

# EWR Low Income Workgroup

November 4, 2021



Michigan Public Service Commission

# Agenda

Welcome, Introductions  
Brad Banks, MPSC

Housing North  
Yarrow Brown,  
Executive Director

The Michigan Council on Climate Solutions  
Buildings and Housing Workgroup  
Karen Gould,  
Manager, MPSC EWR Section  
Buildings and Housing Workgroup Co-Chair

MI Green Affordable Housing Financial Resource Beta Tool  
Brett Little,  
Green Home Institute

211 Project Kick off 11/16  
Close and Adjourn



Creating pathways and partnerships  
for housing in Northwest Michigan.



## AWARENESS

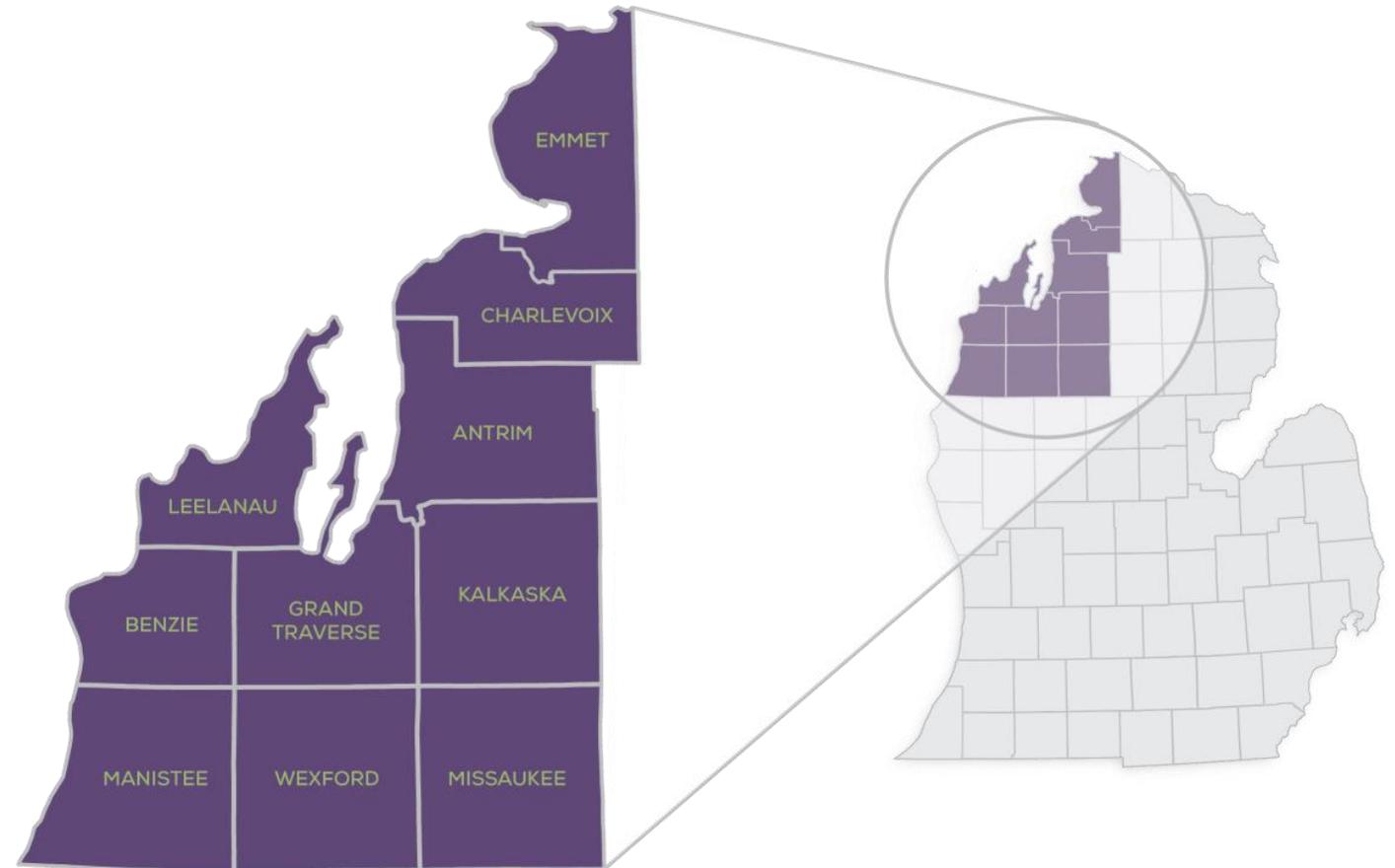
Outreach, messaging, & communications tools to communities, developers, & other

## 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.



**We know we  
need more  
housing.  
Why not just  
build it?**

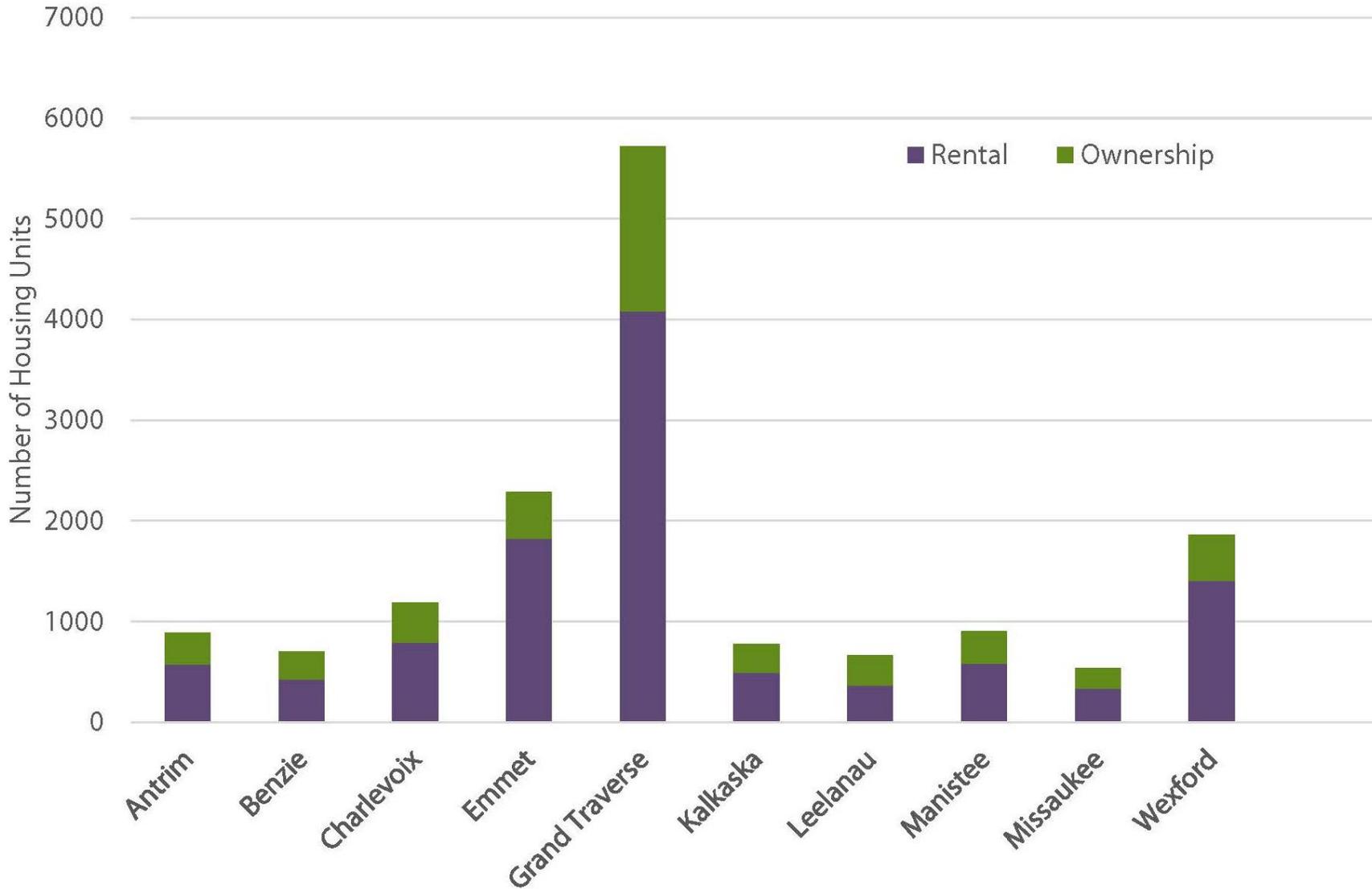
## **BARRIERS**

- Construction costs
- Infrastructure
- Labor shortage
- Taxes
- Zoning that restricts the type or amount of homes that can be built
- Public opposition
- Grant requirements designed for urban areas

## **SOLUTIONS**

- Grants, low interest loans, financial partnerships
- Land donations
- Tax incentives
- Zoning changes for more diverse housing options
- Build public support and understanding
- Legislative or policy change to create more tools and revenue

2020 Target Market Analysis for Northwest Michigan by County



The 2020 Northwest Michigan Target Market Analysis studied the demand for housing through 2025 in the 10 counties in NW Michigan. The study showed the potential for demand from current residents moving within the community as well as those who would move here from outside the community.

The study found that the market could support 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.

# What are the numbers for GT County/Traverse City?

## WHO CAN AFFORD THE RENT?

The "housing wage" is the amount a worker would need to earn in order to afford a typical rental. In Grand Traverse County, rents are far higher than what many renters can afford. The lack of affordable options contributes to a high demand for new units at different price points.



2019 Target Market Analysis was conducted by LandUseUSA, on behalf of Housing North and Networks Northwest.



## HOW MANY MORE RENTAL UNITS DO WE NEED IN GRAND TRAVERSE COUNTY?

Household Incomes	Affordable Rents	# Units				
		Traverse	Kingsley	Chums	Fife Lake	Interlochen
Up to \$26,000	\$650 and less	165	40	13	0	9
\$28,000 - \$40,000	\$700 - \$1000	839	15	5	11	3
\$42,000 - \$60,000	\$1050 - \$1500	133	2	4	2	0
\$64,000+	\$1600+	23	0	0	0	0
<b>TOTAL RENTAL UNITS NEEDED</b>		<b>1,160</b>	<b>57</b>	<b>22</b>	<b>13</b>	<b>12</b>

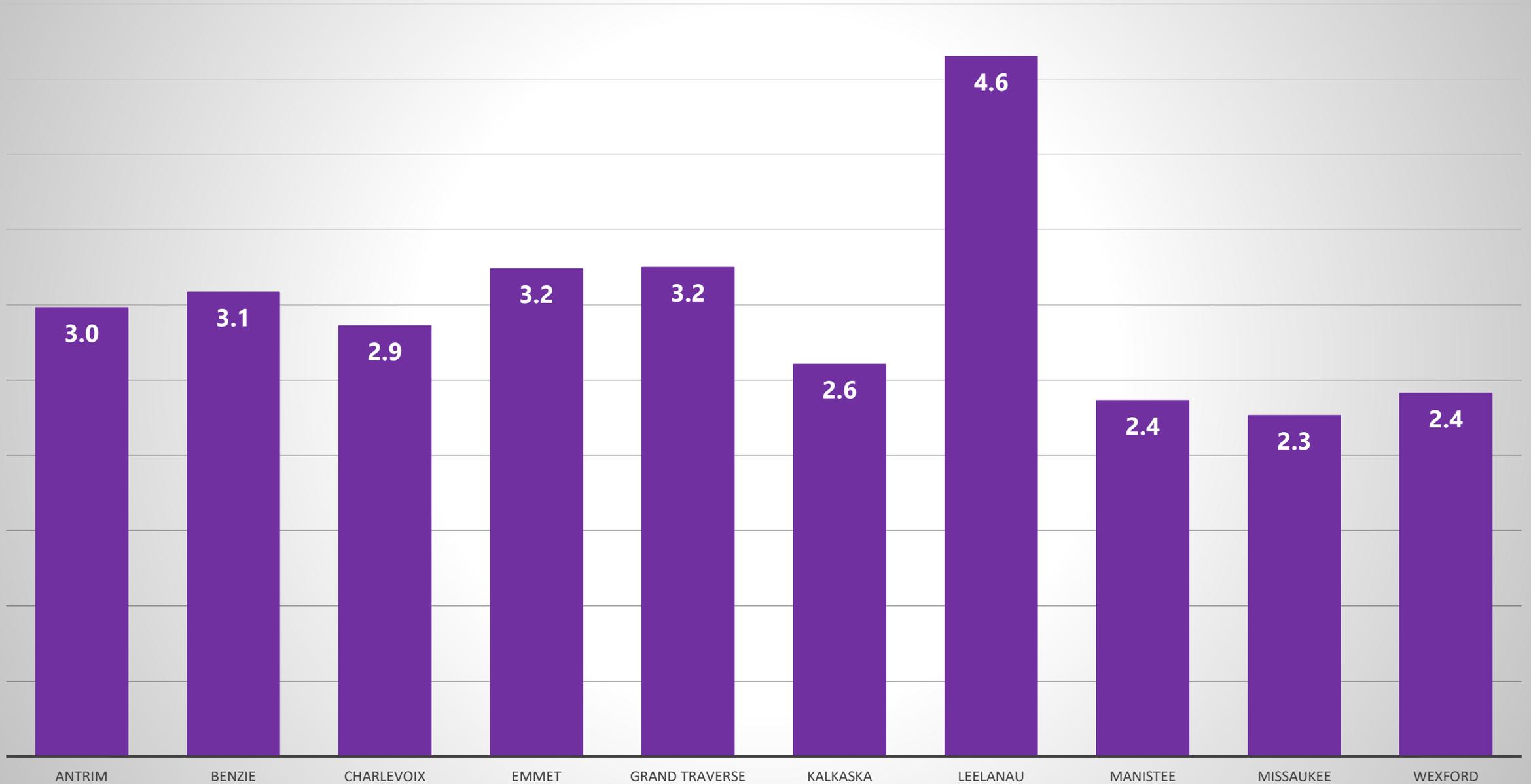


## HOW MANY MORE HOMEOWNERSHIP UNITS DO WE NEED IN GRAND TRAVERSE COUNTY?

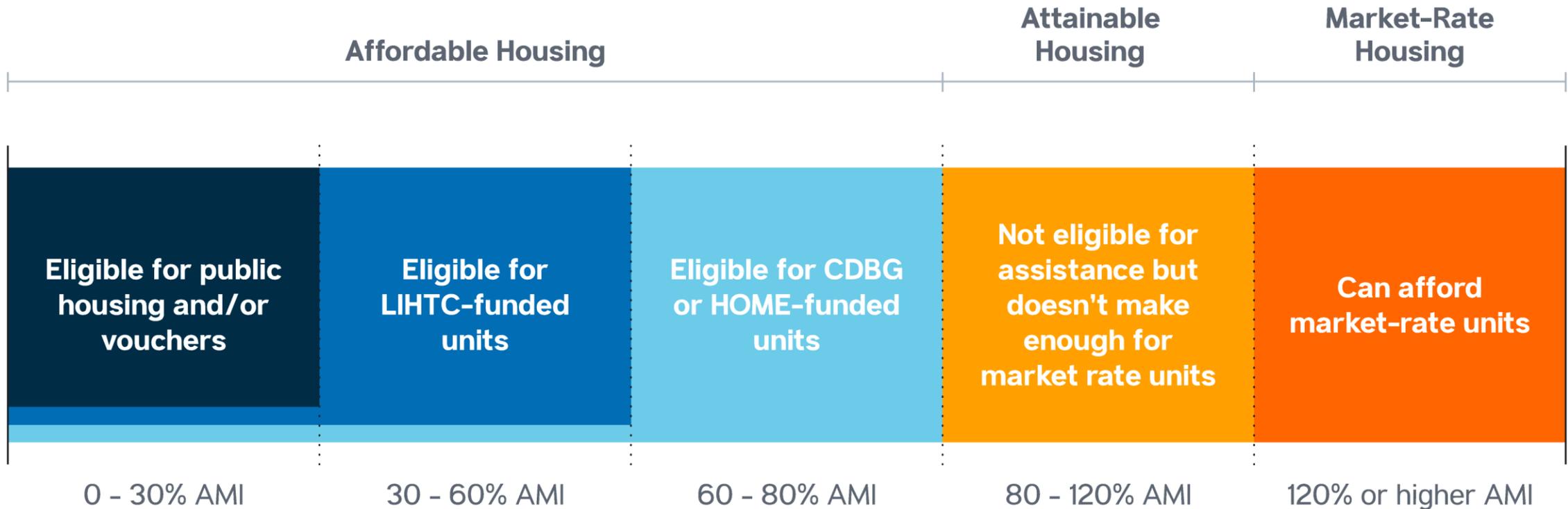
Household Incomes	Affordable Home Values	# Units				
		Traverse City	Kingsley	Chums Corner	Fife Lake	Interlochen
Up to \$60,000	\$150,000 and less	97	1	0	1	7
\$70,000 - \$100,000	\$175,000 - \$250,000	94	14	11	6	5
\$110,000 - \$150,000	\$275,000 - \$375,000	52	7	5	0	0
\$160,000	\$400,000+	17	1	1	0	0
<b>TOTAL OWNER UNITS NEEDED</b>		<b>260</b>	<b>23</b>	<b>17</b>	<b>7</b>	<b>12</b>



## Ratio of Average Home value and Area Median Income by County



# AFFORDABLE HOUSING vs. ATTAINABLE HOUSING vs. MARKET-RATE HOUSING



AMI = Area Median Income which is reset by HUD each year according to inflation and cost of living increases.

TERM	ROLES	WHAT INCOMES DOES IT SERVE?	ALSO KNOWN AS...
<b>Affordable Housing</b>	Housing that costs 30% or less of a household's budget.	All	Low-income housing Workforce housing Attainable housing Supportive housing
<b>Attainable Housing</b>	Homes that are deemed "affordable" to a group of people within a specified income range. Often, this term is used interchangeably with "workforce housing."	There's no "official" income level. Depending on the market, it may include incomes up to 150% of the area median income.	Affordable housing Attainable housing
<b>Low-Income Housing</b>	Rental or for-sale housing that's made affordable, through subsidies, to low- and moderate-income households. Deed restrictions or other controls limit the resale price or rent for a specified number of years. Affordability may be guaranteed for periods of time ranging from 10 years to perpetuity.	60% of area median income (rental)  80% of area median income (ownership housing)	Affordable housing
<b>Market Rate Housing</b>	Housing sold at full market value.	All	
<b>Supportive Housing</b>	A combination of housing and services that cost-effectively helps people live more stable, productive lives—especially those facing complex challenges such as homelessness or very low incomes, and/or serious, persistent issues like substance abuse or addiction, mental illness, disability, dementia, and HIV/AIDS. Supportive housing is coupled with social services like job training, life skills training, alcohol/drug abuse programs, and case management to populations in need of assistance.	Supportive housing often serves low-income households (60% AMI or less)	Affordable housing
<b>Workforce Housing</b>	Housing that's affordable to parts of the workforce earning low, moderate, and entry-level incomes such as teachers, police officers, medical technicians, construction workers, office workers, and retail and restaurant staff. Workforce housing may include both rentals and homeownership opportunities, and is generally located near employment centers. It may be either subsidized or unsubsidized.	There's no "official" income level. Depending on the market, it may include incomes up to 150% of the area median income.	Affordable housing Attainable housing

## .....we're really just talking about *any year-round housing*)

- Affordable housing **FOR...**
- Workforce housing
- Low-income housing
- Market rate housing
- Attainable housing
- Supportive housing
- The Missing Middle
- Area median income

- Low-income households
- Moderate-income
- Entry-level incomes
- People with disabilities
- Seniors
- Homeless
- Professionals
- Service workers
- Young people
- Single people

# What is affordable?

# And at what income level?

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

Income Group	What housing programs may they be eligible for?	What type of household is this?	How much can they afford to spend on housing each month?
0-30% AMI Extremely low income \$0-\$19,683 family of 4 \$0-\$13,791 single person	Public housing Housing Choice Voucher CDBG* Local housing programs	People who are unable to work due to disability or age Seniors on fixed incomes Low-wage workers, including many retail, restaurant, and day care workers	\$0—\$492 family of four \$0—\$345 single person
30-50% AMI Very Low Income \$19,683-\$32,805 family of four \$13,791-\$23,214	Public housing Housing Choice Vouchers CDBG* LIHTC** Local housing programs	One person working as an home health care aide, nursing assistant, or bartender Two workers in retail, restaurant, or child care sectors	\$492-\$820 family of four \$345-\$575 single person
50-80% AMI Low Income \$32,805-\$50,885 family of four \$23,214-\$36,516 single person	CDBG* LIHTC** Local housing programs	One or two workers in entry level jobs, including EMTs, administrative assistants, and teachers	\$820-\$1,266 family of four \$575-\$887 single person
80-100% AMI Moderate income \$50,885-\$65,610 family of four \$35,516-\$46,630 single person	Local housing programs	One or two workers in entry- or mid-level jobs, including police officers, fire fighters, school teachers, and IT support personnel	\$1,266-\$1,640 family of four \$887-\$1,149 single person



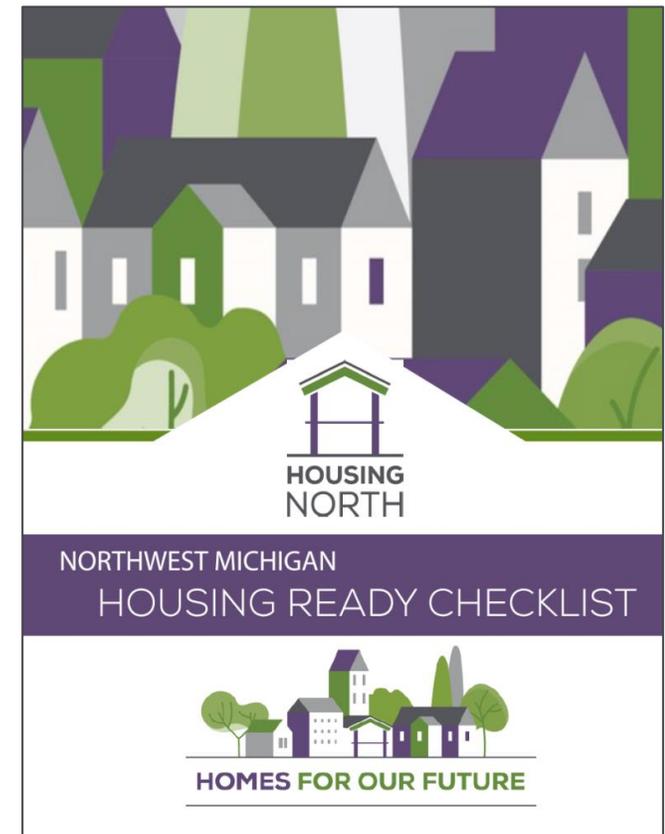
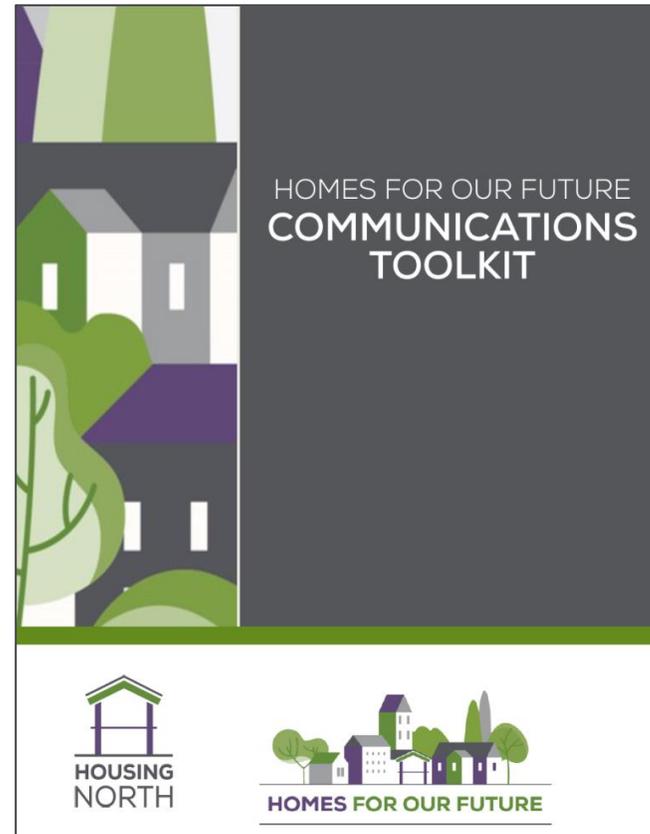
# Housing Ready Communities

Since 2020 #12 Units of Government and more than 30 organizations and local businesses have endorsed the campaign

Encourage housing ready checklist to be filled out in each community

Develop housing task force for meeting housing goals (at least one per County)

Develop a strategy for a Housing Ready Program Coordinator/Director (3 years)



# Housing Ready Checklist Introduced to over 50 communities

Now we need to work on  
becoming  
'Housing Ready'

Working to provide  
suggestions for zoning  
changes to make your  
communities more  
'Housing ready'

## ACCESSORY DWELLING UNITS (ADU)

ADUs can be above a garage, a smaller dwelling on the same property or an apartment within the home.

- Update your zoning to allow for ADUs
- Allow for minimal restrictions on ADUs including: height, dwelling size, lot area, ratio of ADU size to primary residence size, maximum number of occupants, and parking.

## PARKING

Minimum on-site parking requirements create a significant barrier to multifamily housing. They not only drive up costs but can make construction either infeasible or physically impossible on some lots. Communities should prioritize housing people over the housing of cars.

## DENSITY

Update your zoning to allow....

- Expanded boundaries of smaller lot residential districts
- A mixture of densities and dwelling types that are allowed by right or by special use including: multi-family housing (townhomes, condos, apartments, duplexes, multiplexes, etc.) with the same/similar lot dimension requirements as single-family homes when practical

## INCENTIVES FOR WORKFORCE HOUSING

Communities can consider offering:

- A density bonus when a percentage of units are set aside for workforce housing
- Reduced utility hookup fees
- Reduced minimum dwelling and lot width and size for below market-rate housing districts targeted for workforce housing, or in-fill development

## MISSING MIDDLE HOUSING OR MMH

Missing middle housing allows communities to keep the same density as the underlying zoning district, but allow more diverse housing formats such as:

- Allowing apartments in existing single family homes or structures that are designed to be compatible with any residential neighborhood on the outside.

## ELIMINATE EXCLUSIVE SINGLE FAMILY ZONING

Amending zoning to allow duplexes and triplexes on single-family lots. Making this fundamental change across all of its single-family zones by reauthorizing these types of "missing-middle" housing can help with affordable housing.

Communities could also consider Deed Restrictions to ensure year round occupancy

# Policy Initiatives

Housing North has developed a state legislative advocacy policy designed to give communities more tools for incentivizing housing development and spurring housing growth.

In 2020, we began working with a group of similarly committed regional and statewide organizations dedicated to changing state policies to grow housing development options.





## OUR VISION

The Housing Michigan Coalition consists of communities, businesses, builders and associations who support increasing housing supply and affordability.

## OUR WHY

Enhancing the accessibility and affordability of homes strengthens communities, supports economic and job growth, and improves outcomes for all Michigan families.

## OUR SUPPORTED LEGISLATION

Working with a bipartisan group of legislators from across Michigan, the Housing Michigan Coalition is focused on creating and expanding tools for local governments to support the development or rehabilitation of housing supply that is attainable to more of our citizens. While we are still working on additional ideas, the list below will be introduced first.

**Local control:** Local units will have new or expanded options for incentivizing attainable housing and will negotiate the terms including affordability requirements, length of the credit and where it can be applied.

**Flexibility:** Allowing for local decision making in affordability targets up to 120% of area median income (AMI) and the term length, allows these tools to be applied based on local market conditions and identified needs.

**Workforce housing:** Research shows we need more of housing options of every type and price point across the state, but often the peak demand is for average wage households. These tools will provide the most benefit for residents who have difficulty obtaining market-rate housing but have more income than would qualify for "affordable housing." Our goal is to increase the supply of housing where demand is the highest and fill a identified gap.

Our supported legislation to date:

Tax Credit & Funding Mechanisms	Sponsored By:
Allow PILOTS for Housing	Sen. Schmidt
Employer-Supported Housing Credit	Sen. Victory & Rep. Huizenga
Residential Facilities Exemption	Sen. Horn & Rep. Roth
Expand NEZ's to Additional Local Gvt Units	Sen. Moss & Rep. Bolden
Attainable Housing & Rehabilitation Act	Sen. Brinks & Rep. Sabo
Regulations	
Discourage ordinances that prohibit products in the SCC	Sen. Outman & Rep. Cavanagh
Re-Establish Code Promulgation Committee	Sen. Daley & Rep. Tate
Housing Impact Statement	Sen. Daley & Rep. Tate



# Sign up for the Housing Michigan Coalition

## We've created a simple sign-up to get updates & calls to action.

Sign up [here!](#)

Or type in <https://www.surveymonkey.com/r/MIHousingCoalition>



rmichigan municipal league



**CALL TO  
ACTION  
SOON!**

**We need  
your help....**

- These bills [assed the SENATE and are moving onto the House
- Reach out to your representatives and indicate the importance of their support on these bills





# Housing Ready Program

With Housing North is a coordinating agency to support and manage a Housing Ready staff in Charlevoix and Emmet Counties

- build capacity locally
- identify key development opportunities
- initiate and coordinate development
- leverage local resources
- spur new housing investment.

... Plans for a position in Benzie, Leelanau, Manistee & Grand Traverse Counties

# CHARLEVOIX & EMMET COUNTY HOUSING READY PROGRAM

*Offering a shared local approach and buy-in funding from:*



women who  
*care*  
TIP OF THE MITT



Boyne City, Michigan



**City of East Jordan**  
Where River, Lake and Friendly People Meet



CHARLEVOIX



Commitment from Resort Township

# Housing Ready Program Overview



- 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 a group involved in the process is important
- Securing funding for 3 years is also a goal for the most impact

# Charlevoix county: Housing Ready Program

2020 - A Year in review



## WORKED WITH 8 PLANNING COMMISSIONS

To update housing plans and zoning ordinances to be more Housing Ready.



## OVER 140 NEW HOUSING UNITS APPROVED

Advocated for new units to be built in Charlevoix County, leading to over 140 housing units approved.

## DRAFTED MASTER PLAN LANGUAGE AND HOUSING FRIENDLY ORDINANCES

Drafted new Master Plan language for 3 communities undergoing updates and drafted new housing-friendly ordinance language in 5 communities.



## DISCUSSIONS WITH SCHOOLS AND LOCAL EMPLOYERS

Talking to schools to expand trades training programs and with employers regarding shared employee housing and solutions.

Interested in a Housing Ready Program for your community? Contact us at [info@housingnorth.org](mailto:info@housingnorth.org)!



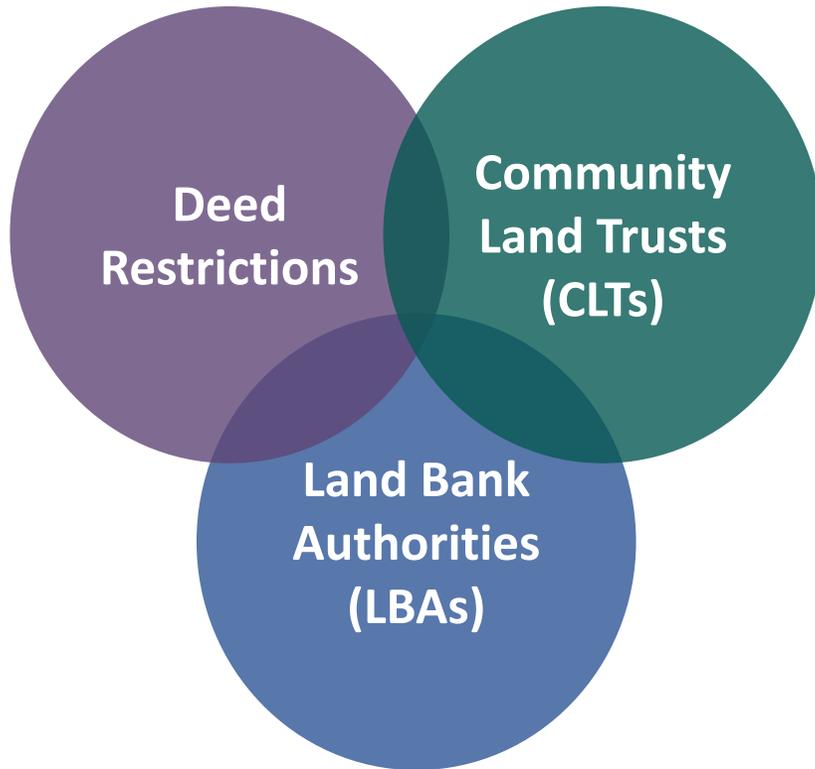
# These are just a few highlights....

# Housing Partnerships & Tools



- Land Bank 2.0- new tools for attainable housing through Land Bank Redevelopment Authorities, Brownfield Redevelopment Authorities using Tax Incremental Financing or TIF
- Expanding Deed Restriction Program to other Communities
  - City of Petoskey
- Technical Assistance/support to communities through Partnership agreements (Village of Kalkaska)
- New Community Land Trust forming in Leelanau county to serve other communities- PENINSULA HOUSING

## A work in progress– Building Capacity for Housing



A hybrid model that employs concepts from each tool (**Deed Restrictions**, **Community Land Trusts**, and **Land Bank Authorities**)

- Create a vehicle to which people can make donations of land or housing.
- Work in partnership with CDFIs and other funders to administer funds
- Act as a third party that can support predevelopment work, feasibility planning, fundraising, land procurement, due diligence, and relationships between developers, funders, communities, and local advocates or committees...

## Act 381-

Goal- More housing for our moderate-income families specifically using tools detailed in Act 381.

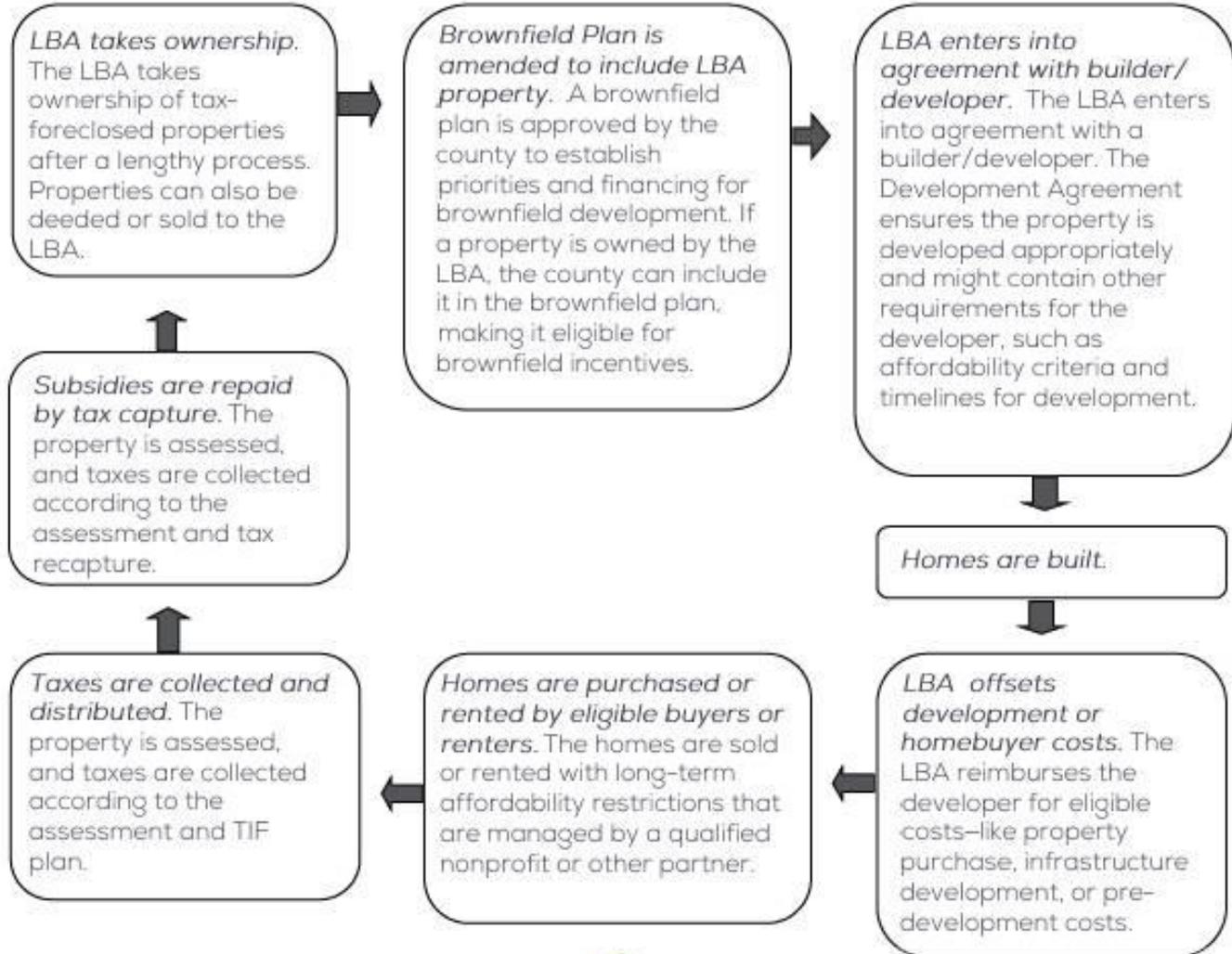
per the statute, any land that is under the ownership or control of the Land bank Authority (LBA) also qualifies as a Brownfield property.

Land bank parcels can then utilize the Brownfield TIF tool in the development's capital stack to cover the costs of eligible activities.

In this way, the existing Brownfield TIF law is a powerful tool for filling the affordability gap for housing.

## HOW IT WORKS

How does it work? First, the county brownfield plan must be amended to include the LBA property in a tax-increment financing (TIF) district. Next, a house is built on the property by a qualified builder, developer, and/or nonprofit partner. Let's assume the total cost for the new home is \$180,000; but in order to be affordable to the workforce, the target price for the home is \$150,000. The LBA offsets or subsidizes \$30,000 of development costs on the home—by paying for property or infrastructure, or by providing a second mortgage to the homebuyer. That \$30,000 is then paid back to the LBA by the taxes on the property that are captured by the TIF.



# We have tools **RIGHT NOW** for local governments and other partners to incentivize workforce housing, including:

Provide discounts or waivers on water and sewer hookups for projects with affordable components. Some of those decisions may require policy revisions from the local governments.

Ensure affordability is locked in for perpetuity - or at least for a number of years - through tools including deed restrictions or community land trusts.

Requiring set-aside units for those experiencing the greatest housing need in our community through collaboration with the Northwest Michigan Coalition to End Homelessness. Up to two units per project could be subsidized and supported using rental assistance dollars for residents making less than 50% AMI.

Partnerships with Land Bank Authorities, Brownfield Redevelopment Authorities, and Community Land Trusts to help make projects affordable.

Working with local Downtown Development Authorities to utilize their tax increment financing (TIF) resources.

Continue working to make all our communities “housing ready” through the the Housing Ready program at Housing North in partnership with local staff, advocates and community members.

# What's next?

- Continue our legislative initiatives- FIVE bills to pass the House in 2021, more to be introduced in 2022
- Continue to develop and bring tools in our community for housing solutions
- Encourage EVERYONE to be involved with housing and have clear pathways to do this through our Housing Ready Program
- Expand the Housing Ready Program in four Counties
- Work with the community (Counties, Townships, Villages) to put American Rescue Plan funding towards housing solutions



# THANK YOU

Any  
questions?

## Questions & More Info

Yarrow Brown, Executive Director

Housing North

231-335-1685

[yarrow@housingnorth.org](mailto:yarrow@housingnorth.org)

Data available at:

[www.housingnorth.org](http://www.housingnorth.org)



Creating pathways and partnerships  
for housing in Northwest Michigan.



MICHIGAN DEPARTMENT OF  
ENVIRONMENT, GREAT LAKES, AND ENERGY

# Council on Climate Solutions Buildings and Housing Workgroup

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KAREN GOULD, CO-CHAIR, MICHIGAN PUBLIC SERVICE COMMISSION

NOVEMBER 4, 2021



# Stakeholder Process

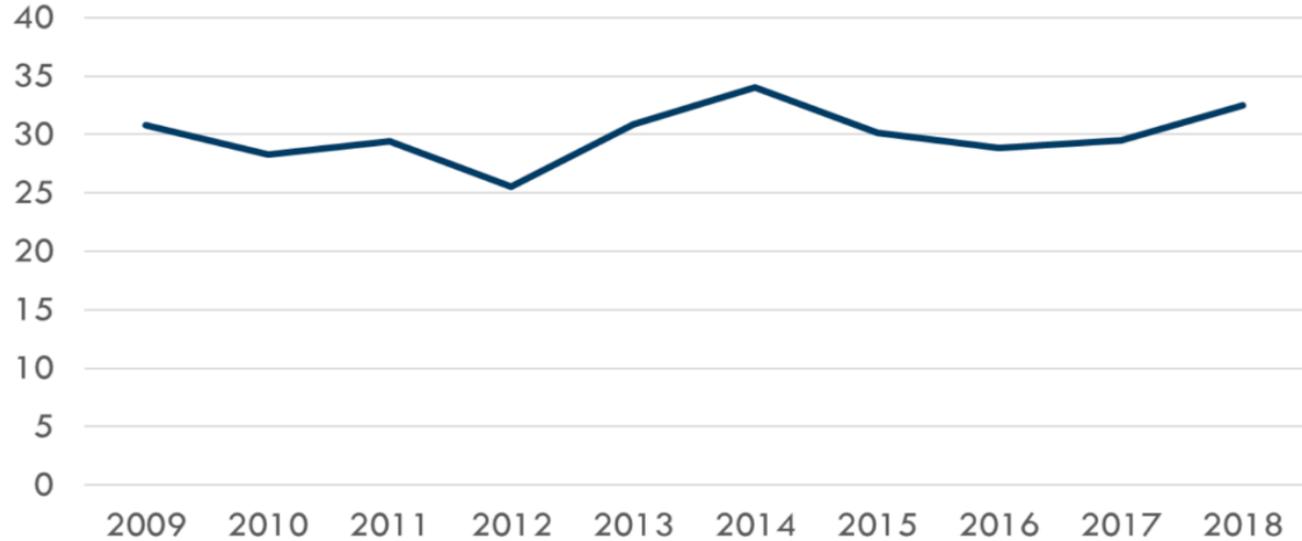
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- Held 13 stakeholder meetings
- Presentations from Regional and National Experts
- Solicited comments, recommendations and input
- Created outline of recommendations
  - Reviewed outline during final stakeholder meetings
- Requested final input from stakeholder group on all recommendations, areas of concerns and draft templates

# Building GHG Emissions- Michigan

## Michigan Buildings Sector Direct Emissions

Residential and commercial, MMT CO2



Michigan building sector emissions have been flat to increasing for a decade.

Source: EIA data; graph compiled by RMI

# Equity in Building Decarbonization

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## ENHANCING EQUITY

**Increasing energy affordability.** Efficiency and electrification programs can provide targeted support specifically for LMI households. LMI households face higher energy burdens and higher rates of energy insecurity than higher-income households.

**Investing in underserved housing.** Building sector transformations offer an opportunity to correct for historic institutional disinvestment in specific communities.

**Equitable workforce development.** States can provide accessible training and certifications to support a transition of the building sector. States can also create specific job opportunities for marginalized communities.

**Neighborhood stabilization.** By reducing energy burdens and health threats, building transformations can help stabilize existing neighborhoods and decrease mortgage foreclosures.

**Addressing additional building issues.** Other building issues and remediation needs can be addressed alongside decarbonization efforts, including lead, mold, and structural or electrical issues. Some buildings may require these upgrades before other decarbonization solutions can be implemented.

# Energy Efficiency

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# Energy Efficiency

Energy Efficiency Can Cut Energy Use and Greenhouse Gas Emissions in Half by 2050<sup>1</sup>

Utility Energy Waste Reduction Programs

Federal Weatherization Programs

New Technology

<sup>1</sup> [halfway-there-0919.pdf \(aceee.org\)](#)

The following categories were all mentioned in our first discussion as ways to decarbonize Michigan. Please rate them in order of importance to you in decarbonizing our buildings and reaching Michigan's carbon reduction goals.



- Inexpensive
- Immediate Results
- Ramp Up Easily
- EWR is always on

- DTE 2020 EWR Program Year Resulted in CO2 Reductions of 4,728,998 Metric Tons<sup>2</sup>

<sup>2</sup> DTE U-20866

# Electrification

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# Electrification: Focus on Low-income and BIPOC Residents

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The more customers that shift off gas the more expensive the gas system will be. Additionally, low-income and BIPOC communities are more heavily burdened by the negative health impacts of poor indoor and outdoor air quality. For both reasons and more, equity requires prioritizing low-income and BIPOC communities for electrification. To do that we need:

- Programs and funding that help low-income and BIPOC residents to purchase and install heat-pumps.
- Need funding and programs that weatherize and remediate health and safety issues in low-income and BIPOC housing while we electrify.
- Need rate reforms to ensure electric rates are affordable (e.g. percentage of income rates, electric heat rates, etc.)

# Funding/Financing and Workforce Development

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## FUNDING AND FINANCING

Utility On-Bill Financing Programs

Michigan Saves Financing Program

Governor and Legislative Appropriations

Education for residents and business owners on the positive impacts from increased efficiency in homes and buildings including, but not limited to, reduced energy bills, greater comfort, increased health benefits.

All State Departments and Agencies should work together to leverage available funding for low-income and disadvantaged communities.

## WORKFORCE DEVELOPMENT

Create and fund training programs to prepare contracting network; outreach and marketing efforts geared toward further diversifying contractor network.

Education programs for developers, local housing authorities, landlords and tenant groups to increase awareness of GHG reduction efforts in buildings and housing.

State Departments and Agencies, along with industry stakeholders should develop "green building career pathways" narrative.

# Building Energy Codes

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ADOPTED BY THE STATE AND ARE PART OF A PACKAGE OF CODES THAT ADDRESS THE BUILT ENVIRONMENT

Michigan's building energy codes has not been updated in 6 years

LARA has started rulemaking to update it

Huge opportunity to ensure new construction is highly efficient, electric-ready (or all electric), and grid interactive.

# Additional Recommendation

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- Energy Benchmarking and Building Performance Standards
- Demand Response Programs
- Public Health

# Timeline and Opportunity to Provide Input

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## TIMELINE

December 31, 2021: Council on Climate Solutions report due to EGLE

January – June 2022: Drawing on the Council report, EGLE will develop the MI Healthy Climate Plan and submit it to the Governor, with ongoing input from the Council.

- January is slated for opportunity to provide input on the draft plan

After June 2022: After completion of the MI Healthy Climate Plan, the Council will continue to meet to advise on plan implementation. More details about this stage of the process will be developed as the plan takes shape

## COMMENTS ARE BEING TAKEN NOW

Please send your comments regarding the work of the Council on Climate Solutions to: [EGLE-ClimateSolutions@Michigan.gov](mailto:EGLE-ClimateSolutions@Michigan.gov).

Comments submitted via the above email address will be shared with all Council members. Comments submitted will become part of the public record and subject to Freedom of Information Act (FOIA) requests.



MICHIGAN DEPARTMENT OF  
ENVIRONMENT, GREAT LAKES, AND ENERGY

Charlotte Jameson, [charlotte@environmentalcouncil.org](mailto:charlotte@environmentalcouncil.org)

Karen Gould, [gouldk1@michigan.gov](mailto:gouldk1@michigan.gov)

800-662-9278 | [Michigan.gov/EGLE](https://Michigan.gov/EGLE)

# MI Green Affordable Housing Financial Resource Beta Tool

Brett Little  
Green Home Institute



# 211 Project Kick Off



Michigan Public Service Commission

**Close & Adjourn**

**Thank You!**



**Michigan Public Service Commission**