



VILLAGE OF KALKASKA

HOUSING ACTION PLAN

JANUARY 2023



OVERVIEW

INTRODUCTION

Housing is a foundation of any community discussion around economic development, transportation, health, and a myriad of other issues. It touches every aspect of our individual lives and can determine the makeup, and future, of opportunities for both individuals and communities. The Village of Kalkaska recognized the lack of sufficient housing choices within their community, due to both the Covid-19 virus related housing demands across Northern Michigan and the growing business community within Kalkaska.

Thus, housing in Kalkaska was identified as a top priority in 2021, and the Village of Kalkaska Housing & Blight Committee was formed to address both housing supply and blight. The Village Manager also took a leadership role in collaborating with Habitat for Humanity and other property owners to demolish defunct structures and begin the process of adding housing units. In addition, the Planning Commission adopted a new zoning code in 2022 that expanded housing opportunities in the village.

In the summer of 2021, the Village Manager of Kalkaska reached out to Housing North with interest in getting support to address the unmet housing needs within their community. Housing North presented to the Village government, who after the presentation voted to contract with Housing North. Housing North was to provide the following:

- Assist the Housing Committee of the Village of Kalkaska in developing goals and a Housing Action Plan
- Provide Technical Assistance for the Village to move forward on housing projects
- Assist the Village in updating its zoning ordinance to benefit housing and streamline the site plan process

- Help to create a Housing Opportunity Map for the Village of Kalkaska.

During 2021 and 2022, Housing North and the Village of Kalkaska Housing and Blight Committee met to work on these items. The purpose of the Housing Action Plan is to provide guidance, identify actions, potential solutions, and development opportunities related to housing for the consideration of the Village of Kalkaska.



PROCESS

Housing North staff released two housing surveys - one for individuals and one for business owners. This survey was used to identify:

- Current housing issues, needs, and demand
- Community concerns around housing
- Reception to potential housing solutions
- How current housing is serving the workforce
- Satisfaction with current housing
- Potential opportunities for collaboration between businesses.

ORGANIZATION

The Village of Kalkaska Housing Action Plan is organized into three sections:

1. Village of Kalkaska Housing Needs summarizes community input and existing data to identify housing needs, along with barriers to meeting those needs.
2. Housing Action: Vision & Goals includes a vision for the Village of Kalkaska's housing future and goals. Next steps, partners, and resources are identified for each goal.
3. Implementation Resources & Documents includes sample documents, resource guides, and related materials needed for partners to take action on goals identified in Section 2.

VILLAGE OF KALKASKA HOUSING NEEDS



Survey results, interviews, research, and other stakeholder input obtained through the Housing Action Plan process pointed to two primary housing issues in the Village of Kalkaska: a lack of diverse housing options and a need for revitalization of existing housing stock. Addressing these issues requires consideration of barriers and community roles in housing development and redevelopment.

REVITALIZATION

One of the repeated concerns identified in the Village of Kalkaska is the need for a revitalization effort. Community discussion and survey results often centered on residents' desire for new construction and modern types of housing, particularly apartments. Some residents reported living in homes or apartments that need significant repair. Results also focused specifically on the "look" of downtown Kalkaska, citing the need for building condition improvements and less building vacancy there. Community members felt a strong connection with the downtown corridor to the overall economic development and housing within the Village.

HOUSING QUALITY

Survey takers repeatedly listed "Home is in good repair" as one of their top priorities when searching for a home in Kalkaska. Some survey participants also reported needing improvements on their homes, or that their rental needed repair. The local community action agency (NMCAA)¹ in Kalkaska estimates that 22.1-28% of the Kalkaska population lives in housing units with one or more substandard conditions. Unfortunately, during times of short supply of available and affordable housing people feel they have few choices but to live in homes that require significant repairs or simply do not meet their needs. According to the Kalkaska County Housing Inventory Report² from Networks Northwest, "This issue is often cited as being of concern for renters, with residents and housing organizations reporting that the limited availability of rental choices discourages renters from reporting or addressing housing concerns, in fear that they may lose their rental home, with no other alternative housing available."

Housing inadequacy and condition can be difficult to measure, but indicators such as kitchen and plumbing facilities and overcrowding can identify potential housing quality issues, and value and structure age can provide some insight into housing conditions.

Kitchen and Plumbing Facilities: "Complete plumbing facilities" are defined by the US Census and the American Housing Survey as those with hot and cold running water, a flush toilet, and a bathtub or shower. Housing units with two or less of these components are characterized as lacking complete plumbing facilities. "Complete kitchen facilities" include a sink with piped water, a range, and a refrigerator; homes with two or less of these components are considered to lack complete kitchen facilities. The American Housing Survey considers lack of complete plumbing or kitchen facilities as indicators of physical condition issues or substandard quality; and these indicators are important components used by HUD and other agencies in assessing the quality of housing stock and the presence of inadequate housing. The American Community Survey estimates that in Kalkaska County,

- 29 occupied housing units lack complete plumbing facilities
- 33 occupied housing units lack complete kitchen facilities
- **Overcrowding:** Overcrowding is defined by the American Housing Survey as more than one person per room. The American Community Survey estimates that a total of 150 housing units were overcrowded in Kalkaska County in 2020.
- **Age:** According to data from the American Housing Survey, only 1.4% of Kalkaska County's housing stock is from 2014 or later.

¹ https://www.nmcaa.net/downloads/202112152021_nmcaa_community_needs_assessment_final1.pdf

² <https://www.networksnorthwest.org/userfiles/filemanager/2706/>

- **Value:** 59.4% of owner-occupied housing units in Kalkaska County are in the three lowest ranges of value in the American Housing Survey, with 11.9% valued at less than \$50,000. Most homes are valued in the next category, \$50,000 to \$99,999 (24.2%), and the \$150,000 to \$199,999 category (19.2%). The survey also accounts for monthly owner costs as a percentage of household income and estimates that over a quarter of Kalkaska County pays 30% or more. Around 47% of renters in Kalkaska County are estimated to be paying 30% or more of their household income on rent.

HOUSING VACANCY

One issue brought up during the survey process was vacancy. The American Community Survey estimates that 42.3% of Kalkaska County Housing stock was vacant in 2020. It can be difficult to identify why housing is vacant within a community. Housing stock that is for sale, only occupied by owners for a very short period during the year, abandoned, or used as a short-term rental (STR) are all examples of vacant housing. According to Networks Northwest Seasonal Population Study for Northwest Lower Michigan³, there are very few STRs in Kalkaska County, with the county averaging about 100 listings a month. There are no current ordinances related to vacancy, or short-term rentals. The Village Zoning Ordinance also does not directly address a short-term rental land use. The vacancy mentioned in the survey is most likely tied to the next topic.

BLIGHT

As seen in the survey results, blight is a concern for some village residents. Even before the survey and the Housing Action Plan process, the Committee was aware of blight issues within the Village, so blight became the focus of many conversations between Housing North and the Committee. The Village adopted an Ordinance defining Slum and Blighted Areas in 2015. However, within the definitions it specifies that this ordinance covers only the area within the boundaries of the DDA district. It also specifies that the Village Council can only designate a blighted area if Community Development Block Grant (CDBG) funds are available.

The Committee was able to identify several sites that could fit into blight requirements, but revisions will be needed to expand outside the area of the DDA and enable action to be taken without CDBG grant present. Revising the current blight ordinance and creating an action plan for its use will be a key part of revitalization in Kalkaska. It will also be important to engage with the community on this issue. Blight enforcement can be seen as negative to the community, so it will be important to emphasize that blight enforcement provides an opportunity for revitalization, and that the properties will be used for community benefit.

³ <https://www.networksnorthwest.org/userfiles/filemanager/49nwypzbp28vz3voy6gk/>

HOUSING DIVERSITY

During the Housing Action Plan process, stakeholders repeatedly stressed the need for more housing, and multiple types of housing were suggested, including rental housing, transitional housing, apartments, lofts, tiny homes, single family homes, income-controlled housing, senior housing, and more.



Inside the Village of Kalkaska there are five residential districts. Most of the land within the Village of Kalkaska is zoned Light Industrial & Warehouse, Regional Commercial, and Single Family Conventional. The Regional Commercial and Light Industrial & Warehouse districts do not provide housing, while the Single-Family Conventional district allows for detached single family homes on separate lots.

According to our 2019 Northwest Michigan Target Market Analysis⁴, which studied the demand for housing through 2025, 780 housing units are needed in Kalkaska County. The population of Michigan has changed over the years, and as a result many areas do not have the types of housing that best fits many peoples' needs. Small homes, apartments, and rentals are severely lacking, and these are the types of housing most desired by single people of all ages, but also empty nesters, retirees, and young couples.

According to LandUseUSA⁵, across Michigan “35% of all migrating households are seeking alternatives - but only 15% of the supply meets that need. In other words, 20% of the households seeking attached formats are under-served. Much of the supply is also outdated with floor plans that no longer meet renter preferences.” Much of the survey responses and anecdotal reports gathered during this process repeated the idea that residents desire an independent space, whether they owned it or rented.

This housing mismatch also impacts local businesses and organizations trying to attract and retain workers. More affordable units in the Village of Kalkaska are needed to sustain business growth and help workers who provide essential services and serve the community daily.

Outside of housing type, affordability is a significant concern for the households of Kalkaska. During the survey process, residents cited their top reasons for not moving from their current home, with the top two results being related to the affordability of moving and the affordability of current housing. Some overall results from the survey process included:

- It is difficult for the average person to find housing.
- Business owners struggle to attract employees.
- Regardless of income levels, professionals and others interested in moving to the area have difficulty finding homes to rent or buy. 70.5% of survey respondents said they personally knew someone who could not move to Kalkaska due to housing.

⁴ <https://www.housingnorth.org/housing-data>

⁵ LandUseUSA <https://landuseusa.com/wp-content/uploads/2019/09/Missing-Middle-Housing-LandUseUSA.pdf>

While it is difficult to quantify those that do not move because of housing, Kalkaska is missing out on new residents in part because of limited housing choices. Based on this, the lack of diverse housing options could have significant ripple effects on the community's economy.

COMMUNITY PERCEPTION AND SUPPORT

The Village of Kalkaska must secure public support to make headway addressing their housing needs. During the Housing Action Plan process, two common themes emerged.

1. Desire for Kalkaska to look attractive, not only to outsiders such as investors or tourists, but also to its own residents.
2. Belief that there is not enough housing for people who are not low income (and thus cannot utilize low-income housing) but also cannot afford the current market rate housing prices.

These are two areas of potential consensus that the Village can target and use to secure public support. However, the process also identified a limited understanding of housing issues and solutions in Kalkaska. For example, many survey participants felt they could not definitively say if they supported a specific housing tool or solution, expressing the need for more information. This points to a need for more education on housing tools to increase understanding, and thus prevent potential community misunderstanding and opposition. As the Village reviews the Housing Action Plan, education to the public will be crucial to the success of implementing its recommendations. Proactive messaging, clear procedural discussions around approval criteria, and local advocacy efforts, and community dialogue will be a key part of this success.

Another persistent theme seen throughout the process relates to a fear of which "types" of people would occupy local government supported housing units, and of Kalkaska being "too much" of a low-income community. While this was a theme in the survey results, it is also important to recognize that the opposite was also present, with some participants expressing that there is not enough lower income housing available, and what is available is hard to attain or not of great quality.

Local agency NMCAA reported that Kalkaska County is one of seven counties in Northwest Michigan to have a median household income below the Michigan average of \$57,144. In fact, according to the US Census Bureau over 2,000 people in Kalkaska County live in poverty, and the Census estimates that 25.7% of the Village of Kalkaska lives in poverty. Another helpful population group to examine is Asset Limited Income Constrained Employed, or ALICE. ALICE is to describe people who are not in poverty but are struggling to regularly meet all their needs. 26% of Kalkaska County is estimated to be ALICE.⁶

According to the National Housing Preservation Database⁷, there are six low-income housing buildings within the county of Kalkaska, two use section 8 housing vouchers, one by Low Income Housing Tax Credits, the three using multiple funding sources.

Using these numbers, we can see that there is a need for low-income housing within Kalkaska. It also plays an important role in the community by providing stable, low-cost housing options for people and families, contributing to a more sustainable community fabric that supports schools and business long-term. Overall, as discussed above, Kalkaska needs a diversity of housing, which includes covering a range of the Area Median Income (AMI).

⁶ <https://www.unitedforalice.org/michigan>

⁷ <https://haigroup.maps.arcgis.com/apps/webappviewer/index.html?id=ec75a1dd4788400c8df30bf01392c698>

An ideal housing ready community meets the needs and wants of many different types of people, whether they are families, single people, new professionals, disabled, seniors, young couples, low income, and many other possibilities.

DEVELOPMENT OPPORTUNITIES AND BARRIERS

Residential development has long been complex, time-consuming, and expensive. Housing demand has been on the rise throughout Michigan and the nation, with the development landscape becoming increasingly competitive, and costs for new home construction continue to rise with regulations and financing creating added barriers:

- The Home Builders Association of Michigan reports that Michigan lost 43% of its residential building workforce between 2000-2009—as many as 60,000 workers. At the same time, an aging workforce and shrinking pipeline of young people—specifically young trades people—have created a construction labor shortage that is impacting the costs of construction and creating a more competitive environment for developers that do have the capacity for projects.
- Non-homestead tax rates raise rents and incentivize property owners to offer short-term vacation rentals instead of long-term rentals for the year-round population.
- Over the last 40 years, zoning ordinances have focused on large-lot, single-family homes. Smaller homes, townhomes, apartments, accessory dwelling units, duplexes, fourplexes, and other examples of the "missing middle" - the housing types most in demand from smaller households that are missing from neighborhoods—have been prohibited from most zoning districts. The Village of Kalkaska has taken this into consideration and recently updated their zoning. However, there is a limited amount of land zoned for housing within the Village, which might need to prompt some

creative building solutions, or partnerships with surrounding townships.

- Higher-density development types often require special approvals that are typically swayed by public fears of density and "different" housing types. There is also a lack of pro housing advocates in Kalkaska to combat these public concerns.
- Rising development, land, and material costs mean that it is virtually impossible to build new homes at a cost that many parts of the community can afford. Subsidies or incentives are required to offset development costs to ensure affordability—yet, Kalkaska and other small cities or rural areas are not competitive for the major public funding sources that support affordable housing.
- In the Village of Kalkaska specifically, the cost of expanding utilities (particularly water and sewer) is high, since the system is already under capacity.
- Resources for home improvement, and programs that incentivize home improvement, are limited and declining, with few options to incentivize individual investment in property.

These costs and complexities have hampered development in Kalkaska and communities throughout the country.

This report provides recommendations for addressing development barriers, understanding that there is no "silver bullet" or single solution to this complex issue, and that successful housing initiatives will require deliberate, prolonged, and highly collaborative partnerships between units of government, business, nonprofits, and other community stakeholders.

DEVELOPMENT PARTNERS AND CAPACITY

Inside the Village of Kalkaska, there have been several subsidized and market rate developments, but none in the last decade. This can serve as a simultaneous opportunity and barrier to new development. With the recent influx of the Cannabis industry and the regional housing shortage, the need to attract developers to meet the demand has become a priority. The Village has demonstrated collaborative action on housing development already by updating its zoning, creating the Housing and Blight Elimination Committee, contracting with Housing North, and planning to apply for State and Federal funding opportunities.

A collaborative, consensus-based approach is important in any development activities and can help to address concerns about the "housing readiness" or development readiness of Kalkaska. The intent of this document is to guide activities for a range of potential partners, while creating a consensus for moving forward together. Guided by this document, the Housing Opportunity Map, and the RRC process, the Village of Kalkaska should be able to make strides with development, including partnering with the State Land Bank, local Brownfield Authority, DDA, surrounding townships, and potential developers, discover new funding sources, create redevelopment sites, eliminate blight, and potentially dedicate staff to housing.

OCCUPATIONS, WAGES & AFFORDABLE RENTS

A home is "affordable" if it costs less than 30% of a household's income. If households spend more than that, they are considered "cost overburdened." Cost- overburdened households are at greater risk of eviction, foreclosure, or homelessness. Lower-income households are more likely to be cost overburdened. State and federal guidelines define "low-income households" as those earning 80% or less of the area median income (AMI), with income guidelines established and published for each county in Michigan annually by the Michigan State Housing Development Authority (MSHDA). 26% of Kalkaska County is estimated to be ALICE.

ALICE is an acronym for Asset Limited, Income Constrained, Employed, and represents the growing number of families who are unable to afford the basics of housing, childcare, food, transportation, health care, and technology.

Occupation	Mean Annual Wage	Affordable Rent
Dishwashers	\$ 25,960	\$ 649
Housekeepers	\$ 28,390	\$ 710
Bartenders	\$ 32,450	\$ 811
Childcare Workers	\$ 26,680	\$ 667
Home Health Aids	\$ 27,490	\$ 687
Waitstaff	\$ 33,600	\$ 840
Janitors	\$ 30,720	\$ 768
Nursing Assistants	\$ 33,790	\$ 845
Reporters	\$ 42,440	\$ 1,061
EMT	\$ 31,650	\$ 791
Construction Laborers	\$ 42,570	\$ 1,064
Administrative Assistants	\$ 40,740	\$ 1,019
Dental Assistants	\$ 39,680	\$ 992
Preschool Teachers	\$ 35,950	\$ 899
Firefighters	\$ 48,890	\$ 1,222
Welders	\$ 43,610	\$ 1,090
Truck drivers	\$ 49,630	\$ 1,241
Protective Service Workers	\$ 50,470	\$ 1,262
IT Specialist	\$ 51,680	\$ 1,292
Teachers	\$ 62,910	\$ 1,573
Electricians	\$ 62,810	\$ 1,570



DEVELOPMENT PARTNERS

Village Downtown Development Authority (DDA)	Michigan Land Bank Authority
Kalkaska County	CDFIs
Townships	Village Brownfield Redevelopment Authority
Traverse Connect (Kalkaska's Chamber of Commerce)	Local realtors
Grand Traverse Regional Community Foundation	National Coalition for Community Capital
Michigan Economic Development Corporation (MEDC)	Michigan Community Capital
USDA – United States Department of Agriculture	Beckett & Raeder
FHL Bank – Federal Home Loan Banks	Networks Northwest
United States Department of Veterans Affairs	Habitat for Humanity (Grand Traverse Region)
HUD – United States Department of Housing and Urban Development	Northwest Michigan Community Action Agency
Lenders	Housing North

HOUSING ACTION: VISION & GOALS





VILLAGE OF KALKASKA HOUSING VISION & GOALS

Diverse housing options will be available in the Village of Kalkaska for residents of all ages, incomes, and household types to support and grow a diverse local economy and community.



1. HOUSING REHABILITATION

- 1.1 Partner with the State Land Bank and other agencies to bring neighborhood improvement grants and other programs for home renovation
- 1.2 Investigate additional programs, policies, and resources to assist the Village residents, developers and/or investors with housing rehabilitation and blight
- 1.3 Compile resources for homeowners/property owners

2. COMMUNICATION AND AWARENESS

- 2.1 Collaborate with other units of government and organizations
- 2.2 Be proactive with messaging
- 2.3 Encourage residents and business owners in messaging around housing
- 2.4 Work with partners to encourage the use of housing tools in Kalkaska

3. PROCESS & CAPACITY

- 3.1 Revisit a standard PILOT or Payment in Lieu of Taxes approval Criteria and opportunities to consider a 0% PILOT for housing
- 3.2 Consider adoption of zoning changes to diversity housing development opportunities as they arise
- 3.3 Develop capacity for community development support in Kalkaska

4. FUNDING & RESOURCES

- 4.1 Continue to assist in finding public funding sources to support housing in collaboration with other organizations and units of government
- 4.2 Investigate funding opportunities for housing projects and blight
- 4.3 Buildup and leverage working with the State Land bank
- 4.4 Explore other partnerships and opportunities

5. DEVELOPMENT OPPORTUNITIES

- 5.1 Work with the DDA and other partners to develop a matrix of opportunities for development
- 5.2 Encourage mixed-use community development opportunities



1. HOUSING REHABILITATION

1.1 PARTNER WITH THE STATE LAND BANK AND OTHER AGENCIES TO LEVERAGE NEIGHBORHOOD IMPROVEMENT GRANTS AND OTHER PROGRAMS FOR HOME RENOVATION

A land bank can take ownership of a property through the tax foreclosure process and can also buy land and buildings or receive donations of property. Once a property is held by a land bank, it can be sold, rented, cleaned up, redeveloped, or simply held and maintained tax free until it is ready for sale or development. Land bank authorities can also qualify for brownfield status and funding; own homes, transfer or sell property, rent, prevent eviction, sell on land contract, and demolish structures; and partner or enter into contract with private, public, or nonprofit agencies for redevelopment. See 4.3 for more related to Land Banks.

RECOMMENDATIONS	NEXT STEPS	PARTNERS	ATTACHMENTS
Explore other state land bank programs and opportunities to leverage land bank authority incentives or tools	Coordinate/participate in a land bank authority presentation or workshop, Request assistance from Michigan Land Bank Authority	Michigan Land Bank Authority, Center for Community Progress	

1.2 INVESTIGATE ADDITIONAL PROGRAMS, POLICIES, AND RESOURCES TO ASSIST THE VILLAGE RESIDENTS, DEVELOPERS AND/OR INVESTORS WITH HOUSING REHABILITATION AND BLIGHT

Land banks are just one potential opportunity for housing rehabilitation in Kalkaska. There are many programs that could potentially be used for blight or housing rehabilitation. Some possibilities of note include MSHDA's Neighborhood Enhancement Program, MEDC's Build MI Community Grant, RAP Program, or Michigan Community Revitalization Program, and HUD's HOME and Community Development Block Grant programs. There are also homebuyer mortgages, and different types of districts that could promote housing rehabilitation.

RECOMMENDATIONS	NEXT STEPS	PARTNERS	ATTACHMENTS
Encourage lenders to consider offering home renovation mortgages	Convene/coordinate discussion with local lenders on Fannie Mae HomeStyle Renovation Mortgage products, Promote home renovation mortgages and related home improvement loan grant products	Lenders, Realtors	
Leverage the benefits generated through RRC certification by participating in the other MEDC programs	Investigate MEDC programs, apply for and/or engage in relevant programs	MEDC	https://www.miplace.org/programs/
Investigate HUD HOME and Community Development Block Grant programs			HUD HOME Investment Partnerships Program HUD Community Development Block Grant (CDBG) Programs
Investigate MSHDA's Neighborhood Enhancement Program (NEP)	Identify target neighborhoods, apply for NEP funds to provide exterior home improvements		MSHDA's Neighborhood Enhancement Program (NEP)
Consider the creation of a Commercial Rehabilitation District	Identify commercial property areas that need rehabilitation, and would benefit from tax incentives		MSHDA Commercial Rehabilitation Act
Investigate the possibility of historic places or districts in Kalkaska as a source of funding and/or redevelopment	Research Federal and State Historic Tax Credits, USDA Housing Preservation Grants, and the Michigan State Historic Preservation Office through MEDC. Consider Historic District Designation within the Village of Kalkaska.		

1.3 COMPILE RESOURCES FOR HOMEOWNERS/PROPERTY OWNERS

Individual responses captured by the survey demonstrated that some individuals within Kalkaska are living in homes that need repairs or renovations. There are two local nonprofits in Kalkaska that assist with home repairs, and several state level programs designed to assist homeowners specifically with home improvement. Home renovation can be expensive and time consuming, but citizens might not be aware of the different programs available to them to help with this process.

RECOMMENDATIONS	NEXT STEPS	PARTNERS	ATTACHMENTS
Become familiar with repair and home improvement programs available for citizens, and continue to stay informed and update the provided resource list regularly	Make research and updating of the resource list a priority for the Committee		Home Repair/Rehabilitation from NMCAA

2. COMMUNICATIONS AND AWARENESS

2.1 COLLABORATE WITH OTHER UNITS OF GOVERNMENT AND ORGANIZATIONS

One point of consensus throughout housing discussions throughout Michigan is the desire to be able to attract and retain a diverse population that supports a growing economy. Based on the Housing Action Plan process, it will be critical for the Village and the DDA to collaborate, develop a regular working relationship, and work together on a shared vision or goals.

Downtowns are considered favorable or priority development locations by many funders, because of factors like walkability, access to services and amenities, and the ability of mixed-use development or neighborhoods to fill downtown vacancies, redevelop underused properties, and provide a stable customer base for business. What is more, the DDA offers important development tools; and has considerable influence on public opinion. It is critical for the DDA to be engaged as partners in housing discussions, with downtown activities and decisions driven by a vision shared with other partners for how housing can have the greatest impact on the downtown's success.

Also, the Village, County, and other partners may wish to pursue a broader community vision; and/or consider adopting a housing "mission statement" that could guide future housing discussions. For instance, a mission statement that the community "is working towards the creation of diverse housing options for residents of all ages, incomes, and household types in order to support and grow a diverse local economy".

RECOMMENDATIONS	NEXT STEPS	PARTNERS	ATTACHMENTS
Develop shared goals with DDA, possibly as part of a vision or downtown plan, in partnership with the Village and possibly County	Determine eligibility of downtown plan/vision activities for RRC funding Consider creating a Village-DDA ad hoc committee to lead development of a shared vision or goals		

2.2 BE PROACTIVE WITH MESSAGING

Social media is a powerful tool both for and against housing initiatives. Messages and information - and misinformation - spread quickly, and it can be difficult to correct inaccurate statements once they have been expressed publicly or on social media. Therefore, it is critical to be "in front of" conversations and housing proposals with accurate, up-to-date information about housing needs and solutions with ongoing, consistent messages. To be effective, all housing partners in the community must be engaged in the conversation, with appropriate data, stories, and information about how various partners can impact housing needs - through social media, print media, radio, TV, public meetings, and presentations to community groups.

RECOMMENDATIONS	NEXT STEPS	PARTNERS	ATTACHMENTS
Provide easy-to-understand information about housing tools for the public	<p>Host open community meetings to inform the public on housing tools relevant to Kalkaska</p> <p>Give out one-pagers and FAQs summarizing how these tools work; work with partners to develop this information (if needed)</p>		
Provide housing presentations to groups (Rotary, etc) and public bodies	Identify volunteers to serve as a "speakers bureau" that can develop and deliver presentations	Housing nonprofits, Housing North, others	Housing North Communications Toolkit



2.3 ENCOURAGE RESIDENTS AND BUSINESS OWNERS IN MESSAGING AROUND HOUSING

One common point among many participants in the Housing Action Plan process was the negative impact that the current housing situation has on the ability of local employers to maintain employees and recruit new talent to the community. It is critical that leadership and the public at large recognize this and understand the ripple effect that housing has on the economic health of the community. Business owners can also be a powerful source of messaging since they are often recognized and respected within the community.

It will be important to ensure that updated data on housing need and demand is available and shared with stakeholders and the media regularly-and is supported by testimonials. Testimonials from business owners, their employees, young families, new professionals, developers, empty nesters, and realtors- particularly from those recognized and respected by the public can help support the accuracy and validity of market studies and should be sought as part of any data release. The survey used in this process can be a place to start.

Beyond communicating housing needs, it is important to ensure that discussions focus on solutions, successes, and areas of public consensus, both for the sake of local buy-in and outside interest from developers. Beginning from a point of agreement about the future of the community, what projects have been successful, and what is needed to make them work-can help to move housing conversations and proposals forward. Developers are more likely to seek projects in Kalkaska if it is known as a place where there is a consensus about housing among local officials and the public, and a demonstrated will to work together for solutions.

RECOMMENDATIONS	NEXT STEPS	PARTNERS	ATTACHMENTS
Conduct interviews of business owners in the Village of Kalkaska regarding housing issues	Lead development of interview questions and promotion of interviews on social media, during housing project promotion, and share with local media outlets	Traverse Connect, DDA, local news	Kalkaska Housing Survey results

2.4 WORK WITH PARTNERS TO ENCOURAGE THE USE OF HOUSING TOOLS IN KALKASKA

Development professionals are always learning from each other, and housing is no exception. This plan is its own example, since it references PILOT ordinances and development incentives from other areas around Michigan. Other units of government can be a great source of ideas for how to structure, make changes to, or plan housing development. It could be of value to Kalkaska to identify other villages, cities, etc as a type of “housing role model” and keep track of the development work that goes on there.

Kalkaska should also be intentional about updating and promoting their own housing work to a relevant group of partners. Groups such as Housing North, will gladly share successful examples of housing innovations, or use of new housing tools with their stakeholders. Members of the Village government might also consider presenting a successful housing project at an event, such as a conference. This open communication will allow other units of government to replicate great work in their communities.

RECOMMENDATIONS	NEXT STEPS	PARTNERS	ATTACHMENTS
Develop a communications plan or method to inform relevant partners about what the Village is doing for housing	<p>Create a list of housing partners that are relevant to Kalkaska, such as nonprofits and other units of government and regularly share information with partners</p> <p>Consider presenting success stories at housing events/conferences/summits</p>	Housing North, other nonprofits or organizations, other units of government	

3. PROCESS & CAPACITY

3.1. REVISIT A STANDARD PAYMENT IN LIEU OF TAXES (PILOT) APPROVAL CRITERIA AND OPPORTUNITIES TO CONSIDER A 0% PILOT FOR HOUSING

A PILOT ordinance and approval protocol identifies clear standards and criteria that must be met by any developers requesting a PILOT. A clear, objective process eliminates some pitfalls for developers and helps focus discussions on tangible issues, rather than broad fears about the development.

Further, an improved awareness among the community and leadership about PILOTs specifically, and the low-income housing tax credit program, may help to focus conversations. Regional partners can provide free or low-cost training on request to help build this awareness proactively, so that decision-makers and partners are prepared when proposals are brought forward.

RECOMMENDATIONS	NEXT STEPS	PARTNERS	ATTACHMENTS
Consider researching ordinances	<p>Establish clear approval procedures and objectives for PILOT requests</p> <p>Establish a PILOT task force</p>	Housing North, Village of Kalkaska, County, DDA, others	Sample PILOT ordinances/applications

3.2 CONSIDER ADOPTION OF ZONING CHANGES TO DIVERSIFY HOUSING DEVELOPMENT OPPORTUNITIES AS THEY ARISE

The Village adopted a variety of zoning changes that, may create opportunities for "incremental" housing units like accessory dwelling units, duplexes, fourplexes, and more. This approach "legalizes" a type of medium-density housing that fits in with existing neighborhoods and is typically right-sized and affordable to young people, retirees, empty nesters, and other small households. The Village has also discussed zoning overlay districts and density moratoriums. As the Village explores these potential changes, it will be important to consider how they are impacted, or how they may impact related ordinances, including the rental inspection ordinance, and building codes.

One issue that could have a larger impact in the future, is short-term rentals like AirBnB or VRBO. Multiple residents mentioned empty housing and businesses within Kalkaska during the Housing Action Plan research process. Other communities in Michigan are experiencing a surging demand for short-term rentals, which are impacting the availability and cost of year-round housing. Kalkaska may desire to grow their tourism economy, but while these rentals provide an important community benefit, it's important to be proactive in addressing this use, in order to avoid the pitfalls experienced in other communities - for instance, already-limited year-round rentals being converted to short-term rentals or new condos or starter homes being purchased by speculators for use as short-term rentals. Regional and state partners can provide free or low-cost training on regulatory options for short-term rentals.

RECOMMENDATIONS	NEXT STEPS	PARTNERS	ATTACHMENTS
Develop and consider adoption of zoning changes to increase housing preservation and development opportunities	Work with Village government to draft zoning changes	Village Planning and Zoning	Housing Ready Checklist



3.3 DEVELOP CAPACITY FOR COMMUNITY DEVELOPMENT SUPPORT IN KALKASKA

Developers consistently note lack of "capacity," or limited community development staff and knowledge or development processes, as a barrier in doing business in rural areas and small towns. Hands-on local staff that can help to coordinate the diverse partners and funding sources inherent in any development project would be a significant step forward in attracting new investment to Kalkaska.

With such a liaison, the Village and/or Kalkaska County could be proactive in working with MEDC and developers to market sites and development opportunities. A community development liaison could also ensure that there is regular outreach and communications to and between developers, local officials, development partners, and the public.

While local resources are limited, a shared approach to staff/capacity has been modeled and proven locally and regionally for both economic and community development functions. Options for a shared community development staff person may include:

- Village staff person
- Shared Village/City/County/ODA/Tribal staff
- Shared "subregional" staff person funded by multiple counties/cities/townships/tribe/philanthropy

Housing North is working with other counties in the region to develop a model for shared community development staff/capacity. A program overview is attached.

RECOMMENDATIONS	NEXT STEPS	PARTNERS	ATTACHMENTS
Provide capacity/staff that will convene partners, coordinate specific incentives, funding programs, and partnership opportunities around specific properties; and act as a single point of contact for developers and investors	Develop/introduce a proposal to elected bodies & partners to share staff	Village, DDA, County, Townships, Housing North, others	Housing Ready Program Overview



4. FUNDING AND RESOURCES

4.1. CONTINUE TO ASSIST IN FINDING PUBLIC FUNDING SOURCES TO SUPPORT HOUSING IN COLLABORATION WITH OTHER ORGANIZATIONS AND UNITS OF GOVERNMENT

A local source of funding, applied to predevelopment activities and/or financial gaps in a project, demonstrates local commitment and reduced project risk to funders, and can leverage significant investment from public or private sources. Local partners may consider establishing a fund that would provide "gap financing" or support predevelopment work, thus leveraging significant public or private investment. Sources for local funds might include:

- Land bank authority revenues
- Private donations, i.e., from employers
- Tax increment financing revenues from the DOA
- Vacancy taxes
- General fund dollars
- Special purpose funds with a nexus to housing

Local donations or investments are intriguing to a number of partners, but it is important to consider that there must be a "home" for these investments and a clear purpose. That is, to attract investment, there must be the capacity and structure to provide accountability in re-investing those dollars. Options for local or regional funds and investments are currently being explored at the regional level with Housing North, community foundation partners, and other stakeholders.

Discussions have identified opportunities for working with community development finance institutions; establishing a land conservancy model for housing; and creating funds administered by local community foundations.

RECOMMENDATIONS	NEXT STEPS	PARTNERS	ATTACHMENTS
Explore revenue/investment options that can support a local fund	Participate in regional discussions/information sessions regarding opportunities for creating local funds	Grand Traverse Regional Community Foundation	

4.2. INVESTIGATE FUNDING OPPORTUNITIES FOR HOUSING PROJECTS AND BLIGHT

A variety of state and federal programs provide subsidies and incentives for housing projects. Resources likely to be applicable and relevant to development in the Village of Kalkaska include:

- New Market Tax Credits
- Federal Home Loan Bank
- Community Development Finance Institutions
- MSHDA Programs: HOME Program, Mod Program, Missing Middle Housing Program, Housing and Community Development Fund
- USDA-RD Programs
- MEDC Programs
- Brownfield Program

Broadly speaking, the greatest potential for accessing diverse funding sources is likely to be found in mixed-use, mixed-income projects in or near downtown; however, each project is unique in terms of opportunities, available resources, and barriers. It is important to note that each funding source establishes specific parameters for eligible projects, and applicability will be highly dependent on the type and location of each project.

Determining where and how specific funding sources apply will require project-specific support from partners like the MEDC and, ideally, a local/county community development specialist.

Community development finance institutions (CDFIs) offer another important financing mechanism that can support housing development. CDFIs are nonprofit "banks" that lend to underserved markets or populations. Several in Michigan act as key partners in housing development, providing bridge loans, gap financing, or other services that can make or break a project. CDFIs active in housing development in Northwest Michigan include Cinnaire, Opportunity Resource Fund, Michigan Community Capital, Northern Trust, and IFF.

As with public funding sources, CDFI participation/ funding is highly dependent on project specifics. Relationships can and should be developed with CDFI representatives - many of whom provide hands-on technical assistance to communities and development partners - to ensure regular communication and up-to-date information on emerging development opportunities.

RECOMMENDATIONS	NEXT STEPS	PARTNERS	ATTACHMENTS
"Institutionalize" knowledge/awareness of funding and capacity building resources at the Village	Identify "point person" for additional training, Schedule introductions of Kalkaska development partners/point person with CDFI representatives	Village, County, MEDC, Housing North	
Provide resources and referrals to developers	Compile studies, data, etc, and make them available online and in government offices	Networks Northwest	Target Market Analysis

4.3. LEVERAGE WORKING WITH THE STATE LAND BANK & SUPPORT A COUNTY LAND BANK IF THERE IS AN OPPORTUNITY

Land banks can be powerful tools for housing, but Kalkaska County does not currently have a local land bank authority. However, there are still opportunities through partnership with the State Land Bank. In September of 2022, the Governor of Michigan announced \$21.55 million is now available through a competitive grant program administered by the State Land Bank Authority. This program has existed in the past but is not regularly funded. See 1.1 for more related to Land Banks.

RECOMMENDATIONS	NEXT STEPS	PARTNERS	ATTACHMENTS
Apply for the State Land Bank Blight Elimination Program	Engage in the RFP process.	Grand Traverse Regional Community Foundation	State Land Bank Blight Elimination
Consider the creation of a local Kalkaska land bank	Attempt a meeting between relevant partners to decide if a local land bank should be created	Kalkaska County, Brownfield Redevelopment Authority, Michigan Land Bank Authority	Center for Community Progress: Land Bank Incubator Scholarship

4.4. EXPLORE OTHER PARTNERSHIPS AND OPPORTUNITIES

This document discusses many sources of funding for housing projects, and yet there are still more. Some examples of alternative funding include Project Bonding, PSD, BID, sponsorships, donations, product sales, co-op advertising, event vendor revenues, Go Fund Me campaigns, foundation grants, and more. These types of funding have the potential to be layered with other funding sources.

RECOMMENDATIONS	NEXT STEPS	PARTNERS	ATTACHMENTS
Consider partnerships to leverage alternative funding sources for housing	Identify projects that would best suit an alternative funding source, met with relevant partners to discuss funding options	DDA, Grand Traverse Regional Community Foundation, National Coalition for Community Capital, or Michigan Community Capital	



5. DEVELOPMENT OPPORTUNITIES

5.1. WORK WITH THE DDA AND OTHER PARTNERS TO DEVELOP A MATRIX OF OPPORTUNITIES FOR POTENTIAL PROJECTS (I.E. A PLAN TO OFFER REDUCED HOOK-UP FEES OR A BROWNFIELD REVOLVING DEMOLITION FUND).

RECOMMENDATIONS	NEXT STEPS	PARTNERS	ATTACHMENTS
Establish a clear development matrix, approval process, and objectives for development requests	Establish a task force made up of Committee members, DDA members and other community stakeholders, to propose matrix criteria	Housing North, Village of Kalkaska, County, DDA, others	Sample development matrix and development assistance program

5.2 ENCOURAGE MIXED-USE COMMUNITY DEVELOPMENT OPPORTUNITIES

Due to intensity and scale, commercial neighborhoods or districts are appropriate for mixed-use commercial/residential and multi-family residential developments. In addition to compatibility with surrounding areas, commercial neighborhoods present a number of benefits to new residents, including walkability, while also providing the stable customer base and activity level needed to support existing businesses. The Committee has identified some potential sites for mixed use development, including some potential blighted properties within the downtown, a property north of 612 (by Arby's and Rite Aid), and another by the south end of the Village border by Family Fare. Kalkaska is in the process of getting RRC certified, which will also identify specific sites and neighborhoods as priorities. These properties can be considered an early focus area for Village development efforts and partners. A successful project would demonstrate nontraditional partnerships and resources, while enhancing the downtown.

At the same time, other priority development sites must be actively marketed to developers, with personal contact and invitations to visit Kalkaska and specific sites. During meetings and developer visits, there should be a clear demonstration of coordination on the part of Kalkaska development partners.

RECOMMENDATIONS	NEXT STEPS	PARTNERS	ATTACHMENTS
Contact developers and invite them to the Village of Kalkaska for individual tours and introductions to development partners	Village, County, MEDC	Housing North, Village of Kalkaska, County, DDA, others	Sample development matrix and development assistance program



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ACRONYMS

- ALICE — Asset Limited, Income Constrained, Employed
- AMI: Area median income
- DDA: Downtown Development Authority
- CDFI's: Community Development Financial Institutions
- STR: Short-Term Rental
- NEZ: Neighborhood Enterprise Zone
- RRC: Redevelopment Ready Communities
- MEDC: Michigan Economic Development Corporation
- (RAP): Revitalization and Placemaking (RAP) Program
- RFP: Request for Proposal
- PILOT: Payment in Lieu of Taxes