Leelanau Township & Village of Northport Housing Discussion

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Creating pathways and partnerships
for housing in Northwest Michigan.

Affordability and Supply Problems

- **Affordability**
  - Housing prices are increasing faster than incomes
  - Households are spending too much on housing
  - The rents and home prices that many households can afford to pay are too low to cover the costs to develop and operate newly constructed housing without government subsidies and incentives
  - Government funding hasn't kept up with the need
  - The need for homes at affordable and attainable ranges has increased
- **Supply**
  - Housing construction rates have not returned to pre-Great Recession levels
  - Certain regulations can impact overall supply by limiting housing types (duplexes, multiplexes, and ADUs, for example) and requiring complicated approval processes
  - Household compositions are changing and so are their housing needs and preferences
  - The number of households is growing faster than the overall population

Local Housing Solutions, 4 Reasons Why Housing Is Unaffordable.
Michigan Association of Planning, Zoning Reform Toolkit.

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Housing Data

- **How much housing do we have in Leelanau Township?**
  - 2,050 units – 45% occupied, 55% vacant
  - 92% of occupied units are owner-occupied, 8% are renter-occupied
  - 83% of vacant units are used for seasonal, recreational, or occasional use
  - Nearly all housing stock is 1-unit/single-family, detached, no structures with more than 4 units
  - 100 or more STRs in the Township, with more than 700 listings per month in Leelanau County at its peak
- **How much housing is available?**
  - As of March 13, 2023, on Zillow: 52 listings in County; one in Township ($1.3m); one rental listing in County
- **How much does housing cost?**
  - Current median sale price in 2023: **$459,000** (MLS); Current median listing price in 2023: **$975,000** (MLS)
  - Home price (ZHVI) to income ratio (AMI) for County in 2022 = **5.5**. A healthy ratio = **2.6**.
- **How much can people in Leelanau Township afford?**
- **How much housing does Leelanau Township need?**
  - At least 39 homes to rent, including 32 at $1,000 or less
  - At least 32 homes to own, including 16 at $250,000 or less

Link to Table DPO4 – Selected Housing Characteristics - for Leelanau Township (2017-2021 ACS 5-Year)
Link to Table B25004 – Vacancy Status – for Leelanau Township (2017-2021 ACS 5-Year)
Networks Northwest's Seasonal Population Study for Northwest Lower Michigan
Leelanau Township Housing Facts Snapshot for March 2023

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Affordability and Demand in Leelanau County

Cost-burdened renters*		Cost-burdened owners with mortgage*	
30% or more: **43%**	50% or more: **17%**	30% or more: **29%**	50% or more: **11%**

Who can afford the rent?		Where is there demand?	
The "housing wage" is the amount a worker would need to earn to afford a typical rental home at the HUD FY23 Fair Market Rents		Based on the 2020 Northwest Michigan Target Market Analysis which studied the demand for housing through 2024 In the 10 counties in NW Michigan.	
Housing wage for 2BR	$20.33**	**Demand for rent**	**Demand to buy**
State minimum wage	$10.10***	**367**	**301**
Affordable rent for fulltime worker earning housing wage	$1,057	**83%** of demand was for rents at or below	**50%** of demand was for homes priced at or below
Affordable rent for fulltime worker earning minimum wage	$525	$1,000/month	$250,000

*2017-2021 ACS 5-Year Estimates. Severely cost-burdened percentage is a subset of overall cost-burdened figure.
**Last year's housing wage was $17.94, based on the FMR of $933, a 13.3% increase for FY23.
***The minimum wage in Michigan increased in 2023 from $9.87 to $10.10.

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Identifying Potential Solutions

How can we create a housing system that meets the needs of everyone who lives and works in our community?

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MAP's 15 Tools for Zoning Reform

Zone Districts	Form and Context	Processes
Collapse Zone Districts	Reduce Minimum Lot Width and Area Requirements	Eliminate or Reduce Elected Body Approvals
Rezone for Mixed-Use / Multifamily in Commercial Districts	Reduce or Eliminate Minimum Dwelling Unit Size	Expand Administrative Review
Expand Allowable Uses	Reduce or Eliminate Minimum Parking Requirements	Pre-approved Plans
Performance Standards for Uses	Missing Middle Housing (Including ADUs)	More Flexible Approach to Nonconformities
	Density / Height Bonuses	Police Power Ordinances to Regulate Nuisance
	Form and Site Standards	

Image adapted from Zoning Reform Toolkit, p. 36.

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Local Housing Solutions Housing Policy Toolkit

Create and preserve dedicated affordable housing units	Align housing supply with market and neighborhood housing conditions	Help households access and afford private-market homes	Protect against displacement and poor housing conditions

• Establishing incentives or requirements for affordable housing **(6)**
  • *Density bonuses*
  • *Inclusionary zoning*
• Generating revenue for affordable housing **(11)**
• Supporting affordable housing through subsidies **(6)**
• Preserving existing affordable housing **(3)**
• Expanding the availability of affordable housing in resource-rich areas **(3)**
• Creating durable affordable homeownership opportunities **(3)**
• Facilitating the acquisition or identification of land for affordable housing **(5)**
	• Planning **(1)**
	  • *Regulating STRs*
	• Reducing development costs and barriers **(12)**
	  • *Accessory dwelling units*
	  • *Missing middle housing*
	  • *Reduced parking requirements*
	  • *Zoning changes to allow for higher residential density*
	  • *Zoning changes to facilitate the use of lower-cost housing types*
	• Creating incentives for new development or redevelopment **(5)**
	• Dealing with vacant, abandoned, and tax-delinquent properties **(4)**
		• Providing tenant-based rental assistance **(4)**
		• Promoting mobility for housing choice voucher holders **(3)**
		• Reducing barriers to homeownership **(8)**
		• Reducing energy use and costs **(2)**
		• Combatting housing discrimination **(4)**
			• Enhancing renters' housing stability **(5)**
			• Enhancing homeowners' housing stability **(2)**
			• Enhancing community stability **(2)**
			• Improving quality of both new and existing housing **(6)**
			• Ensuring the ongoing viability of unsubsidized affordable rental properties **(3)**

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Additional Resources

- Michigan Statewide Housing Plan
- Michigan Statewide Housing Plan – Northwest Housing Partnership D - Analysis and policy guide
- Local Housing Solutions' Housing Policy Framework and Housing Policy Library (also linked to in MI SHP guide)
- Housing Policy Matchmaker – from Brookings and the Aspen Institute (also linked to in MI SHP guide)
- Local Housing Solutions' Policy Objective: Increasing the affordability of rental housing
- One-page summaries of four statewide housing tools: PILOTs for workforce housing, Expanded NEZs, Attainable Housing and Rehabilitation Act, and Residential Facilities Exemption
  - Updated information from the State of Michigan on property tax exemptions from individual programs, including the new bills (except PILOT)
  - Senate Fiscal Agency's analysis of PILOT for workforce housing
- Michigan Association of Planning's Zoning Reform Toolkit
- Leelanau Township Community Foundation's housing resources page

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