

Bingham Township Housing Discussion



Creating pathways and partnerships
for housing in Northwest Michigan.

Roadmap

- Definitions
- Supply and affordability problems
- Data
- Housing in draft Master Plan
- Zoning reform tools at a glance
- Missing middle homes at a glance
- ADUs
- Additional considerations

Definitions

■ What does affordable mean?

- Housing costs are considered affordable if they do not exceed 30% of a household's income.

■ What does cost-burdened mean?

- Someone is considered cost-burdened if they spend more than 30% and severely cost-burdened if they spend more than 50% of their income on housing costs.

■ What do we mean by affordable housing?

- Affordable market-priced housing – not subsidized, but priced so local households can afford them, for rent or for purchase.
- Subsidized housing – reserved for households making a certain percentage of the area median income (AMI), for rent or for purchase, typically up to 80% of AMI.

■ What do we mean by attainable or workforce housing?

- Homes that are affordable for households with incomes between 80-120% of the AMI. Attainable and workforce housing are often used interchangeably.

■ AMI

- Area median income. AMI measures the median *family* income for a metropolitan area or non-metropolitan county and is used to determine eligibility for some housing programs.

Supply Problems

- Housing construction rates have not returned to pre-Great Recession levels
- Certain regulations can impact overall supply by limiting housing types (duplexes, triplexes, and ADUs, for example) and requiring complicated approval processes
- Household compositions are changing
 - Getting smaller, older, and their needs and preferences are changing
 - The number of households is growing faster than the overall population is
 - Mismatch between housing stock and households – smaller households and larger homes

Affordability Problems

- Housing prices are increasing faster than incomes
- Households are spending too much on housing
- The rents and home prices that many households with lower incomes can afford are typically too low to develop and operate without government subsidies and incentives
- Government funding hasn't kept up with the need
- The need for homes at affordable and attainable ranges has increased

<https://localhousingsolutions.org/housing-101-the-basics/4-reasons-why-housing-is-unaffordable/>

https://www.planningmi.org/assets/images/ZoningReformToolkit/MAP_ZoningReformToolkit_2022%2008%2002_Gradient.pdf

<https://www.cbpp.org/research/housing/families-wait-years-for-housing-vouchers-due-to-inadequate-funding>

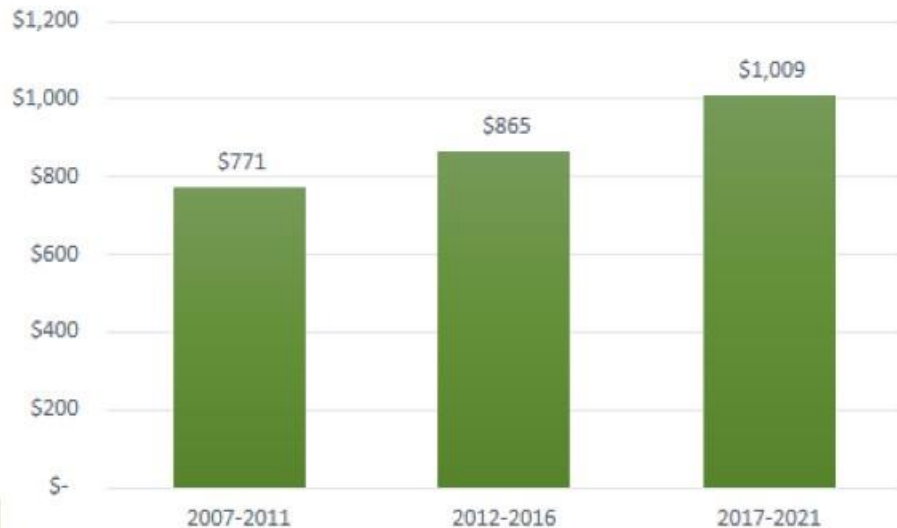
What are the numbers in Leelanau County?

Median Household Income for All Occupied Housing Units \$72,709

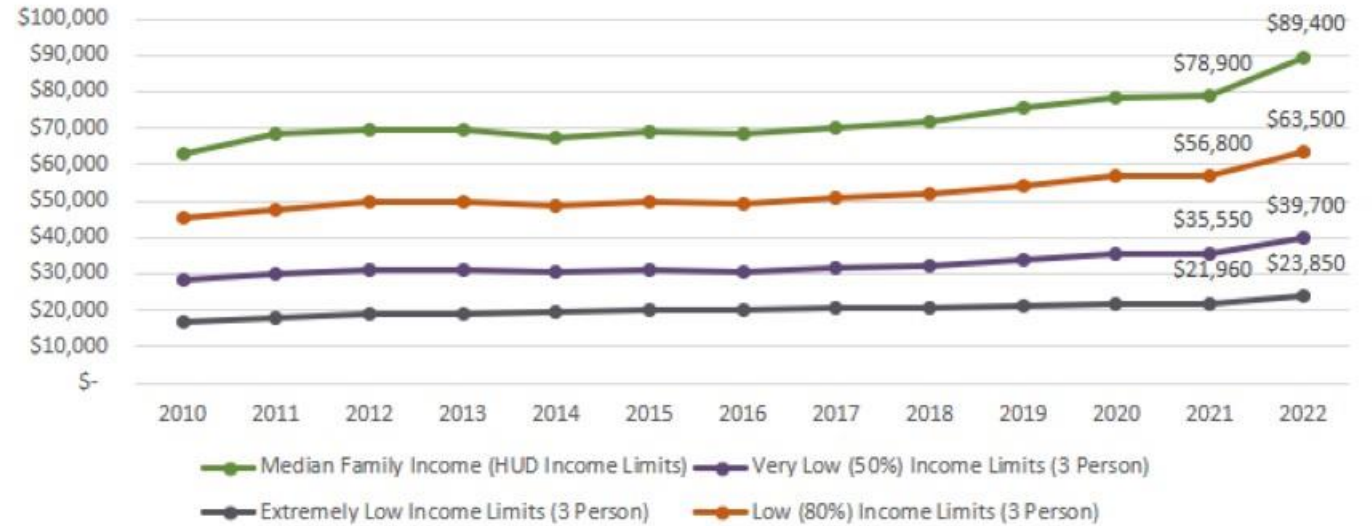
Median Household Income for Renter-Occupied Housing Units \$39,756

2017-2021 ACS 5-Year Estimates
Subject Table S2503

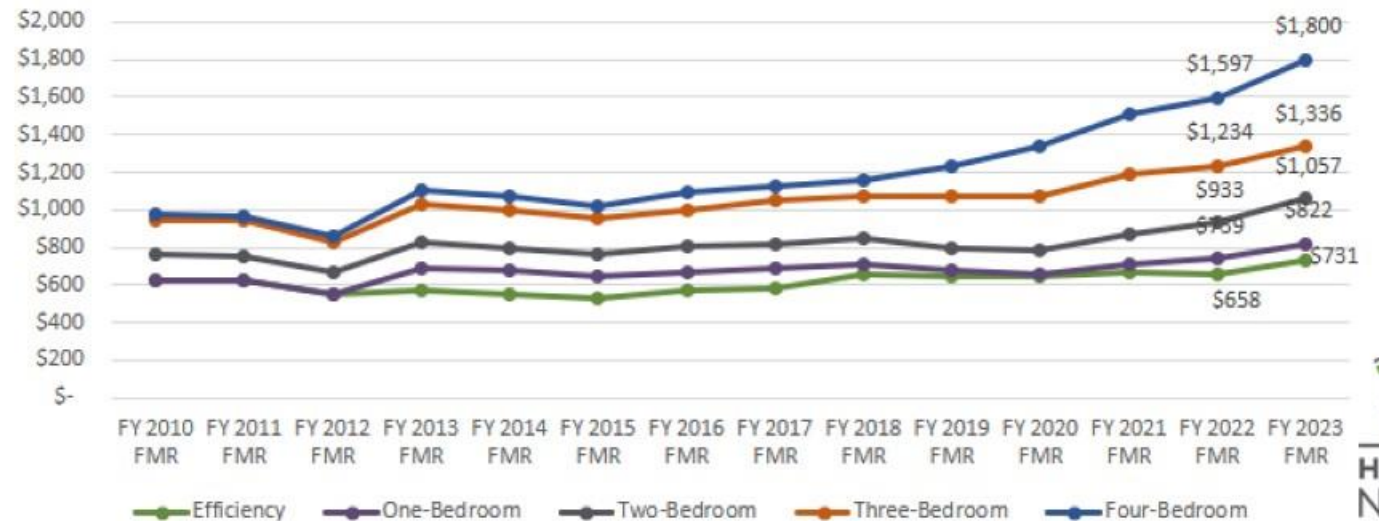
Median Gross Rent (ACS 5YR)



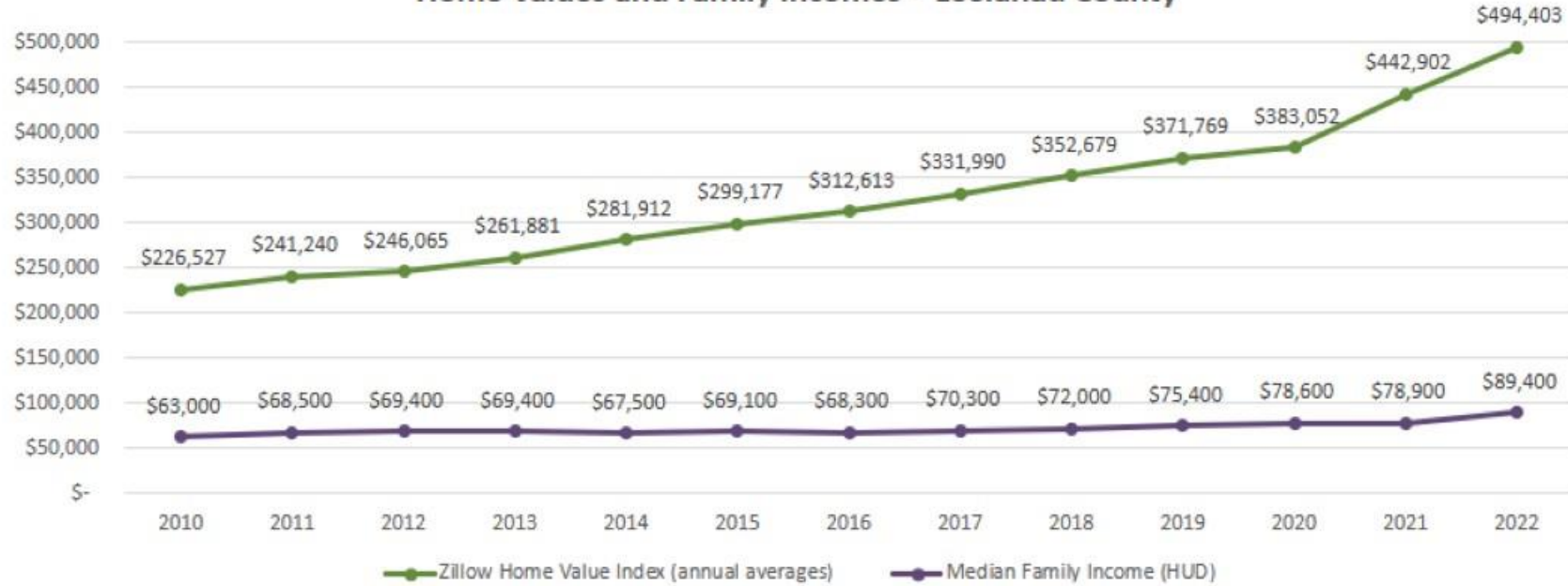
HUD Income Limits



HUD Fair Market Rents



Home Values and Family Incomes – Leelanau County



Home Price to Income Ratio – Leelanau County



Sources

- <https://www.zillow.com/research/data/>
- <https://www.huduser.gov/portal/datasets/il.html>
- <https://www.bloomberg.com/news/articles/2018-05-29/how-many-years-of-income-does-a-home-in-your-city-cost>



What are the numbers in Leelanau County?

Cost-burdened renters*		Cost-burdened owners with mortgage*	
30% or more: 43%	50% or more: 17%	30% or more: 29%	50% or more: 11%
Who can afford the rent?		Where is there demand?	
The "housing wage" is the amount a worker would need to earn to afford a typical rental home at the HUD FY23 Fair Market Rents		Based on the 2020 Northwest Michigan Target Market Analysis which studied the demand for housing through 2024 In the 10 counties in NW Michigan.	
Housing wage for 2BR	\$20.33**	Demand for rent	Demand to buy
State minimum wage	\$10.10***	367	301
Affordable rent for fulltime worker earning housing wage	\$1,057	83% of demand was for rents at or below	50% of demand was for homes priced at or below
Affordable rent for fulltime worker earning minimum wage	\$525	\$1,000/month	\$250,000

*2017-2021 ACS 5-Year Estimates. Severely cost-burdened percentage is a subset of overall cost-burdened figure.

**Last year's housing wage was \$17.94, based on the FMR of \$933, a 13.3% increase for FY23.

***The minimum wage in Michigan increased in 2023 from \$9.87 to \$10.10.

**** 2017-2021 ACS 5-Year Estimates, Table S2503.



Addressing the Problem

- Policy solutions are needed to help address the issue
 - To increase the housing supply that our workforce can afford to rent and purchase
- Zoning can remove barriers and allow for different housing types – and help address affordability and supply – and is something we can change at the local level.
- From MML's Pattern Book Homes for 21st Century Michigan: *"Shifting zoning up to allow for the kind of neighborhoods which already exist and function well could, perhaps, begin to allow the housing sector to respond to current needs."*

The goal: *To create a healthy housing system that meets the needs of everyone who lives and works in our community.*

Housing in Draft Master Plan

- Housing discussion and actions in draft Master Plan can provide a starting point for discussion and action.
- Establishing a narrative and vision to meet the housing needs of everyone who lives and works in our community.

Chapter 4

- **Planning Analysis**
- **Issues of Greater Than Local Concern**
- **Neighboring Communities & Land Use**
- **Land Use Analysis**
- **Existing Zoning**

From the Draft Master Plan:

Policies in support of housing should include:

- Design criteria that outline quality materials of wood and brick with an architectural layout that mimics established single-family homes with the use of peaked roofs, gables, covered porches, large windows and garages incorporated into the design.
- Allow smaller lot sizes to promote density in locations of existing density, and where transportation infrastructure such as primary roads and public transit routes exist.
- Allowance of duplexes, triplexes and multiplexes that meet the design criteria established above.
- Allowance of accessory dwelling units on parcels that meet principle residential exemption.
- Continue to limit short-term-rentals and enforcement of the regulatory ordinance.

MAP's 15 Tools for Zoning Reform

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

Image adapted from Zoning Reform Toolkit, p. 36.

https://www.planningmi.org/assets/images/ZoningReformToolkit/MAP_ZoningReformToolkit_2022%2008%2002_Gradient.pdf

What is Missing Middle Housing?



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Image from Missing Middle Housing: <https://missingmiddlehousing.com/>



What are ADUs?



- Accessory Dwelling Units (ADU) are small, secondary living units that are on the same lot as the main house, allowed in some residential areas. It includes separate kitchen, sleeping, and bathroom facilities.

Where are ADUs permitted in Leelanau County?

Location	Info	Ordinance
Village of Empire	Permitted use in VR, Front St., and GC provided owner lives in one of the dwellings (attached or detached); special use permit required in PUD; sq. ft not to exceed size of principal residence, and other requirements.	link
Village of Northport	Special use permit in R-2, R-3, R-4, only on lots with detached single-family dwelling units; one allowed; 45% of main home or max of 900 sq ft, whichever is smaller. Only within dwelling or above garage. Garage can't be taller than main home or specific height listed in ZO, whichever is shorter. Zoning revisions underway.	link
Village of Suttons Bay	Permitted use in residential districts except WC, subject to 9-2; permitted in mixed use districts except CB, subject to 9-2; subject to setback and height requirements for applicable ZD; owner-occupancy requirement - shall reside on property; also see parking requirements - typically one extra space; defined as attached or detached.	link
Leland Township	Definition: located either in the principal residential structure or an accessory building, such as a garage. One (1) accessory dwelling unit shall be allowed as a use by right in any zoning district in which a single-family dwelling is permitted as a use by right. In all such districts and as a condition of approval for accessory dwelling, one of the dwellings must be owner occupied, except if located in the Agricultural Conservation District (AC). (Amendment 2013-02). Boathouses excluded.	link

Traverse City ADU Ordinance

- Ordinance has undergone revisions
- Use by-right in all districts
- Must be on a lot with a single-family home
- License required
- 15 licenses per year
- Property needs to be significantly conforming
- Minimum rental period of 3 months
- Owner occupancy requirement (ADU or primary dwelling)
- Entrance, stairs, sq. footage, height, and design requirements
- Additional changes being considered that would expand availability

City of Traverse City
Application for Accessory Dwelling Unit Registration
TC Code of Ordinances: 1332.01, 1332.07, 1334.01, 1334.07, 1336.01, 1374.03(d)



_____ Annual License Fee of \$100

Applicant's Name: _____
First Middle Last

Applicant's Address: _____

Is this address the _____ Primary Dwelling or the _____ Accessory Dwelling Unit?

Indicate additional address on the parcel: _____

Phone No: _____ E-mail address: _____

Length of time the Applicant has lived in this residence: _____

Please initial next to each statement as acknowledgment of and adherence to it.

_____ I do not operate or maintain a Tourist Home at either of the residences addressed above.

_____ The Accessory Dwelling Unit meets the requirements set forth of the Traverse City Code of Ordinances.

_____ I have been issued a Land Use Permit and Certificate of Occupancy by the Zoning Administrator for my Accessory Dwelling Unit.

_____ The Accessory Dwelling Unit has not been modified or changed since the issuance of a Land Use Permit without prior approval by the Zoning Administrator.

_____ I agree to lease my unit for at least three months to a given party and to provide a copy of the tenant lease to the City of Traverse City if requested which demonstrates a minimum three month time period for rental of the unit.

_____ I agree to maintain one parking space per dwelling on my parcel.

_____ I have attached a picture of the ADU which includes its address placed facing the street.

The undersigned declares and says he/she wishes to be permitted to perform the operation, service, or act stated hereon and that the statements made above are true and correct to the best of his/her knowledge and belief. Further says that he/she will comply with provisions of the ordinances of the City of Traverse City and the laws of the state Michigan relative to the operation, service, or act for which this license is required during the period the license is in effect. And further agrees to hold the City of Traverse City f

Considerations for Allowing ADUs

- Allowing ADUs in residential districts
 - Consider which types – attached, detached, interior, above garage, garage, and barn conversions
 - Without regulations, ADUs may be used for short-term rentals. Deed restrictions, minimum rental periods, and other provisions can ensure that they are used for long-term occupancy.
 - By right or special use
- Consider - square footage, height, setbacks, lot coverage, window placement (privacy), parking, building (foundation for garage conversions, etc.), utilities, licensing, and sewer.
- Owner occupancy requirement – for one or the other. May help with absentee landlord concerns but prevent two long-term rentals on one lot.
- Pre-approved plans
- Enforcement
- Review and revise ordinance if goals aren't being met

Additional Considerations

- **Expanding missing middle housing.** If you allow duplexes in certain districts, would triplexes or quadplexes also fit? By right or as a special land use.
- **Reducing minimum lot width and area.** Can allow for additional housing supply, encourage smaller and less expensive homes, and allow for more efficient use of infrastructure.
- **By-right approval.** “If you want your neighborhoods to add small-scale, fine-grained, context-sensitive new homes . . . , make it easy for developers to build those homes.” [This Used to be Normal: Pattern Book Homes for 21st Century Michigan](#).
- **Pre-approved plans.** “Pre-approved plans take the guesswork out of the development process and provide a powerful ‘carrot’ that expedites the development of small infill housing projects.” [MAP Zoning Reform Toolkit](#), pg. 83.
 - Used for ADUs, also duplex and quadplex patterns available in MML and MEDC’s Pattern Book Homes for 21st Century Michigan.

Thank you! Any questions?

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Data and resources available at:
www.housingnorth.org

