



# OFFICE OF RURAL DEVELOPMENT

Virtual Rural Roundtables: Housing Capacity  
April 26, 2023





## MDARD's Office of Rural Development was established by Gov. Whitmer in 2022

Rural markets, natural assets, tourism, and workforce are vital to Michigan's economic success

Many rural challenges are similar to those in urban areas – but solutions might be implemented differently

# ORD staff and programming to build rural readiness

**Sarah Lucas**

Director

## **Virtual Rural Roundtables & Regional Rural Leadership Summits**

Build connections, share best practices & success stories from around the state, and participate in discussion on priority issues with regional and statewide peers and partners.

**Payton Heins**

Policy Specialist

## **Rural Readiness Grants**

Grants of up to \$50,000 to support development readiness, cross-sector collaboration, and capacity building activities with broad regional impact and demonstrate innovative, systems-based solutions.

**Lisa Miller**

Engagement & Outreach  
Specialist

## **Rural Readiness Program**

Community support for local and regional solutions with workplans, connections, and resources to support next steps.

**Matt Wiitala**

Capacity & Grant Program  
Specialist

## **Rural Resource Connections**

Connections and information on policy initiatives, partners, funding opportunities, and events to help rural stakeholders raise awareness, communicate, plan, fund, and implement their priorities.





## Housing in Rural Michigan

- Rising development costs and subsidy needs
- Infrastructure expansion and costs
- Regulatory barriers
- Limited local capacity
- Communications



# Roundtable Format

**Today's Topic:** *Housing Capacity*

**Introduction:** Office of Rural Development

**Case Study #1:** Housing Next

**Case Study #2:** Housing North

**Resources:** Michigan State Housing Development Authority (MSHDA)

**Discussion**

## Case Study #1

# Housing Next



**Ryan Kilpatrick**

Owner & Lead Consultant, Flywheel Community Development Services

Founding Director, Housing Next





# Flywheel

MOMENTUM TO BUILD COMMUNITY.

# Case Study: Robinson Landing

- Robinson Landing serves as a best practice for the region, showcasing incremental changes that make a big difference in increasing the accessibility and affordability of housing in West Michigan.
- 30 single-family homes (16 income-restricted, 14 market-rate)
- The smaller unit and lot sizes along with key partnerships allowed Robinson Landing to create sustainable homeownership in a local market where the average price of a home exceeds what the median income family can afford by more than 40%.
- **Prices range from \$139,900 to \$299,000**





# Business As Usual Approach

- 18,243+ additional housing units needed at or below \$250,000 by 2025.
- Average subsidy would be \$80,000 - \$100,000 per home under current regulatory environment
- Requires minimum \$1.6B in subsidies just to solve for the next five years of need in Kent & Ottawa Counties.



**Flywheel**  
MOMENTUM TO BUILD COMMUNITY.



## Regulate for neighborhood form and context, not maximum density or units per building

- Zone for Missing Middle housing types by-right
- Implement minimum design standards
- Consider pre-approved plans for quality designs





# Equitable Development Initiatives

## Coordinate Access to Capital to Emerging Developers

- Bridge Loans & Mezzanine Financing
- Gap Financing for Equity Replacement
- Short-term second mortgage financing for ADUs.



# Toolkit **Advocacy**



1. Collapse Zone Districts
2. Reduce Minimum Lot Width and Area
3. Eliminate or Reduce Elected Body Approval
4. Rezone for Mixed-Use / Multifamily in Commercial Districts
5. Reduce or Eliminate Minimum Dwelling Unit Size
6. Expand Administrative Review
7. Expand Allowable Uses
8. Reduce or Eliminate Minimum Parking requirements
9. Pre-approved Plans
10. Performance Standards for Uses
11. Missing Middle Housing (Including ADUs)
12. More Flexible Approach to Nonconformities
13. Density / Height Bonuses
14. Form and Site Standards
15. Police Power Ordinances for Nuisance





# Building Community Will

Housing Next Project Pipeline  
**5,247 Units**

2,400 + Coalition Members

Project, Policy or Plan

A background image of a row of townhouses with the text "YES WEST MICHIGAN" overlaid in large blue letters. The townhouses have multiple windows, some of which are illuminated from within, and a central entrance with a small porch.

**YES  
WEST MICHIGAN**

## Case Study #2

# Housing North

Yarrow Brown

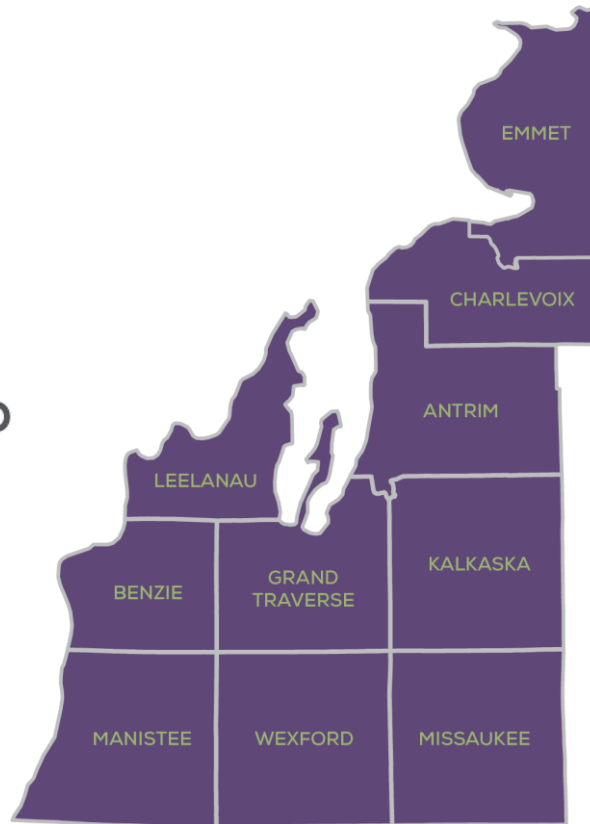
Executive Director, Housing North







## Northwest Michigan Rural Housing Partnership



### AWARENESS

Provide outreach, messaging, & communications tools to communities, developers, & other partners

### ADVOCACY

Identify and influence policy that impacts development opportunities in rural Michigan

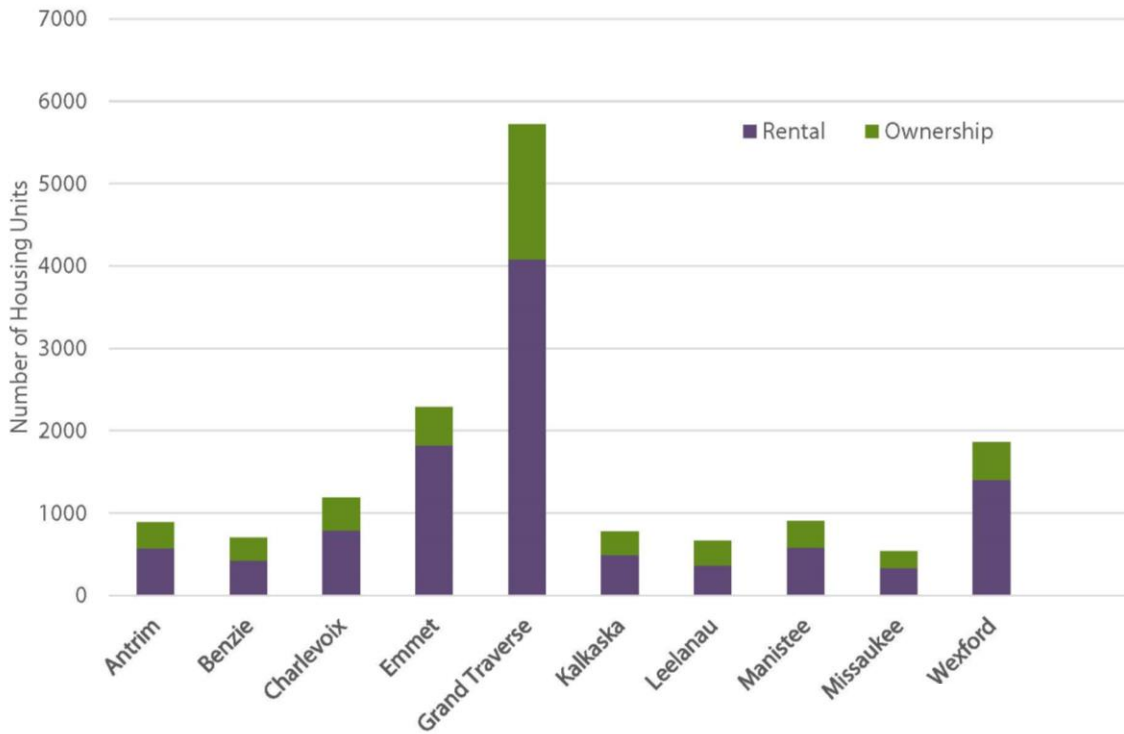
### CAPACITY & RESOURCES

Work with partners to develop new tools & funding options for housing

### Founding Partners



2020 Target Market Analysis for Northwest Michigan by County



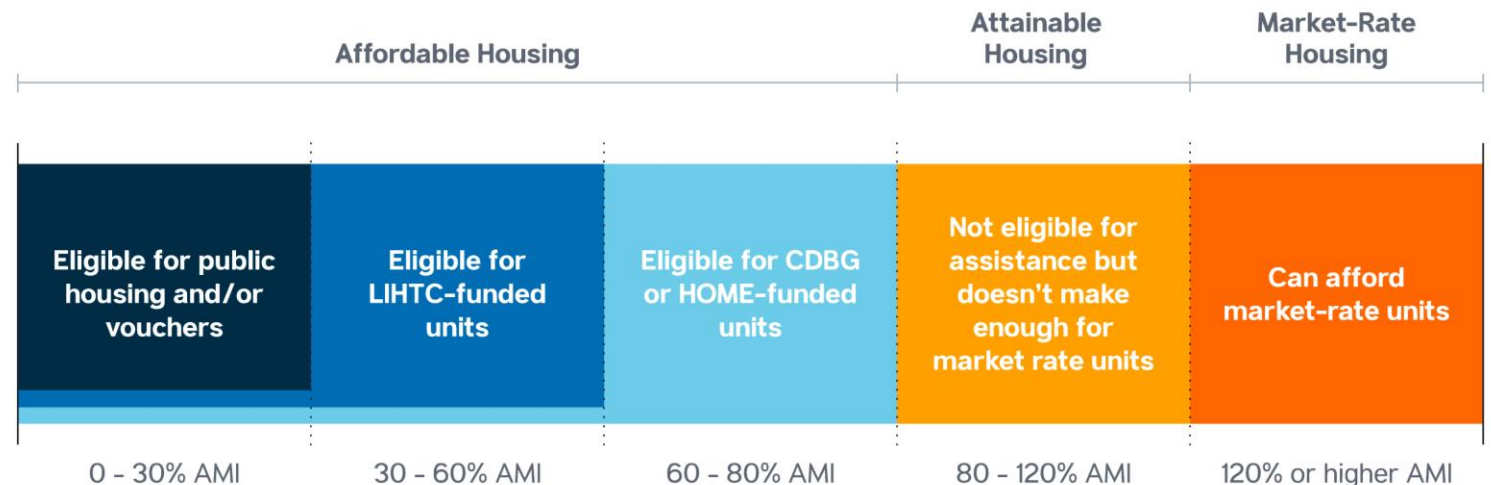
The 2019 [Target Market Analysis](#) studied the demand for housing from 2020 through 2024 In the 10 counties in NW Michigan.

The study found that the market could support over 15,000 additional units through 2025.

- **10,880 in rental units**
- **4660 in homeownership units**

These could be newly constructed homes or apartments or the repair or conversion of existing homes or buildings.

*Spending 30% of your income spent on housing costs is considered affordable*





# Programs offered by Housing North

- [Housing Ready Program](#)
  - [Housing Ready Checklist](#)
  - [Communications Toolkit](#)
- [Deed Restriction Program for year-round housing](#)
- [Accessory Dwelling Unit Program](#)
- [Rental Preservation Program](#) (New PILOT project)
- [Advocacy Trainings](#)
- [Educational webinars](#)
- [Housing Innovation Council](#)
- [Annual NW Michigan Housing Summit](#) (October 25-27, Park Place, Traverse City)

# Housing Ready Program

- Develop housing task force or action teams for meeting housing goals
- Provide Technical Support for communities including Housing Action Plans, Housing Opportunity Maps and more
- Support communities who are interested to develop a strategy for a technical support including a Housing Ready Program Coordinator/Director



## Key Partners

- Community Foundations
- Township's
- Regional Foundations (Rotary Charities)
- Cities/Villages
- Chambers/Business Bureaus
- County Governments



# Housing Action Groups or Teams



Antrim County- **Elk Rapids Housing Task Force and the Ellsworth Housing Group (2021)**

Benzie County- **Housing Collaborative (May 2022)**

Charlevoix County- **Three Groups in each city with broad representation**  
East Jordan, Boyne City, City of Charlevoix

Emmet County- **Little Traverse Bay Housing Partnership (LTBHP) (2017)**

Grand Traverse County- **LIVE TC** - Traverse City (2021)

Leelanau County- **Housing Action Committee (2015)**

Kalkaska County- **Village of Kalkaska Housing and Blight Committee**

Manistee County- **Housing Action Team (2021)**



# What do Housing Ready Staff Do?



- Provide Technical Support for Communities to Create Housing Choices & Develop Housing Solutions
- Coordinate Local Resources around housing
- Provide Advocacy and Education to the Community
- Help Create Local Funding Tools and Build Capacity
- Help communities identify development opportunities
- Facilitate Housing Developments and coordinate developers with housing opportunities



## WHAT DOES SUCCESS LOOK LIKE?

Thanks to the generosity of our private and public funders, Charlevoix, Emmet, Leelanau and Manistee counties have placed highly-qualified, locally-based staff providing customized services tailored to the specific needs of the counties they serve, with success defined in collaboration with participating partners.

In just two short years, Housing Ready Program Directors have made impressive progress, and they're just getting started!

- Accessory Dwelling Unit (ADU) Program launched in Charlevoix County and expanding to Leelanau and Grand Traverse counties
- Deed Restriction Program launched in City of Charlevoix and expanded to Petoskey
- Petoskey LOFTS at Lumber Square project approved due to Housing Ready advocacy
- Zoning and master plan updates in 20+ communities
- Housing Opportunity maps developed

### Additional Program Milestones

- 60 communities introduced to Housing Ready Program
- 20 units of government have endorsed the Housing Ready Program
- 2 Housing Action Plans completed
- 500+ housing units built as a result of Housing Ready advocacy and technical support



# What would Housing Ready Support mean for our communities?

- Focused support on all things housing in your community
  - help coordinate housing goals and action items for the City, County and surrounding villages and Townships
- A Housing Ready person can:
  - build capacity locally
  - identify key development opportunities
  - help coordinate development projects
  - leverage local resources
  - spur new housing investment.
  - Support zoning changes for housing
  - Collect data, track housing projects and more
  - collaborate with area townships and the County





## Case Study= Emmet County

Local Business/Employer- Supported application to a grant program to help support rehabilitation of upstairs for apartments

City of Pellston- supporting next steps for housing opportunities

Bear Creek Township- hosting conversations around infrastructure expansion to support housing projects

Connecting developers with housing ready opportunities

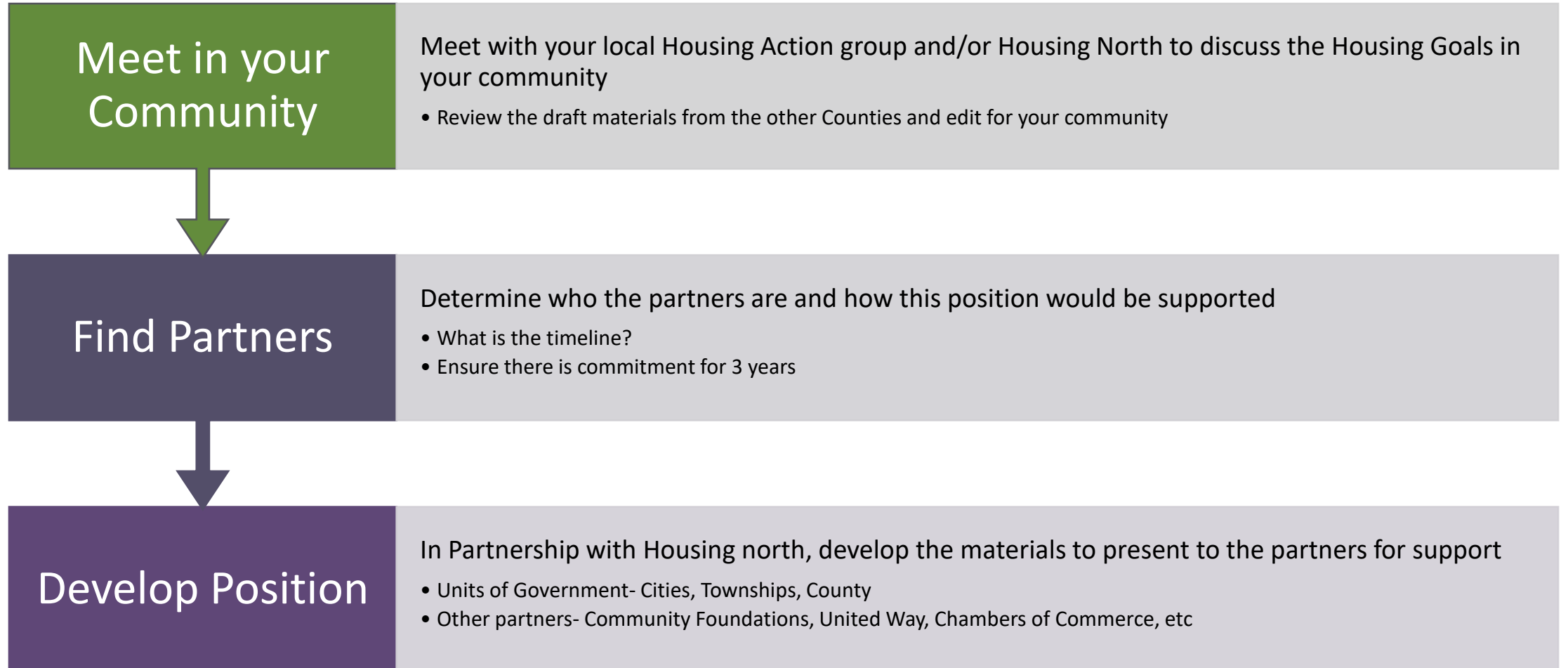
Supporting the Emmet County zoning reform efforts



# Summary

- It will take all of us to help make our communities Housing Ready
- The Housing Ready Program is Hosted by Housing North but works for YOU in your community to address YOUR housing needs
- The work plan is guide by the Communities goals for housing
- Having many partners to contribute to the position is important including Units of Government, foundations and community organizations
- Coordination with a Local Housing Group or having the group involved in the process is important
- Securing funding for 3 years is also a goal for the most impact

# Steps for a Housing Ready Position in your community





# Thank you!



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Data and resources available at:  
[www.housingnorth.org](http://www.housingnorth.org)



Resources and Opportunities

# Michigan State Housing Development Authority



Tonya Joy

Director of Neighborhood Initiatives, MSHDA

Gary Heidel

Chief of Staff, MSHDA



# Housing Community Development Fund

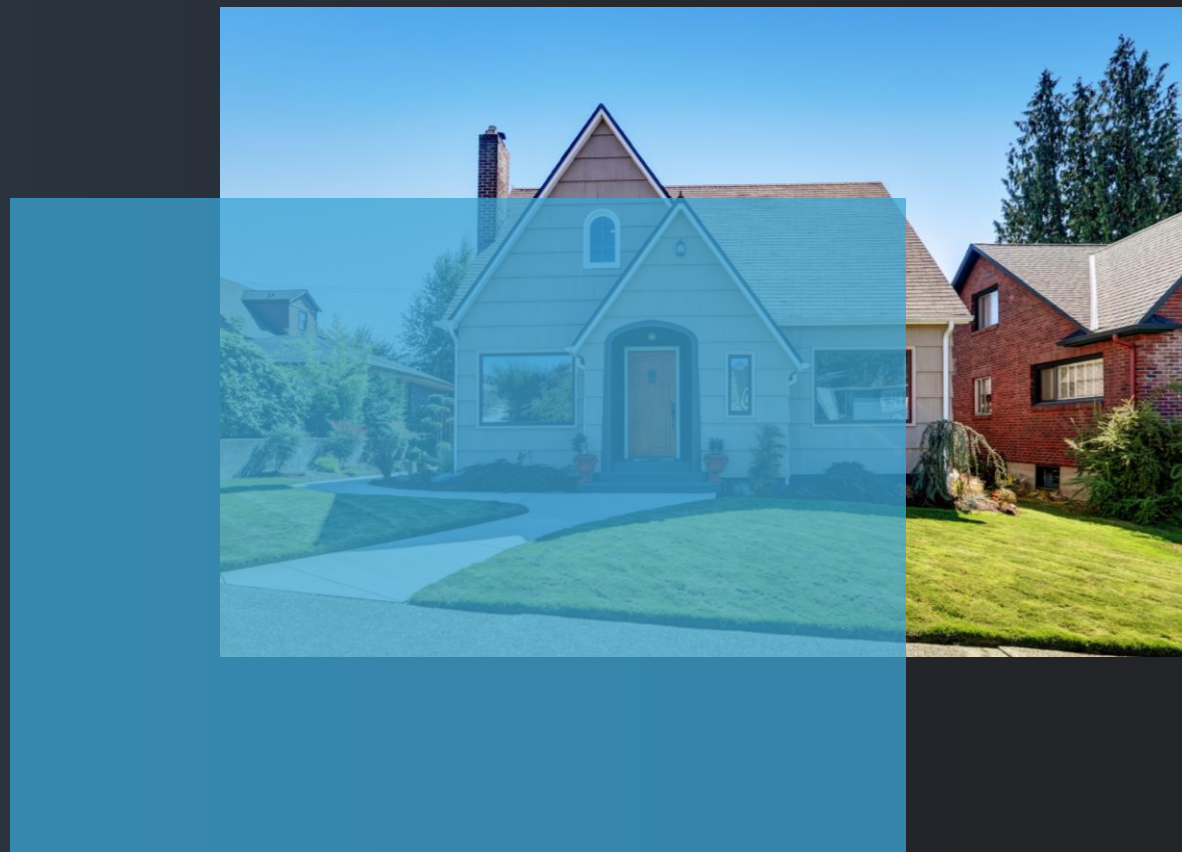
Gary Heidel, Chief of Staff







# Neighborhood Housing Initiatives Program Overview



**Tonya Joy**, Neighborhood Housing Initiatives Division Director

# Neighborhood Enhancement Program (NEP) 2016 to Present

- Goal: To identify and fund innovative activities to address a neighborhood's specific housing needs
- Housing enhancements and public amenities projects benefit low and moderate income areas and residents
- Projects must be implementation ready, highly visible, and impactful to the neighborhood

**Next NEP funding window opens August 28, 2023**

# MSHDA Mod (2019 – Present)

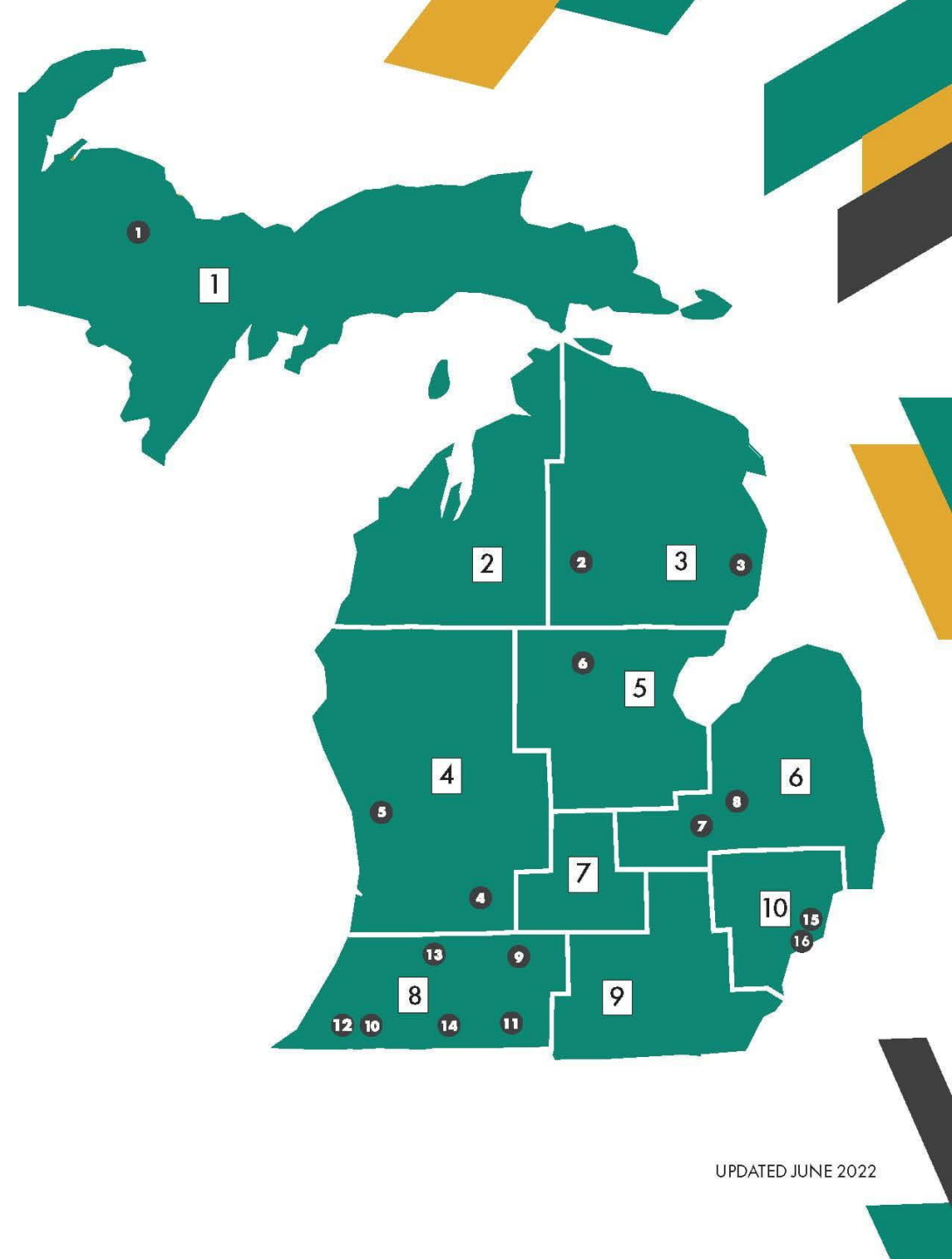
## M3 Pilot (2023 Launch)

- The MSHDA Mod program is a financing mechanism for modular home builds
- These homes are primarily built off-site in a manufacturing housing facility, transported to a selected location, and set on a foundation
- 12 modular projects have been completed and sold with an average sale price of \$177,617

**MSHDA Mod/M3 Pilot 2023 has just closed.**  
**A new funding window for MSHDA Mod 2024**  
**is anticipated to be open**  
**August 28, 2023**



REGION		COMMUNITY	MOD GRANTEE
1	①	Ishpeming	Marquette County Land Bank Authority
	②	Grayling	Northern Michigan LDHA, LLC
3	③	Harrisville	Habitat for Humanity NE Michigan
	④	Hastings	Barry County Community Foundation
4	⑤	Muskegon	Bethany Housing Ministries, Inc.
	⑥	Beaverton	City of Beaverton
6	⑦	Flint	Genesee County Land Bank Authority
	⑧	Imlay City	Four County Community Foundation
8	⑨	Albion	City of Albion
	⑩	Cassopolis	Village of Cassopolis
	⑪	Coldwater	City of Coldwater
	⑫	Dowagiac	City of Dowagiac
	⑬	Kalamazoo	Kalamazoo Neighborhood Housing Services
	⑭	Three Rivers	Habitat for Humanity of St. Joseph County
10	⑮	Detroit	Detroit Land Bank Authority
	⑯	Detroit	Jones Construction and Development LDHA, LLC



# State financing program taps modular homes to address local housing needs

NICK MANES



## Four County Community Foundation – Imlay City

The first of the modular house's two sections is lowered onto the foundation at its new home in Imlay City. The home was financed through the Michigan State House Development Authority's MOD program.

Imlay City has turned to modular housing to meet at least a small part of its workforce housing needs and as part of a state housing program.

The largely rural town in Lapeer County some 50 miles north of Detroit earlier this month tapped a state financing program to turn a vacant lot on the northwest edge of the city into the site of a new three-bedroom home that was assembled on site. Officials with the Michigan State Housing Development Authority, which administers the [MOD financing program](#), say the initiative serves as yet another mechanism for the state to meet its [affordable housing goals](#).

"As we work to mitigate the effects of the housing crisis, innovation is at the forefront of our approach to ensure everyone has access to safe, quality and affordable housing," Amy Hovey, executive director of MSHDA, said in a news release announcing the Imlay City project. "The MOD program leverages technology and innovation to quickly meet the growing need of workforce housing to support local economic development and create equitable opportunities for Michiganders to live, work and raise families across the state."


The overall goal with modular construction is to cut down on time and costs when compared with traditional forms of building.

MSHDA's MOD program started as a pilot program in 2019, has helped finance more than \$3.35 million in total investment — more than \$2.1 million of that coming while still in pilot mode, according to MSHDA spokesperson Katie Bach. A total of 12 modular projects have been completed and sold with an average sale price of \$177,617.

Each community selects its modular home manufacturer. Thus far, eight different manufacturers have been used as part of the program, according to Bach.

The Imlay City project was led by the Four County Community Foundation, an Almont-based nonprofit providing various services for villages and cities of southeastern Lapeer County, western St. Clair County, northern Macomb County and northeastern Oakland County.

The foundation applied and was approved for MOD financing in 2021, according to the release.



**We highly encourage you to visit our  
MSHDA webpages for additional  
details including a video on the  
MSHDA Mod Program**

<https://youtu.be/V51EAtdXo9w>



# Small-Scale Housing Rental Pilot Program (SHRP)

- SHRP is utilizing the Neighborhood Stabilization Program – Program Income (NSP-PI) as a financing mechanism for the development of five small-scale rental units in rural areas.
- The financed units will be constructed and made available to low, moderate, and middle-income households

# Michigan Housing Opportunities Promoting Energy-Efficiency (MI-HOPE)

- MI-HOPE is a federally-funded program utilizing United States Department of the Treasury American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds (SLFRF)
- Funding will be used for home repair/energy efficiency upgrade activities with the maximum assistance per property capped at \$25,000

**We are seeking additional subrecipient agencies to facilitate MI-HOPE at the local level.**

**Funding windows will be open  
May 1 (phase 3) and July 1, 2023 (phase 4)**

# MI-HOPE

## Phase 1 and 2 are Underway

- 25 subrecipient agencies in Phase 1 - 2022
- 17 subrecipient agencies in Phase 2 - 2023
- Statewide coverage excludes City of Detroit which has its own program – Renew Detroit
- Phase 1: 1,107 applications submitted and under review

# MSHDA Investing In Michigan Communities (MICH)

- Goal: Provide single-family home repair and facilitate new construction at the local level to increase accessibility and visit-ability statewide
- Housing & Community Development grant-funded with State and Local Fiscal Recovery – American Rescue Plan Act (ARPA) funding
- Eligible entities include municipalities, non-profit agencies, land banks, emerging developers, and stakeholder groups such as the Area on Aging and the disability networks

**MICH phase 2 window opens July 1, 2023**



# MSHDA Investing In Michigan Communities (MICH)

Three components:

- A: Down Payment Assistance (DPA)
- B: Small-Scale Housing Accessibility Renovation Enhancements (SHARE), open to assist owner-occupied, non-owner occupied, and/or to acquire and rehabilitate existing single-family homes for sale
- C: New Infill Construction Encouragement (NICE) within Qualified Census Tract areas

# Community Development Block Grant (CDBG)


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- Initial survey results have been tallied.
- A follow-up survey is being launched to determine local prioritization of activities.
- Initial \$20,000,000 in CDBG will be used for housing activities this year.



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## Community Development Block Grant (CDBG)

- Consolidated Plan Amendment and Action Plan Modifications underway – 30 day public comment period will occur in May 2023
  - **CDBG funding window opens Summer/Fall 2023**
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# Contact Information

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**Tonya Joy**

Neighborhood Housing Initiatives Division Director, MSHDA

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[michigan.gov/mshda/neighborhoods](https://michigan.gov/mshda/neighborhoods)





# Questions?





# THANK YOU



## Roundtable Discussion

What questions do you have for the moderators?

How are you addressing or struggling with building  
Housing Capacity in your communities?

What are some of the biggest capacity gaps in your  
communities – where do you need the most  
support?\_





# Thank you!



@MichDeptofAg



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