarded in September 2023 then in February, were funded with American Rescue Plan Act dollars that must be committed by the end of 2024 and spent by 2026.

Eligible activities for the funding include demolition or stabilization of publicly or privately owned structures, as well as environmental remediation or rehabilitation.

Though the grant program guidelines do not require the funds be spent on housing-related projects, according to the state, about \$14 million is being used for that purpose in round four.

Susan Corbin, director of LEO and chair of the State Land Bank board of directors, said in a statement that the funding represents “the culmination of a historic contribution to land banking and blight elimination that will make a real difference” in revitalizing communities.



This industrial building at 1367 W. Sherman Blvd. in Roosevelt Park will be demolished with help from a \$440,000 blight elimination grant to make way for future development. Credit: Muskegon County Land Bank Authority

Muskegon County efforts

The Muskegon County Land Bank Authority holds about 327 properties countywide that it typically acquired through foreclosure, and many of the properties are blighted, Burgess said.

The land bank was awarded about \$1.83 million across two grants in round four of the Blight Elimination Program, in addition to \$200,000 from round one and \$2.5 million from round three.

Burgess said the funds from round one were dedicated mostly to demolition and stabilization for a couple of land bank properties in the county, while round three will be spent “almost

exclusively” on rehabilitation of residential properties, primarily in the cities of Muskegon and Muskegon Heights, to get those land bank-owned parcels back onto the market.

The rehab process will include lead and asbestos remediation as well as steps to improve the energy efficiency of the homes, he said.

“We don’t want to put lipstick on a pig,” he said. “We want to make sure these homes are generationally safe.”

For round four, the Muskegon County Land Bank is serving as the conduit for funds that will go toward two projects not led by the land bank.

The first is \$1.4 million toward the rehabilitation of the 94-year-old Froebel School at 417 Jackson Ave. in Muskegon into 46 low-income apartments by Samaritas, a project the nonprofit developer proposed last summer. The Muskegon City Commission approved the sale of the school, which has been vacant for 20 years, to Samaritas for \$1,000 last October, pending receipt of Low-Income Housing Tax Credits that have not yet been awarded.

“Froebel is a neat project because it’s got so many cool old architectural features to it, it’s an old Spanish-mission style school, and we’re hoping that can be preserved as best as it can,” Burgess said.

The second grant from round four is \$440,000 that will go toward demolishing a 60,000-square-foot former factory and warehouse at 1367 W. Sherman Blvd. that’s owned by the city of Roosevelt Park. The industrial facility sits on 7 acres at Sherman and Glenside boulevards. Burgess said that’s a large chunk of unused land for the 1-square-mile municipality.

The property went up for sale last year, and the city issued a request for proposals to develop it, but was stymied by the cost of demolishing the building. Burgess said now that the cost of taking down the building is covered, it puts all options on the table, whether for housing, commercial or mixed-use.



Kevin Schaeffer, founder of Clover Real Estate Investments LLC, will stabilize this long-vacant commercial building he owns at 141 Washington St. in downtown Manistee. He plans to put 15 apartments in the building, pending further state funding. Credit: Google Street View

Up the coast

The Manistee County Land Bank Authority has now received a little more than \$3 million in blight program funding, including about \$1.85 million in the most recent round.

The county land bank holds relatively few properties but is able to pass the funding on to private property owners for their blight elimination projects, said county treasurer and land bank authority board chair Rachel Nelson.

The latest funding round will support two projects in Manistee County.

Property owner Josh Compeau will demolish an old storage building at 518 First St. in Manistee's central business district to build housing. Kevin Schaeffer, founder of Clover Real Estate Investments LLC, will stabilize a long-vacant commercial building he owns at 141 Washington St., north of the Manistee River. Pending receipt of state tax incentives, Schaeffer plans to convert 141 Washington into a mixed-use project with 15 apartments, according to media reports last fall.



State blight grant funds will pay for demolition of the former Kennedy School at 610 E. Parkdale Ave. in Manistee Township, which closed in 2011. Credit: Manistee County Land Bank Authority

Meanwhile, a previous funding round will pay for demolition of the former Kennedy School, located at 610 E. Parkdale Ave. in Manistee Township, which closed in 2011. East Lansing-based RT Group III LLC plans about 280 market-rate apartments at the old school, Nelson said.

“That’s a super exciting project,” she said. “They would have done the project, but it would have impacted those rent costs in the long run. Being able to fund something like this, and take that cost right off the top, just helps keep that rent down and helps with more affordable housing in our community.”

Round two grants also will support demolition of the former Disabled American Veterans building at 305 First St. in Manistee.



This residential property in Battle Creek was stabilized with previous state funding and will be rehabilitated with blight grant funding announced last month. Credit: Calhoun County Land Bank Authority

Southwest Michigan

The land banks in Van Buren County, which borders Kalamazoo County to the west, and Calhoun County, which abuts it to the east, also received grant funding through the Blight Elimination Program.

For Calhoun County, where Ford Motor Co. is planning an electric vehicle battery plant in Marshall that's expected to add 1,700 jobs, local officials say the funding will provide crucial predevelopment support for several projects that could add housing.

Calhoun County received three separate grants totaling nearly \$3 million in round four, which comes on top of \$2.7 million awarded in previous funding rounds.

Krista Trout-Edwards, executive director of the Calhoun County Land Bank Authority, told *Crain's Grand Rapids Business* that the grants will fund six rehabilitation projects, primarily single-family homes and one duplex, as well as three stabilization projects for mixed-use properties in Battle Creek and Albion. The remaining dollars will be used for demolition and preparing properties for future development in Albion, Battle Creek and the village of Tekonsha. Those three municipalities are all within a 20-minute commute of the planned Marshall battery plant.

Trout-Edwards added that all of the projects, which could total a couple dozen housing units between single-family, duplex and mixed-use multifamily projects, will be targeted to residents making 80% to 120% of the area median income for Calhoun County. That was \$61,040 to \$91,560 for a four-person household in 2023, according to the U.S. Department of Housing and Urban Development.



The former Austin School in Albion, which has been vacant since 1979, will be stabilized with a blight grant. Credit: Calhoun County Land Bank Authority

The largest number of units could be built at the former Austin School in Albion, which has been vacant since 1979 and will be stabilized with a blight grant. Trout-Edwards said the building could potentially contain at least 15 residential units.

The Calhoun County Land Bank owns about 700 properties, “pretty much all” of which are blighted, Trout-Edwards said. That number is nearly half what it was in recent years, as the county has gradually sold off the land to developers, and fewer properties are entering the land bank because of fewer foreclosures.

The Van Buren County Land Bank Authority, which was technically founded in 2010 but didn’t set up its board and begin acquiring properties until 2020, currently holds only two properties.

The land bank received roughly \$750,000 across the first three funding rounds and \$3 million in round four.



A recent grant will help restore the former Decatur High School at 312 School St., also known as the Edgar Bergen building, into a mixed-use project. Credit: Van Buren County Land Bank Authority

Funding in the initial two rounds went to demolishing privately owned single-family residences that were “too far gone” to save, said Van Buren County land bank board chairperson Trisha Nesbitt.

The round four grant will help restore the former Decatur High School at 312 School St., also known as the Edgar Bergen building, into a mixed-use project. The property is owned by the village of Decatur.

“In the Grand Rapids area, there are so many older factories or schools that have been turned into offices, condos, etc., and that’s kind of what we’re looking to do here, to get it essentially white-boxed and development-ready so somebody can come in and see the potential,” Nesbitt said of the school.

The village of Decatur already is eyeing the building for its administrative offices, and Van Buren County Senior Services has expressed interest in locating an office or senior center there, she said. The land bank would like to see the rest turned into housing.

The Van Buren County Land Bank is still assembling a proposal for how the round three dollars could be used, which is due at the end of March.

Nesbitt said the top contender right now is rehabilitating the land-bank owned building at 5 W. Main St. in Hartford to prepare it for potential housing redevelopment. The structure formerly contained second-floor apartments but has been at risk since a structure next to it unexpectedly collapsed, causing damage to its neighbor. The county allocated American Rescue Plan Act funding to stabilize it, and the blight funds would be used for additional renovations.

More from Crain’s Grand Rapids Business:

Michigan



Priya Karkare

Recent Michigan housing legislation incentivizes more housing developments

SARAH SPOHN | TUESDAY, MARCH 12, 2024

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



A Lakeshore Habitat for Humanity development underway near Holland.

Recent legislation has paved the way for more affordable housing to be created in Michigan. As part of the Make it in Michigan Strategy, Senate Bills 129, 130, 131, and 132 have unlocked tools to develop more affordable housing projects through Brownfield Redevelopment Fund and Tax Increment Financing (TIF).

According to a Michigan Economic Development Corporation (MEDC) press release, the bills allow tax revenues captured through local brownfield development authorities to fund affordable housing costs with the approval of the Michigan State Housing Development Authority (MSHDA), making it easier and more affordable to build affordable housing in Michigan.

The Community Economic Development Association of Michigan (CEDAM) is a nonprofit made up of nonprofit affordable housing developers, Main Street organizations, community developers and foundations, local government, and

partnering organizations. One of CEDAM's efforts is focused on delivering community-building programs for populations with low-to-moderate incomes.



Sandy Pearson

Sandy Pearson, real estate program manager at CEDAM, says historically, brownfield sites and vacant properties were cleaned up and put back into production for more industrial sites within cities. Now, the TIF tool has been expanded to include the production of housing.

“It’s an investment by the community to develop affordable housing,” Pearson says. “For example, like with projects for Habitat for Humanity, it might cost \$200,000 to develop a house, but if the family can only afford a mortgage of \$150,000, you can fill that \$50,000 gap using TIF.”

Many brownfield sites include vacated blighted properties within the city footprint, which can be rehabilitated or demolished to create space for new construction. Pearson says residential neighborhoods are where it really makes a difference in community development. Specifically, many developments focus solely on workforce housing.

The legislation gives developers and communities more tools and incentive to invest in affordable housing projects. MSHDA executive director Amy Hovey says the new TIF tool is a game-changer.

“It’s a flexible tool that can be used to help fund rental, for-sale, single-family, multifamily, new construction, and rehabilitation opportunities for those up to 120% of area median income,” Hovey says in a MEDC press release. “Having an adequate supply of housing in this range is critical for attracting and retaining talent and helping more people reach their full potential in Michigan.”

Michigan Community Capital invests in communities

Marilyn Chrumka is the vice president of development of Michigan Community Capital (MCC). MCC believes in putting people first when investing in communities. Acting as a partner and facilitator in transformational projects across the state, the independent nonprofit 501(c)(3) has invested \$1.2 billion in total capital, created or

rehabbed 3.9 million commercial square feet, and created more than 1,500 housing units. MCC has received more than \$380 million in Federal New Markets Tax Credit allocations as well as funds from MEDC, MSHDA, and local bank partners.

By lending and investing in projects alongside developers, community associations and local nonprofit groups, MCC aims to create wealth-building opportunities for Michigan's underserved families with low-to-moderate incomes.



Marilyn Chrumka

Chrumka works with the organization's mission-driven real estate projects across the state and does everything a developer does, including looking for properties, deciding what to build, hiring architects and contractors, obtaining funding, and getting local approvals.

Over the past five years, MCC has done eight projects, including projects in Cadillac, Ludington, Mount Pleasant, Lansing, and Grand Rapids. Construction on another starts this year in Grayling. Chrumka says every project, whether in a city or a rural community, has a financial gap. Although MCC is artificially holding down the rent rate for affordability, costs of building and development remain the same.

"We pay the same amount to build the building as a market rate developer, but we are not charging as much as we possibly can," Chrumka says. "We don't get a discount on our construction because we're providing a discount to our residents."

In recent years, that financial gap has only gotten bigger, as construction costs increase steadily in terms of cost per square foot. That, coupled with high interest rates, makes it harder to build these projects. And that's where TIF and the Transformational Brownfield Fund come into play.

TIF allows the future incremental taxes paid from new investment or development on a property to be captured or redirected to help in repaying or reimbursing costs for that development. Chrumka says TIF is commonly misunderstood.

"When you hear about tax increment financing, some think it's taking money out of the taxes of the community and giving it to the developer," Chrumka says. "It's not

Rendering of Sawmill Lofts in Grayling

Grayling a great example

The MCC has recently used the TIF and new eligibility for housing to help push along the development in Grayling. This is the first time the organization is using the tool since the legislation has been passed.

Initially, the Grayling Sawmill Lofts project was slated for 2021, but when estimates returned 30% higher than previously quoted, the project came to a halt. Now, with more funding and tools available, Sawmill Lofts is back on track.

In 2019, the space was identified by the City of Grayling as a priority redevelopment ready site through MEDC. The contaminated site with two single-story buildings was formerly used for a dry cleaners and auto mechanical maintenance. Through an Environment Great Lakes, and Energy (EGLE) grant, the site was studied and cleaned up. The proposal is to build a five-story mixed-use building with 4,000 square feet of commercial use and 40 apartments.

Chrumka is excited to see the project become a reality with construction starting fall 2024, pending all approvals are met. She’s also excited to see this legislation used for other properties that weren’t previously contaminated.

“Just creating housing is the qualification in itself, so it really opens up any site that the community would support housing on,” Chrumka says. “Previously, you had to qualify as blighted, contaminated, functionally obsolete, or historic. It allows for any community to access this tool. It really opens up the tools that all communities can use in the state.”

As the American dream of home ownership becomes more rare with prices going up and property availability going down, Chrumka hopes to further educate generations on the causes of the changing economics and its impacts.

“I think it’s hard for people to understand. A certain generation has a hard time

understanding why it's so expensive, and they didn't get any handouts when they were coming up," she says. "The way the economics and the pricing of construction has changed and increased so much — this American dream of getting a good job and being able to buy an affordable house is very scarce."

Lakeshore Habitat for Humanity development.

State Land Bank Authority perspective

Jim Tischler is the development director at the State Land Bank Authority, which was created in 2003. For the past 20 years, the State Land Bank Authority has had the opportunity to provide land parcels for affordable housing.

Jim Tischler

Before TIF, the State Land Bank assisted Lakeshore Habitat for Humanity in a housing development, Park Vista Place in Holland. In more recent years, the State Land Bank Authority has been working with nonprofit and for-profit developers in producing housing and is a pioneer in the housing TIF legislation.

Tischler says this new legislation provides the Land Bank community with further leverage to use or reuse land bank properties to produce attainable, affordable housing and mixed-income housing to benefit renters, owners, and communities.

"It actually provides that incentive to encourage development to happen on a property or multiple properties," he says. "It's also a facilitator of long-term public revenue for local units of government and school districts if they use it correctly."

Looking forward, Tischler hopes the state, its residents, and municipalities can fully understand the tools of project-based TIF so they can be better utilized in communities.

Tischler concludes, "This new tool is a tremendous opportunity for communities, households, and the state at large to benefit."

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.

**Masthead photo by Priya Karkare via Pexels/com.
Other photos courtesy subjects.**

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

Enjoy this story? Sign up for free solutions-based reporting in your inbox each week.

SPONSORED BY

REGIONS

- SECOND WAVE - MICHIGAN
- CAPITAL GAINS - LANSING
- CATALYST MIDLAND
- CONCENTRATE - ANN ARBOR/YPSI
- EPICENTER - MOUNT PLEASANT
- ROUTE BAY CITY
- RURAL INNOVATION EXCHANGE
- SOUTHWEST MICHIGAN
- UPWORD - UP
- THE KEEL - PORT HURON
- THE LAKESHORE
- METROMODE - METRO DETROIT

FOCUS AREAS

- ARTS AND CULTURE
- DIVERSITY
- ENTREPRENEURSHIP
- HEALTHY COMMUNITIES
- SUSTAINABILITY
- TRANSPORTATION

- COMMUNITY DEVELOPMENT
- ECONOMIC DEVELOPMENT
- EQUITY
- KIDS AND EDUCATION
- TECHNOLOGY AND INNOVATION

- ABOUT US
- CONTACT US
- HAVE A TIP?
- LINKS
- PRIVACY POLICY
- TERMS OF USE

COPYRIGHT © ISSUE MEDIA GROUP. ALL RIGHTS RESERVED.



Huron Vista and The Residences at Huron on W. Clark Rd. in Ypsilanti.

Doug Coombe

What does affordable housing mean in Washtenaw County?

BEN CONNOR BARRIE |
WEDNESDAY, MARCH 13, 2024

With several affordable housing developments on the way in our community, it's important to look at what this term can mean, barriers to housing affordability, and what's being done about it.





Doug Coombe

The Grove at Veridian near County Farm Park in Ann Arbor.



In any discussion of the several affordable housing developments on the horizon in Ann Arbor and Ypsilanti, someone invariably asks the question: "Affordable to whom?" This is not an unreasonable question, as the term "affordable housing" can mean many different things to different people. With several affordable housing developments on the way in our community, it's important to look at what this term can mean, barriers to housing affordability, and what's being done about it.

What is affordable housing?

The United States Department of Housing and Urban Development (HUD) defines "cost burden" as monthly housing costs that exceed 30% of the resident's take-home income. Many people use the inverse of this – housing that costs no more than 30% of the household's take-home income – to define affordable housing. This means that affordability depends on income.

"Affordable housing to someone that works at Wendy's or McDonald's is going to be very different than to someone that is a CEO of a corporation," says Arthur Thomas, a member of the Ann Arbor Renter's Commission and Ypsilanti resident. "That term, affordable housing, is a tricky phrase. ... You have to be more specific. Affordable to whom?"

Jennifer Hall, director of the Ann Arbor Housing Commission, says one emerging definition of affordability also includes travel costs. This school of thought holds that a household is cost-burdened if its members pay more than 45% of their gross income on housing and transportation combined.

"Ann Arbor is a good example of where that definition might come into play because when you've got a tight housing market, people tend to live farther and farther away," Hall says. "So it can make sense to add these two things together."

Huron Vista and The Residences at Huron on W. Clark Rd. in Ypsilanti.

What does affordability look like by these metrics in Washtenaw County? According to HUD, the 2022 median income in Washtenaw County was \$82,500 for a household of one and \$117,800 for a household of four. This translates to a maximum total monthly housing cost of \$2,063 for a household of one and \$2,945 for a household of four making median income. Factoring in the transportation affordability measure that Hall outlines, the monthly affordability limit rises to \$3,094 for a household of one or \$4,417 for a household of four.

However, median income varies dramatically across the county. According to the U.S. Census Bureau the median household income in Ann Arbor between 2018 and 2022 was \$78,546 (representing a housing affordability limit of \$1,964 per month) while the median household income in Ypsilanti during the same time period was \$41,914 (representing a housing affordability limit of \$1,048 per month). Median monthly rent during the same time period was \$1,472 in Ann Arbor and \$977 in Ypsilanti. While both cities' monthly rents are technically affordable for their residents, Ann Arbor incomes leave a much more comfortable buffer to cover rent in the city, and Ann Arbor rents are extremely unaffordable for those living on an average Ypsi income. When you incorporate transportation costs, especially given that many Ypsi residents work in Ann Arbor, Ypsi rents quickly become unaffordable as well.

How does someone who makes less than their area median income (AMI) find housing that doesn't create a cost burden? They might be lucky and find housing that costs less than the area median. Some refer to housing like this as "naturally occurring affordable housing" – housing that is, for whatever reason, less expensive than the area average. But for someone who makes 30% or even 60% of the AMI, finding housing that is not burdensome can be a challenge.

This is where another definition of affordability can come into play. Oftentimes when people talk about housing being affordable, they don't just mean that the housing costs its residents less than 30% of their gross household income. They specifically mean housing that is subsidized to be affordable to people who earn a specific percentage of the area median. According to HUD, 60% of the AMI is "low income," below 50% is "very low income," and 30% or less is "extremely low income." Rent is limited in subsidized housing so that it is affordable to someone who makes a specific

AM I. Subsidized housing is built through various means, including housing

commissions, organizations like Avalon Housing, and developers who include subsidized units in their projects.

The state of affordable housing in Washtenaw County

In 2015 Washtenaw County released the Housing Affordability and Economic Equity - Analysis. This report identified a need for Ann Arbor (and Pittsfield Township) to add 3,139 subsidized units by 2035. Since then, 249 affordable units have been added and 1,015 formerly affordable units have been lost. Countywide, there are just over 4,400 subsidized units, which make up about 8% of the total rental units. Almost 700 subsidized units are currently in development or construction and should open their doors in the next three years. You can see more on the county's Affordable Housing Dashboard.

The scarcity of housing in our community makes affordability a major challenge in the county's urban core, with many people struggling to afford housing and making tough decisions regarding basic needs.

"People with the highest income live wherever they can afford. It pushes up the prices and then the next-level people get what they can afford," Hall says. "So, inevitably, the lowest-income people are the ones that are priced out, have to move the farthest away, end up becoming homeless, or need some serious subsidy ... to enable them to live in the community that they work in. I think there needs to be a lot more housing choices for people of all incomes."

Housing scarcity decreases the amount of naturally occurring affordable housing and makes renting more precarious.

Site of the future development at 121 Catherine Street in Ann Arbor.

"Affordability is the biggest issue. People just can't afford to live in [Ann Arbor]. Some people are right now having to make tough decisions when it comes to what kind of food they're going to buy or their rent," says Zackariah Farah, chair of the Ann Arbor Renters Commission and a member of the Ann Arbor Tenants Union (AATU). "You can see the shortage not only in rent increases, but when you talk to tenants, they're having to apply at many, many more units before they get one. And as a result of that they are losing tons of money in application fees and other fees, which are generally unregulated."

Major Stevens, another member of AATU, shares a recent example in which a tenant was asked to pay nearly \$6,500 for a non-refundable "option contract" to secure an option to lease an apartment when it comes on the market.

"I've lived in Ann Arbor since I started undergrad in 2018, and the cost to rent and housing fees have dramatically increased," he says.

Beyond allowing dramatic rent increases and a parade of new fees, Thomas says housing scarcity also allows landlords to discriminate against potential tenants.

"There is always something more that needs to be done to keep people out [who] they want to keep out," he says. "[Landlords] find legal ways to discriminate against people they don't like. They find ways to keep people out based on their skin color or past history. They can add lots of hoops to jump through and there is no way to regulate this."

Is there hope on the horizon?

"Renting has gotten a little worse every year I've lived here, but there has been some recent progress," Stevens says.

Stevens refers to Ann Arbor adding two new tenant protections in recent years: a right to lease renewal and regulating how early landlords can ask tenants to renew their leases. There are also several subsidized housing developments coming to fruition in the near future. The Ann Arbor Housing Commission and Avalon Housing are currently partnering on developing 121 Catherine St. in Ann Arbor. The largest source of funding is the Low Income Housing Tax Credit, but still it can be challenging to find enough money, especially for supportive housing. Supportive housing targets more vulnerable populations and includes voluntary access to services ranging from health care to substance use disorder treatment.

Avalon Housing is working on three more projects in addition to 121 Catherine, says Scott Ellis, the organization's director of mission advancement. Avalon broke ground this fall on The Grove at Veridian near County Farm Park, which will create 50 new units, or 114 bedrooms, of affordable housing. The city of Ypsilanti recently approved an Avalon development at 206 Washington St., which will create 22 units of affordable housing. Ellis says Avalon is also in the process of securing the financing for another property on S. Maple Road in Ann Arbor, which will add 38 more units of affordable housing.

Elsewhere in Ypsilanti, the Huron Vista and The Residences at Huron developments at 845 and 945 W. Clark Rd. will bring 300 units of affordable housing to the community, including some units for seniors 55 and older, according to Ward 3 Ypsilanti City Councilmember Desiraé Simmons. Prior to her tenure on council, Simmons served on the community benefits ordinance committee that worked with the developer and city council to bring this project to fruition.

The Dorsey Estates site at 220 N. Park St. in Ypsilanti.

"This is really huge for the community in terms of the number of affordable units, and in terms of actually providing much-needed senior housing," Simmons says. "A lot of people don't want to leave Ypsilanti as they age and so we do need more housing for

This in turn, frees up housing elsewhere in the community for people looking to start a family.

Dorsey Estates is also currently under construction at 220 N. Park St. in Ypsilanti. This unique project will offer a subsidized path towards homeownership. Twenty-three of the 46 units in the development will be sold at below market rate. Deed restrictions on these properties will also ensure they will stay below market rate.

A more affordable future?

There is hope for more affordability in our community, both for more subsidized units and non-subsidized affordable units. Beyond the projects already mentioned, Ann Arbor is evaluating proposals for an 18-story mixed income development on the old YMCA Lot at 350 S. 5th Ave. Ann Arbor now has a dedicated Affordable Housing Millage, and the city is currently re-writing its comprehensive land use documents. The City Council has instructed staff working on that project to do so with an eye towards affordability.

Still, there is more work to be done. The Washtenaw Housing Alliance (WHA) has a goal of providing 500 permanent supportive units targeting people making 30% of the AMI and lower, according to WHA Executive Director Amanda Carlisle. To do this, WHA will need an endowment of \$60 million. Trinity Health and the Ann Arbor Area Community Foundation helped spur the creation of the fund by donating \$1 million each.

The Grove at Veridian near County Farm Park in Ann Arbor.

"Now that we've grown it to about \$8.5 million," says Carlisle, "it's important to have an enduring source of funding for supportive housing locally that is not contingent on federal, state, or local budgets."

There is a long way to go for the county to hit the subsidized housing target set forth in the 2015 report by 2035. And much needs to be done to address the scarcity that is at the foundation of the lack of naturally affordable housing. However, community advocates are making progress to ensure that everyone who wants to make their home in our community can do so with dignity.

Ben Connor Barrie is an Ypsilanti resident and founder of the blog Damn Arbor.

All photos by Doug Coombe.

Enjoy this story? Sign up for free solutions-based reporting in your inbox each week.

Powerful Realtor Group Agrees to Slash Commissions to Settle Lawsuits

The National Association of Realtors will pay \$418 million in damages and will amend several rules that housing experts say will drive down housing costs.



By Debra Kamin

March 15, 2024, 9:35 a.m. ET

American homeowners could see a significant drop in the cost of selling their homes after a real estate trade group agreed to a landmark deal that will eliminate a bedrock of the industry, the 6 percent sales commission.

The National Association of Realtors, a powerful organization that has set the guidelines for home sales for decades, has agreed to settle a series of lawsuits by paying \$418 million in damages and by eliminating its rules on commissions. Legal counsel for N.A.R. approved the agreement early Friday morning, and The New York Times obtained a copy of the signed document.

The deal, which lawyers anticipate will be filed within weeks and still needs a federal court's approval, would end a multitude of legal claims from home sellers who argued that the rules forced them to pay excessive fees. Representatives for N.A.R. were not immediately available for comment.

Housing experts said the deal, and the expected savings for homeowners, could trigger one of the most significant jolts in the U.S. housing market in 100 years. "This will blow up the market and would force a new business model," said Norm Miller, a professor emeritus of real estate at the University of San Diego.

Americans pay roughly \$100 billion in real estate commissions annually, and real estate agents in the United States have some of the highest standard commissions in the world. In many other countries, commission rates hover between 1 and 3 percent. In the United States, most agents specify a commission of 5 or 6 percent, paid by the seller. If the buyer has an agent, the seller's agent agrees to share a portion of the commission with that agent when listing the home on the market.

An American homeowner currently looking to sell a \$1 million home should expect to spend up to \$60,000 on real estate commissions alone, with \$30,000 going to his agent and \$30,000 going to the agent who brings a buyer. Even for a home that costs \$400,000 — close to the current median for homes across the United States — sellers are still paying around \$24,000 in commissions, a cost that is baked into the final sales price of the home.

The lawsuits argued that N.A.R., and brokerages who required their agents to be members of N.A.R., had violated antitrust laws by mandating that the seller's agent make an offer of payment to the buyer's agent, and setting rules that led to an industrywide standard commission of 5 or 6 percent. Without that rate essentially guaranteed, agents will now most likely have to lower their commissions as they compete for business.

Economists estimate that commissions could now be reduced by 30 percent, driving down home prices across the board. The opening of a free market for Realtor compensation could mirror the shake-up that occurred in the travel industry with the emergence of online broker sites such as Expedia and Kayak.

“The forces of competition will be let loose,” said Benjamin Brown, co-chairman of the antitrust practice at Cohen Milstein and one of the lawyers who hammered out the settlement. “You’ll see some new pricing models, and some new and creative ways to provide services to home buyers. It’ll be a really exciting time for the industry.”

The original lawsuit, filed in April 2019 by a group of Missouri home sellers, ended in a verdict of \$1.8 billion in October. Because the suit included accusations of antitrust violations, plaintiffs could have been eligible for triple damages of up to

\$5.4 billion. In exchange for the reduction in damages, the association gave up its right to appeal. The verdict sent shock waves through the real estate industry and has since catalyzed into more than a dozen copycat suits across the country, including a nationwide class-action case that ensnares the country's largest brokerage and its owner, Warren E. Buffett. That brokerage, Berkshire Hathaway, has not settled, but others, including Keller Williams and Re/Max, have settled in separate cases. N.A.R. now joins them.

Under the settlement, tens of millions of home sellers will likely be eligible to receive a small piece of a consolidated class-action payout.

The legal loss struck a blow to the power wielded by the organization, which has long been considered untouchable, insulated by its influence. Founded in 1908, N.A.R. has more than \$1 billion in assets, 1.3 million members and a political action committee that pours millions into the coffers of candidates across the political spectrum.

The antitrust division of the Department of Justice is continuing its investigation of N.A.R.'s practices, including the organization's oversight of databases for home listings, called multiple listing sites or the M.L.S. The sites are owned and operated by N.A.R.'s local affiliates. For decades, the Justice Department has questioned whether these databases stifle competition and whether some N.A.R. rules foster price-fixing on commissions.

Some experts said the shift on commission structure, and the billions of dollars that would flow into the housing market as a result, could spark a recovery in the housing market, going so far as to say that it could be as significant as the 1930s New Deal, a flurry of legislation and executive orders signed by President Franklin D. Roosevelt designed to stabilize and rebuild the nation's economic recovery following the Great Depression. This included the Better Housing Program, which was designed to make housing and mortgages more accessible and led to the creation of the Federal Housing Administration.

The financial crisis of 2008, when home values imploded, and earlier changes to the mortgage industry in the 1970s and 1980s, including the creation of Freddie Mac and the introduction of the adjustable rate mortgage, also set off permanent transformations. With Friday's settlement, the process of buying and selling a home is now in for another historical change.

“This will be a really fundamental shift in how Americans buy, search for, and purchase and sell their housing. It will absolutely transform the real estate industry,” said Max Besbris, an associate professor of sociology at the University of Wisconsin-Madison and the author of “Upsold,” a book exploring the link between housing prices and the real estate business. “It will prompt one of the biggest transformations to the housing market since New Deal-era regulations were put in place.”

“N.A.R. is finally out of the business of forcing homeowners to pay inflated commissions,” said Michael Ketchmark, the Kansas City lawyer behind the home sellers’ legal triumph.
Brett Pruitt at East Market Studios

The October verdict landed at a time of swirling controversy for the organization, and in the last five months, its internal turmoil reached a fever pitch. Its chief executive, Bob Goldberg, announced in a closed-door meeting that he would retire, just days after the verdict. His exit followed that of N.A.R. president Kenny Parcell, who resigned in August two days after a Times investigation revealed widespread allegations of sexual harassment.

In January, N.A.R.’s new president, Tracy Kasper, who had stepped into the role early with a pledge of reshaping the organization’s culture and fighting the lawsuits at all costs, announced her own sudden exit after N.A.R. said Ms. Kasper was the target of blackmail.

Despite N.A.R.’s turbulence over the last several months, however, there was one constant: their insistence that the lawsuits were flawed and they intended to appeal. With Friday’s settlement agreement, N.A.R. gave up the fight.

The settlement includes many significant rule changes. It bans N.A.R. from establishing any sort of rules that would allow a seller’s agent to set compensation for a buyer’s agent, a practice that critics say has long led to “steering,” in which buyers’ agents direct their clients to pricier homes in a bid to collect a bigger commission check.

And on the online databases used to buy and sell homes, the M.L.S., the settlement requires that any fields displaying broker compensation be eliminated entirely. It also places a blanket ban on the longtime requirement that agents subscribe to multiple listing services in the first place in order to offer or accept compensation for their work.

N.A.R. has repeatedly insisted that it does not own multiple listing sites, but the majority of them are owned and operated by the local Realtor associations that operate as N.A.R. subsidiaries. Now, with the settlement effectively severing the

link between agent compensation and MLS access, many agents are likely to rethink their membership in the association.

“The reset button on the sale of homes was hit today,” said Michael Ketchmark, the Kansas City lawyer who represented the home sellers in the main lawsuit. “Anyone who owns a home or dreams of owning one will benefit tremendously from this settlement.”

Debra Kamin reports on real estate, covering what it means to buy, sell and own a home in America today.
More about Debra Kamin

West Michigan's population growth is hampered by housing shortages, leaders say

Kate Carlson - March 20, 2024



Downtown Grand Rapids. Credit: The Right Place Inc.

New U.S. Census data show immigration contributed to West Michigan's population growth last year, though community leaders say the region's housing shortage stands in the way of bigger population gains.

Kent, Ottawa, Allegan, Kalamazoo and Muskegon counties were among the majority of Michigan counties that experienced population increases last year over 2022, according to new Census data released Thursday.

West Michigan's population growth far outpaced the state's slight increase of 0.04%, or 3,980 people, last year.

In 2023, Kent County's population grew by 2,434 people (0.37%), Ottawa County grew by 2,454 people (0.82%), Allegan County grew by 649 people (0.54%), Muskegon County grew by 1,025 (0.58%), and Kalamazoo County grew by 1,323 (0.51%).

Keep up with all things West Michigan business. Sign up for our free newsletters today.

In Kent County, immigration played a key role in growing the area's population. The net international migration to Kent County has grown from 23 people in 2020 to 1,838 in 2023, representing more than 75% of the county's population growth last year.

"If you dig into the numbers, it's clear immigration is a strong contributor to population growth," said Randy Thelen, president and CEO of economic development organization The Right Place Inc.



Kent County leadership for years has highlighted the economic importance of attracting immigrants to the community.

A report published by the American Immigration Council in partnership with the Grand Rapids Area Chamber of Commerce and the chamber's West Michigan CEO Council in 2023 showed that immigrant population growth leads to more spending power. As much as 38.2% of Kent County's population growth from 2014-2019 can be attributed to immigrants, according to the report.

Kurt Metzger, founder of Data Driven Detroit, told Crain's Detroit Business last week that immigration "was the only reason that Michigan gained population between 2022 and 2023."

Overall, West Michigan fared better than the southeast side of the state, mainly because of Wayne County's loss of 7,773 people in 2023, continuing a trend as Wayne County's population has now dropped by 38,417 people between 2020 and 2023. Wayne County's drop last year also was ninth-worst in the nation.

Nationwide, about 60%, or 1,876, counties across the country grew their population from 2022 to 2023, an increase from the 52%, or 1,649, of counties with population growth from the previous year.

"We're generally on par with national growth, ahead of state growth and kind of smack in the center when we compare to peer markets," Thelen said of West Michigan.

Housing barriers

While West Michigan economic development leaders noted that the region's population growth is positive and outpacing the state average, housing constraints are holding back further growth.

"Housing is definitely a barrier," Thelen said. "It's a barrier nationwide, too. If you're trying to attract talent and they have no place to live, then the talent doesn't move."

A 2023 Kent County Housing Needs Assessment published in February 2023 showed 34,699 more housing units will be needed in the county by 2027. A Muskegon County study found that the county's housing gap will grow to 9,184 residential units between 2022 and 2027. A 2021 Ottawa County study found the county would need about 4,385 additional rental units and 11,346 for-sale units by 2025.

"Ottawa County's housing demand has continued to go up without the number of (housing) units to meet the demand," said Grace Maiullo, communications manager at Lakeshore Advantage. "That's one of the limiting factors that we're seeing come into play now."

Thelen said he thinks of the housing shortage as preventing West Michigan's good population growth from being great.

"Our population has been good compared to our Midwest peers," Thelen said. "If we want to be great, we have to find a way to address the housing dynamic and make housing and opportunities for housing ownership more available."

While Muskegon also is experiencing a housing shortage, several major lakeshore housing projects are in various stages of planning and construction that could help support the county's upward population trend.



Three waterfront developments — Adelaide Pointe, Harbor 31 and the renovation of the Shaw Walker Furniture building — would add about 700 more housing units along with marinas, retail, event space, bars and restaurants to the edge of downtown Muskegon.

Marla Schneider, president and CEO of Greater Muskegon Economic Development, also noted that Muskegon County's cost of living is relatively lower than some neighboring counties, which is also driving growth.

"Our expectation and goal is to continue the momentum with population growth through efforts with our partners, including housing, community and economic development projects," Schneider said.

More from Crain's Grand Rapids Business:

Rivian leasing space near Grand Rapids for second Michigan service center

Investment firm Sleeping Giant Capital invests in Mid-Michigan manufacturer

West Michigan business leader appointed to vacant city commission seat

Kate Carlson

Kate Carlson is a reporter covering commercial real estate and development trends across West Michigan for Crain's Grand Rapids Business. She has been covering the commercial real estate market in the region since 2020. Email Kate at kate.carlson@crain.com.

Mark Sanchez - March 20, 2024



Huntington Bank branch office in downtown Grand Rapids. Credit: Mark Sanchez, Crain's Grand Rapids Business

Huntington Bank is extending a pilot program into the Grand Rapids-area market that's designed to aid first-time homebuyers.

Under the Home for Good mortgage assistance initiative, eligible borrowers can receive 2% of the sale price, or up to \$5,000, for the down payment on their first home. As part of the pilot in Grand Rapids, borrowers can get another \$2,500 in a grant to assist with closing costs. The program focuses on underserved borrowers who earn 140% or less than a market's median income.

Huntington Bank first launched Home for Good in January 2023 in the City of Detroit and select markets in Illinois and Wisconsin. In addition to Grand Rapids, the bank recently extended the program into the Detroit suburb of Warren; Toledo, Columbus and Cincinnati, Ohio; and Minneapolis and St. Paul, Minn.

The Grand Rapids-area pilot includes Kent, Ottawa, Ionia and Montcalm counties.

Keep up with all things West Michigan business. Sign up for our free newsletters today.

"We are the market leader. We need to lead in the market to help with affordable housing. This is one of the ways we can do that," said Lauren Davis, Huntington's regional president in West Michigan. "After we finish here in Grand Rapids, we will look to see where we can benefit other markets like Kalamazoo, Muskegon (and) Lansing. I would love to see this rolled out further. That will depend on how well it's received."

Huntington Bank ranks as the leading bank in the Grand Rapids metropolitan statistical area for deposit market share, according to the FDIC.



In extending the pilot to the Grand Rapids area, the bank also wants to build market share further, Davis said.

Home for Good aligns with Huntington Bank's 2021 commitment to direct more than \$40 billion across its corporate footprint to address social, racial, environmental and economic inequities.

Grand Rapids "is just part of that next phase of getting it into the markets that could use the benefits that this product provides at this point," said Katie Schantle, Huntington Bank's vice president and group product manager who's based in Minneapolis.

In the first few markets where the pilot was launched in January 2023, Home of Good provided about \$285,000 in assistance to first-time homebuyers in the first six months, Schantle said. Since expanding the program in November to include using the grant for down payments, Huntington has about \$220,000 in assistance in the pipeline today, she said.

While the amount may seem low, Davis notes that the supply of homes in the Grand Rapids area that are affordable to first-time homebuyers remains limited.

"This is a program that fits a need and a niche for particular customers," she said.

In February, the average price for home sales that closed was \$384,6456, in Kent County, and \$394,417 in neighboring Ottawa, according to the Greater Regional Alliance of Realtors.

Ionia and Montcalm counties are a little more affordable, at \$302,228 and \$256,169, respectively.

More from Crain's Grand Rapids Business:

Rivian leasing space near Grand Rapids for second Michigan service center

Investment firm Sleeping Giant Capital invests in Mid-Michigan manufacturer

Insurance unlikely to cover business disruptions from Grand Rapids water main break

Mark Sanchez

Mark Sanchez is a reporter covering finance and health care for Crain's Grand Rapids Business. He previously worked for 11 years at MiBiz. Email Mark at mark.sanchez@crain.com.

Unlimited Digital Access - Start Today for \$1 - Expires 4/1/24

SUBSCRIBER

Zoning changes could create more housing, but residents are worried

Updated: Mar. 20, 2024, 6:21 p.m. | Published: Mar. 20, 2024, 5:59 p.m.



Snow blankets Grand Rapids on Nov. 1, 2023. (Neil Blake | MLive.com) Neil Blake | MLive.com



By **Brian McVicar** | bmcvicar@mlive.com
PACKET PAGE 44

GRAND RAPIDS, MI –Dozens packed a Grand Rapids City Commission meeting Tuesday to weigh-in on proposed zoning changes that supporters say would make it easier to create new housing but opponents fear would hurt their neighborhoods.

With a shortage of 14,106 housing units in the city, the commission is considering a broad set of changes that would, among other things, make it easier to create smaller, multi-family housing developments with six or less apartments in residential neighborhoods.

Advertisement

Other ideas include dropping parking requirements for new housing developments with less than six residential units. Also on the table is streamlining the process for building small, stand-alone structures, known as accessory dwelling units, on the same lot as a single-family homes.

Tuesday’s meeting, which drew comments from more than 40 residents, was a public hearing on the changes. No vote was taken.

More than half of the speakers, a significant number of whom were from the city’s Heritage Hill neighborhood, expressed concerns about “unintended consequences” they fear will occur if the changes are approved. That includes neighborhoods shifting from owner-occupied, single-family housing to rental housing.

Residents also said they are worried the changes would spur private-equity firms to buy or build more housing in the city.

“Right now, what I ask is this: We try to put up guardrails to make sure that if we are making zoning changes, that certain people cannot come in and take all of our housing,” said Elizabeth Hoonhorst, who lives in Heritage Hill.

Her worries centered around an element of the proposed zoning change that removes the owner-occupied requirement for accessory dwelling units. She and others say they are worried private-equity firms would either build these structures on properties they own or purchase properties that have such units.

Advertisement

Such a practice, they say, would result in rent being jacked-up to maximize profit. One housing advocate pushed back on that assertion.

“I know of no venture capital groups that are going to move in and buy up peoples’ backyards to build ADUs (accessory dwelling units) that cost a lot,” said Jan van der Woerd, vice president of real estate development and management at ICCF Community Homes, a nonprofit housing developer.

He said the changes being proposed would not result in a seismic shift to neighborhoods.

“Infill, small-scale is the hardest kind of development to do,” van der Woerd said. “This is why big venture capital groups come in and build big 144-unit facilities out on the Beltline, not six-unit developments in the city.”

For a full list of the proposed changes, [click here](#).

The zoning changes, which the Grand Rapids Planning Commission is recommending for approval, stem from a push to add more housing in Grand Rapids and Kent County.

A study released in February 2023 by Bowen National Research shows an estimated 34,699 new housing units are needed in Grand Rapids and Kent County by 2027 to meet projected demand. Forty percent of those units — 14,106 units — are needed in the city of Grand Rapids. The total includes rental and owner-occupied units.

The city is nowhere near hitting that goal. To achieve it, an average of 2,821 units per year would need to be added. In reality, the city has added an average of 538 units per year since 2015.

“We’re grossly underproducing the number of housing units that are needed,” Grand Rapids Planning Director Kristin Turkelson told the city commission Tuesday.

Speaking after the meeting, Turkelson said the zoning changes would not solve the housing shortage. But they could help add to the housing supply by creating slightly greater density in residential neighborhoods.

“It will result in change,” she said. “I don’t think that has to mean it’s bad change.”

Now that a public hearing has been held, the proposed zoning changes are scheduled to come back to the city commission for consideration on April 23. At that time, the commission could vote on the changes, table them, or make amendments.

Grand Rapids Mayor Rosalynn Bliss said she wants to research the concerns residents raised.

“For each one of the five recommendations, I think we can make a list of the concerns that we heard and then do some due diligence, look at other cities that have made changes or similar changes, see if there were unintended consequences we can learn from,” she said.

One concern Bliss said she wants to look at is whether the changes could allow group living facilities, such as transitional and emergency shelters, to become overly concentrated in one neighborhood. She also said she wanted to look into concerns about preserving home ownership in the city.

“I don’t want people to be concerned that their neighborhood is going to be dramatically shifted from a largely owner-occupied neighborhood to a outside, out-of-state investors coming in, buying up homes and flipping them (into multi-family housing),” Bliss said.

While there was concern about the changes, there were numerous supporters too.

“I believe the proposed amendments are a good common-sense approach to a desperate need for more livable workforce housing in Grand Rapids,” said Forrest Hoppe, 79. “The proposed zoning changes, I think, will not result in a sudden increase in affordable and livable housing in Grand Rapids. But they will make the possibility of incremental changes for more and better housing option in all of our neighborhoods.”

More on MLive:

[Man critically injured in semi-truck crash on U.S. 31](#)

[Driver repeatedly rams rear of other vehicle after crash, police say](#)

[Grand Rapids won’t reimburse water bills after residents went without drinking water for days](#)

If you purchase a product or register for an account through a link on our site, we may receive compensation. By using this site, you consent to our [User Agreement](#) and agree that your clicks, interactions, and personal information may be collected, recorded, and/or stored by us and social media and other third-party partners in accordance with our [Privacy Policy](#).



▼ About Us

[Contact Us](#)

[Jobs at MLive](#)

[MLive Media Group](#)

[Our Team](#)

[PACKET PAGE 47](#)

[Advertise with us](#)

Unlimited Digital Access - Start Today for \$1 - Expires 4/1/24

SUBSCRIBER

39-units of mixed-income housing approved in Grand Rapids

Updated: Mar. 24, 2024, 8:09 a.m. | Published: Mar. 24, 2024, 8:00 a.m.



A 48-unit multi-family housing development is planned at 916 Benjamin Ave. NE in Grand Rapids. (Renderings provided by the city of Grand Rapids) Courtesy



GRAND RAPIDS, MI — A project that would demolish a former union hall on Benjamin Avenue NE and build a 39-unit apartment development has been approved by the Grand Rapids Planning Commission.

The project, which is set to include a mix of market-rate apartments and income-restricted units, is being led by Third Coast Development. It would see three buildings constructed at the site, 916 Benjamin Ave. NE, as well as a 61-space parking lot.

Advertisement

Max Benedict, principal at Third Coast Development, said his firm purchased the former union hall shortly after its most recent occupant, Amalgamated Transit Union, moved out in 2021.

Since then, he said, “we have been wracking our brains on what a good development model is for this site.” He said the project has been “one of the more challenging ones that we worked on,” but that his firm was able to “knit together” public incentives and other elements to make the project a reality.

“I think we got it to something that really works here,” he said.

Moving forward, Third Coast Development will be seeking Brownfield Tax Increment Financing incentives for the project. If those incentives are received, demolition of the union hall could start in August, Benedict said. Construction of the apartments would follow.

“The Brownfield TIF is going to enable this project,” he said. “If we’re unable to get that, this project won’t go.”

A limited liability company tied to Third Coast Development purchased the property for \$310,000 in December 2021, property records show.

Last year, the project was set to go to the planning commission for consideration on Dec. 14. At that point, the project was set to include 48-units. However, it was withdrawn from the agenda by Third Coast Development before the meeting.

“Since meeting with the neighborhood, since meeting with the planning design team, we got it down to the kind of by-right density of 39-units, which then allowed us to get more than the adequate amount of parking required for the site,” Benedict said.

The Benjamin Avenue project was awarded a \$960,000 grant from the Michigan Economic Development Corporation's revitalization and placemaking grant program.

Twenty-five percent of the 39-units are set to be reserved for residents earning up to 80% of Kent County's area median income. For a two-person household, that translates into an annual income of \$60,640.

During the planning commission's March 14 meeting, city staff said the project had received support and opposition.

Those in favor of the project said it would provide much-needed housing in the city, while those in opposition raised concerns about traffic and density within a residential neighborhood.

The North East Citizen Action Association, a neighborhood group representing the area, asked commissioners to prohibit street parking immediately surrounding the development because of "vehicle and pedestrian safety concerns."

The commission said banning street parking was not within its authority. An independent traffic analysis had been conducted and determined that the "existing roadway network can accommodate what is being proposed here," said Elizabeth Zeller, a senior planner at the city.

More on MLive:

[Zoning changes could create more housing, but residents are worried](#)

['They don't want to keep us.' Black students at GVSU rally for support to improve retention](#)

[Elissa Slotkin, Mike Rogers locked in tight U.S. Senate race](#)

[UM Health-West names new chief medical officer](#)

Grand Haven collaborative workforce housing project taking shape

SHANDRA MARTINEZ | MONDAY, JUNE 14, 2021



Courtesy

Dubbed Robinson Landing, the neighborhood is going up just north of the Grand Haven Memorial Airport.



A first-of-its-kind development to address the shortage of workforce housing is taking shape in Grand Haven.

Dubbed Robinson Landing, the neighborhood is going up just north of the Grand Haven Memorial Airport. The 30 single-family home development will address an identified housing need by offering new construction homes priced from about \$140,000 to \$280,000.

The \$7.5 million project spearheaded by the nonprofit developer Michigan Community Capital (MCC) is in response to a housing crisis across the state. Officials say they're hoping to get people moved in starting January 2022.



This three-bedroom, 2.5 bath home will be priced between \$140,000 to \$280,000.

“This project is responding to a housing crisis we are seeing across the state,” says Marilyn Crowley, vice president of investment for MCC. “With construction prices skyrocketing and a large number of buyers, we are seeing a shortage of housing that is priced affordably for the majority of Michigan’s workforce. It took many partners to bring this project together, and we’re excited to see the result come to life.”

Collaborative project

What makes the project unique is the amount of collaboration utilized to connect all the

necessary elements. The city of Grand Haven, the Brownfield Redevelopment Authority, Ottawa County, Grand Haven Charter Township, Grand Haven Area Community Foundation and MCC worked conjointly to create a project that met housing needs. Together, they can ensure half of the Robinson Landing homes are affordable for households with incomes between 60% and 80% of the area median income (AMI). Additional support came from BlueWest Properties and DK Design.

This three bedroom, two-bath house will be priced from about \$140,000 to \$280,000.

“This project is a model for nonprofit/governmental cooperation,” says Pat McGinnis, Grand Haven City Manager. “When we all put our full toolbox into play, we can create attainable workforce housing in Ottawa County.”

The city laid the groundwork for the project and more like it when the Grand Haven City Council approved a new zoning ordinance in January. It aims to improve housing choice and supply across the city by streamlining the zoning approval process for developers, among other key changes.

Housing Next, an Ottawa County-based nonprofit and housing advocate, commissioned a housing study in December 2018 that identified moderately priced housing as a high-level need.

Formerly owned by the city of Grand Haven, the 7.5-acre parcel on Comstock Street will allow residents easy access to downtown. The project site was transferred from the city to the Ottawa County Land Bank in November 2020. MCC purchased the land at a reduced price of \$32,000 earlier this year to encourage the affordability of the neighborhood development.

GHACF investment

Last year, the Grand Haven Area Community Foundation (GHACF) approved a \$1.5 million low-interest investment in MCC to encourage the creation of middle-income housing in Northwest Ottawa County.

“Solving the workforce housing crisis takes innovative thinking, and we believe this partnership with MCC is a key step to getting there,” says Hadley Streng, president of GHACF. “We’ve been focused on supporting housing solutions for all income levels in our

community for years, and it's why we helped co-found Housing Next in 2017. We're inspired by the collaboration of our partner organizations throughout Ottawa County that have brought us to this point."

This two bedroom, one bath house will be priced from about \$140,000 to \$280,000.

Just over half of the 30 homes in Robinson Landing will be in the Grand Haven Area Community Land Trust (CLT), which is a shared-equity program allowing for lower home prices because the buyer is purchasing the home, not the land. The CLT retains ownership of the land and enters into a 99-year ground lease with the homeowner. The trust was created by the city of Grand Haven and is managed by the Neighborhood Housing Services team.

"Neighborhood Housing Services is thrilled to be spearheading the creation of the Grand Haven Area Community Land Trust," says Rhonda Kleyn, the city department's development coordinator. "The organizing committee has been working for months to create an amazing program for this area. This type of shared equity homeownership program results in the purchase price being more affordable because the purchaser is only buying the home, not the land. The land will be leased from the CLT at a very low monthly cost. It's likely the potential CLT buyers already rent or work in Grand Haven, and we are excited to work with them to purchase an affordable, newly built home."

Income and pricing

Homes in this program have income restrictions for buyers that target households with incomes between 60% and 80% of the area median income (AMI determined by Michigan State Housing Development Authority).

Homes in the CLT program are priced at \$139,900 for a two-bedroom, one-bathroom home; \$159,900 for a three-bedroom, two-bathroom home; and \$179,900 for a three-bedroom, two-and-a-half-bathroom two-story home. (More detailed information about the homes offered and CLT program can be found at robinsonlandingmi.com.)

This is a layout of a three bedroom, two bath home in the Robinson Landing neighborhood.

The remaining 14 homes are not on a ground lease, do not have income restrictions, and are considered market-rate homes. These market-rate homes are priced at \$239,900 for a three-bedroom, two-bathroom ranch-style home; and \$279,900 for a three-bedroom, two-bathroom two-story home.

Built by The DK Design Group, all 30 homes will have identical high-quality finishes and construction that is slab-on-grade with wood-frame, stick-built framing. Stainless steel GE appliances are included in the sale price — a value of more than \$5,000 that includes a gas stove, dishwasher, garbage disposal, microwave, refrigerator, washer, and dryer.

Homeowners purchasing prior to the home's construction deadline will be able to choose finishes from preselected options. These finish choices include cabinetry, countertops, flooring, and the exterior package with siding, stone veneer, entry door color, and asphalt shingles.

Two-phase construction

The project is being constructed in two phases. The first phase will span 16 months and consist of site preparation and infrastructure to serve the entire site, as well as the construction of 15 homes. Eight of the 15 homes in the first phase will be in the Community Land Trust program. Once 75% of the homes in Phase I are sold, Phase II will begin.

BlueWest Properties, a West Michigan brokerage, is serving as the listing real estate company in the sale of the homes. Driven philanthropically to serve their community, the owner/broker has agreed to a reduced commission, allowing home prices to remain low for buyers.

"The BlueWest Properties team is grateful to have been chosen to represent the city of Grand Haven's first Community Land Trust development," says Meghan Heritage, owner and broker at BlueWest. "We know that affordable housing is a paramount part of a successful community, and as our company tagline states, 'Better Real Estate for a Better Community.' We are excited to once again put our hands to work to benefit the community."

Related:

Foundation's \$1.5 million investment targets creation of workforce housing