



NORTHWEST MICHIGAN  
HOUSING READY CHECKLIST





Housing North is a nonprofit organization formed in 2018 to build awareness, influence policy, and grow capacity and resources so communities can create housing solutions that meet their unique needs. It's governed by a ten-county Board of Directors that represent business; philanthropy; local, county, and tribal government; workforce development; and housing agencies from throughout the ten-county region of Northwest Lower Michigan.

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

**This checklist is adapted from the Housing Ready Checklist developed by the Leelanau County Housing Action Committee.**



## HOUSING READY CHECKLIST

Northwestern Michigan is experiencing a shortage of housing –particularly rental housing – that is affordable to a broad range of income levels. The short supply of available housing leaves many families with few choices but to live in deteriorating, inadequate, unsafe, or unaffordable homes—if they stay or move to the region at all. Families and young people may choose to live elsewhere, limiting our workforce and harming businesses. Businesses struggle to find employees who can afford to nearby and often lose potential new recruits to businesses where more affordable housing options are available. Quality housing means quality employees.

Without spending significant resources, local governments and communities can help by ensuring that there are opportunities for development that can create a variety of housing options for all people in the community. Local and county governments can work in partnership with developers and community organizations and businesses to support housing goals and smart, sustainable projects.

This checklist is designed to help communities evaluate their own standards, strategies, plans, and ordinances to ensure they are designed in a way that meets local needs for workforce housing. It is adapted from the Housing Ready Checklist developed by the Leelanau Housing Action Committee, which was based on practices that have been used in many communities' local plans and zoning ordinances to create more development opportunities and support workforce housing initiatives.

### Local Government Roles

Planning commissioners and elected boards, like city councils and township boards, make decisions about zoning and development in villages, townships, and some counties in Northwest Michigan. This means local governments are essentially the 'gate keeper' for directing and determining what type, how much, and where workforce housing is built in your community. Without proper regulations and policies, developers are forced to pursue expensive, time-consuming rezoning or variance requests interfering with project schedules, creating project uncertainty, and often litigation or abandonment of their project.

Using the Housing Ready checklist, we can begin local conversations about how to ensure that our communities' policies are fair and predictable, and that they allow the types of housing we need, while preserving the local character that makes Northwest Michigan such a desirable place to live.

## HOW TO USE THIS CHECKLIST

Very few, if any, communities will be able to answer “yes” to every question on this checklist—and not every community will want to! Each community’s plans, policies, and procedures are unique to local circumstances, and the inclusion of elements on this checklist doesn’t necessarily mean they’re appropriate for your community. Rather, the checklist can be a starting point for examining how your community plans for housing choices.

### Where Do We Start?

Advocates or officials can suggest or request that their local planning commissions and/or elected boards complete and/or review the checklist at a study or working session, or even at a joint meeting of the planning commission and elected board. Local housing networks or Housing North staff can help facilitate the checklist completion process and conversation. Once the checklist is complete, local officials may identify some elements that can be added or modified in local plans and policies as a “to-do” list for action.

### Understanding the Terms in this Document

It’s unlikely that everyone in the conversation will be familiar with all of the terms and techniques included in the checklist. Local partners, advocates, community networks, and Housing North can help by participating in local discussions and sharing resources and information. Contact information is available on [www.homesforourfuture.org](http://www.homesforourfuture.org).

### We Know What We Need to Change! Now What?

Changes to policies, plans, and procedures can be complex and time-consuming. While some communities have staff to help make changes, others may want or need to consider outside assistance from planning consultants and others. **Housing North and local housing networks are here to help.** Please visit [www.homesforourfuture.org](http://www.homesforourfuture.org) for information on local housing networks that can provide recommendations on technical assistance, help with zoning reviews, or questions or suggestions on the checklist.

## What is Workforce Housing?

Generally speaking, workforce housing means housing our workers can afford – our teachers, restaurant employees, firefighters, electricians, and others making around the County’s median income. Nearly all experts agree that a household’s housing costs should not exceed 30% of its income.

Therefore, workforce housing commonly refers to housing that costs less than 30% of the area’s median income.—and that housing is becoming harder and harder for the workforce to find.

Current local median income data, and more information on housing terms and definitions is available online at [www.homesforourfuture.org](http://www.homesforourfuture.org).



The Housing North Homes for Our Future campaign is a call to action for the public, local governments, employers and schools. The Housing Ready Checklist is one way communities can participate in the campaign. Other resources and opportunities for participation, like sample resolutions, messaging guidance, data, a calendar of events, best practices, and more, are available online at



## COMMUNITY NEEDS ASSESSMENT

Understanding the needs for housing, and the barriers standing in its way, is an important first step in determining which changes are needed in your community's plans, policies, and procedures.

### Has your community taken steps to understanding local housing needs?

1. Has your community expressed an interest or need for more housing options?
2. Have the following stakeholders participated in discussions regarding the need for workforce housing?  
 employers  school districts  families  local residents  nonprofits  other jurisdictions  
 developers  landowners
3. What methods have been used?  
 questionnaire/survey  public comment  online options  public meeting(s)  
 presentation of options with discussion  focus groups  other

## PLANNING STRATEGIES

The legal framework for determining where and what type of development occurs through zoning—but zoning must be based on an adopted community master plan. Plans are an important way to begin conversations about housing, and can provide guidance about how housing needs should be addressed and accommodated in local policies and zoning ordinances.

### Has your community considered planning initiatives or amendments to address housing?

1. Y  N  a Master Plan that advocates for housing that meets the needs of all residents
2. Y  N  setting a goal for an amount of workforce housing needed (as a number of units or as a percentage of total housing) and developed a method to track progress
3. Y  N  mapping priority development areas in and adjacent to villages and settlements where workforce housing is to be included with other housing types
4. Y  N  "pre-permitting" selected sites within the designated priority development area(s)
5. Y  N  becoming "Redevelopment Ready Certified" to access Michigan Economic Development Corporation (MEDC) financing, resources, and marketing?

## BEST PRACTICE HIGHLIGHT: MANISTEE HOUSING ACTION PLAN

The Manistee Housing Action Plan, adopted by the Manistee City Council in October 2019, summarizes housing needs and identifies local policies and actions that could support new housing efforts. Recommendations address zoning, financing, communications and public outreach, tax incentives, and more. The plan was developed through the Rising Tide initiative of the Michigan Economic Development Corporation, in partnership with Beckett & Raeder and Housing North, and is available online at [mirisingtide.org/Manistee](http://mirisingtide.org/Manistee).



## ZONING STRATEGIES

Development begins with zoning, which is a locally-adopted law that regulates where, how, and what type of development is allowed in a community. The right zoning can create a clear, predictable path for developers to follow, resulting in the type of housing that a community wants and needs. But it can also be a barrier, preventing the construction of many types of in-demand homes, increasing development costs, or requiring complex and lengthy approval processes. It's important for communities to make sure that their local zoning ordinances are up-to-date, fair, predictable, and reflective of the community's needs and preferences for housing.

### Does your community's zoning ordinance include/allow the following:

1. Y  N  an established, simple, and easily accessible development approval process
2. Y  N  lot splits
3. Y  N  single family homes to be converted to multi-family units
4. Y  N  expanded boundaries of high density residential districts
5. Y  N  a mixture of densities and dwelling types that are allowed by right (preferably) or by special use, especially in priority development area(s), including:
  - Y  N  multi-family housing (townhomes, condos, apartments, duplexes, multiplexes, etc.), with the same/similar lot dimension requirements as single-family homes when practical
  - Y  N  small minimum dwelling size (450 sq. ft. or less is suggested) for all housing types
  - Y  N  zero lot line homes
  - Y  N  dormitory housing or boarding room housing in certain districts under defined conditions
  - Y  N  mixed-use buildings that allow housing in commercial districts
  - Y  N  accessory dwelling units (ADUs) or granny flats
  - Y  N  cottage developments
6. Y  N  definitions that distinguish between "long-term rental" and "short-term rental"
7. Y  N  single-room (long-term) rentals in single-family homes
8. Y  N  an ordinance that regulates short-term rentals, including limiting or prohibiting short-term rentals of non-owner occupied homes in districts targeted for workforce housing
9. Y  N  an ordinance that allows Planned Unit Developments (PUDs) through a clear, fair, predictable process that encourages inclusion of workforce housing
10. Y  N  form-based zoning in districts that have been designated as priority development area (s)
11. Y  N  encourage or incentivize energy efficiency and sustainability to maintain affordability
12. Y  N  overlay districts to delineate priority development area (s) for workforce housing



## ZONING STRATEGIES

### **Does your community's zoning ordinance allow incentives for workforce housing including:**

1. Y  N  density bonus when retaining open space
2. Y  N  density bonus when a percentage of units are set aside for workforce housing
3. Y  N  reduced number of parking spaces required
4. Y  N  reduced utility hookup fees
5. reduced minimum dwelling and lot width and size for:  
 below market-rate housing  districts targeted for workforce housing  in-fill development
6. Y  N  height bonuses if residential is incorporated in a mixed-use building
7. Y  N  emphasizing incentives in priority development area(s)

### **Has your community considered the following regarding Accessory Dwelling Units (ADUs or "Grannie Flats"):**

1. Y  N  minimal restrictions on ADU height, dwelling size, lot area, ratio of ADU size to primary residence size, maximum number of bedrooms/occupants, and parking
2. Y  N  ADUs for long-term rentals allowed by-right
3. Y  N  one attached and one detached ADU is allowed on same property
4. Y  N  limit or eliminate short-term rental of ADUs in districts targeted for workforce housing

## BEST PRACTICES HIGHLIGHT: CITY OF CHARLEVOIX ZONING CHANGES

In response to an urgent need for workforce housing by local businesses, the City of Charlevoix has taken a proactive stance to housing readiness by updating local plans and policies. Beginning in 2017, it began exploring and adopting changes to zoning that would create more opportunities for housing development in the City. Zoning has since been amended to allow accessory dwelling units, conversions of single-family homes to two-family homes, and single-room rentals in owner-occupied homes, all while streamlining approval processes for development. At the same time, the City is exploring innovative ways to regulate short-term rentals in order to ensure that the new housing created by its zoning changes remains available for year-round residency. The City is also exploring other ideas, including use of City-owned property for housing development and infrastructure incentives for residential development.



## FUNDING & FINANCING

When building homes that are affordable to the workforce, there is almost always a “gap” between the costs of construction and a price that’s affordable to the end buyer or renter. Builders and partners have to find a way to fill that gap, often with grants, low-interest loans, donations of land, tax incentives, or waived infrastructure or other fees. It often takes a significant investment of time and expertise to find and secure that gap funding or subsidy. Local governments can help by approving tax incentives or other tools, or even providing a local source of funding that can be applied to predevelopment activities and/or financial gaps in a project. These activities demonstrate local commitment and reduced project risk to funders, and can leverage significant investment from public or private sources.

### Has your community considered or implemented:

1. Y  N  working with community development finance institutions (CDFIs) to provide financing for developers and buyers when banks won’t lend
2. Y  N  adopting an ordinance and clear approval procedures for payment in lieu of taxes (PILOT) incentives
3. Y  N  establishing a Neighborhood Enterprise Zone to provide tax incentives for home rehabilitation and new residential development
4. utilizing the following to acquire land or fund the development of workforce housing:  
 Michigan or county land bank authority  Brownfield Redevelopment Authority  tax increment financing  housing tax exemption  Payment In Lieu of Taxes (PILOT)  private/government grants  private land trusts  local investment groups  private and public donations  other

## ENSURING LONG-TERM HOUSING AVAILABILITY AND AFFORDABILITY

Whenever communities work to encourage more housing choice, it’s important to consider how—and for how long – that housing will be made available to the workforce and other long-term residents. There’s often a concern that new homes created under these housing initiatives will be marketed or “flipped” for a windfall profit, and/or that they’ll be converted into short-term rentals like AirBnBs. These practices can be easily avoided with a little forethought and some partnerships with housing agencies and others, through mechanisms like deed restrictions, second mortgages, and community land trusts. These practices require that homes are only eligible to be sold or rented to income-eligible households at an affordable price, and that they’ll be occupied only by the owner or primary renter. Local governments, developers, and community organizations can enter into partnerships with nonprofit developers or housing agencies that routinely manage these types of requirements.

More information on community land trusts and shared equity homeownership is available from the organization Grounded Solutions, online at [groundedsolutions.org](https://groundedsolutions.org).





## DEVELOPMENT OPPORTUNITIES

A hallmark of successful workforce housing projects is participation and support from a variety of partners: private developers, local governments, community development finance institutions, state agencies, volunteers, and nonprofits. Because development is so expensive, and often require different funding sources, projects tend to be complicated, and require help from multiple partners. Your community can play a key role in streamlining the development process by convening those partners and coordinating projects, while ensuring that local assets and infrastructure are “housing ready.”

### Has your community considered or implemented:

1. Y  N  partnerships with nonprofits, businesses, schools, and private developers to advance workforce housing development?
2. Y  N  working with partners to market housing development opportunities?
3. Y  N  whether your current infrastructure supports increased housing density?
4. identifying factors that limit density:  
 parking  roads  soil conditions  Brownfield(s)  septic/sewer  other
5. Y  N  opportunities to rehab deteriorated, abandoned, or unused buildings or properties for workforce housing?
6. Y  N  a transparent, easy to follow “developer’s checklist” of zoning and other requirements that must be met before a project is launched?
7. Y  N  forms and permits that are simple, easy to access, and make the development process as transparent and efficient as possible?
8. Y  N  establishing or using the county or state land bank authority as a development tool and partner?
9. Y  N  creating an inventory of local-government owned properties, redevelopment-ready properties, or other sites available and appropriate for housing development?

## BEST PRACTICE HIGHLIGHT: LEELANAU HOUSING PARTNERSHIPS

Leelanau County is home to a number of local partners that work closely together on housing initiatives. The Leelanau Housing Action Committee, a committee of the Leelanau County Planning Commission, focuses on building “housing readiness” in the County by working with local governments to share information about housing needs and promote the Housing Ready Checklist, which it developed in 2019. Meanwhile, the Leelanau County Land Bank Authority provides important tax benefits and revenue to kick-start private investment on tax-foreclosed or other properties, in partnership with housing nonprofits like Habitat for Humanity and Leelanau REACH—a volunteer-based local housing nonprofit focused on creating new housing opportunities. With property donations from local philanthropists, financing from community development finance institutions (CDFIs) like the Opportunity Resource Fund, and development assistance from the Traverse City Housing Commission, REACH has coordinated the development of four single-family workforce homes in Northport.