

Leelanau County Housing Action Committee (HAC) Meeting

Date: Monday, February 14, 2022 at 3:00 PM
Location: Leelanau County Government Center
8527 E. Government Center Dr.
Suttons Bay MI 49682

*(Proceedings of the meeting are being recorded and are not the official record of the meeting;
the formally approved/accepted written copy of the minutes will be the official record of the meeting.)*

(Please silence any unnecessary cellular/electronic devices)

Draft Agenda

Call to Order

Proposed Agenda

Organizational Items

1. Elect Chairman
2. Elect Vice-Chair
3. Approve 2022 Meeting Schedule *pgs 2-3*
4. Identify 2022 Goals (2021 goals attached) *pg 4*

Public Comments

Staff Comments

Consideration of November 8, 2021 Minutes *pgs 5-9*

Old Business

Discussion / Action

1. Update: Housing North / Housing Ready Position
2. HAC Future Framework discussion
3. ADU discussion
4. Funding for Housing / ARPA funds
5. Outreach Opportunities (Visits to townships/villages, Forum articles, etc.)
6. Create/maintain project list

Communication Items

County's Role in Housing – copy for reference *pgs 10-11*

Public Comments

Staff Comments

Member Comments/Chair Comments

Adjournment

2022 Members:

Lois Bahle
Kathy Birney
Frank Clements
Rick Foster
Melinda Lautner
Tony Lentych
Casey Noonan
John O'Neill
Sharon Oriel
Ty Wessell
Steve Yoder
*Resource: Yarrow
Brown, Housing North*

2022 PROPOSED MEETING SCHEDULE
for the
LEELANAU COUNTY HOUSING ACTION COMMITTEE
(HAC)

2nd Monday of every other month at 3:00 PM

Day	Time
February 14	3:00 pm
April 11	3:00 pm
June 13	3:00 pm
August 8	3:00 pm
October 10	3:00 pm
December 12	3:00 pm
January 9, 2023	3:00 pm

Contact the Planning and Community Development office at 256-9812 for more information.

Meeting Location:

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2022 PROPOSED MEETING SCHEDULE
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2021 Leelanau County Housing Action Committee (HAC) Goals:

1. Map higher density zoning in the county along with available infrastructure (sewer, water, natural gas, high-speed internet, businesses, BATA, etc.)
2. Work with Housing North to support a housing staff position in Leelanau County.
3. Promote the preservation of existing affordable homes and rental units.
4. Explore opportunities to work with the Land Bank Authority, non-profits, and developers for land acquisition and to promote the development of new housing.
5. Revise checklist (and other documents), and consider a 2nd visit with townships and villages to check on status/progress.
6. Prepare Public Forum pieces for publication in the Leelanau Enterprise.
7. Disseminate information to the community on agencies offering assistance with problems such as: foreclosure/eviction prevention, delinquent property taxes, housing repairs, etc.
8. Present Annual Update / Report to County Board.
9. Renew Partnership with Housing North.

A regular meeting of the Leelanau County Housing Action Committee (HAC) was held on Monday, November 8, 2021 at the Government Center.

CALL TO ORDER:

Meeting was called to order at 3:00 pm by Chair Lois Bahle.

ROLL CALL:

Members Present: L. Bahle, T. Lentych, F. Clements, R. Foster, S. Oriel, K. Birney, M. Lautner, T. Wessell, J. O'Neill (3:14 pm)

Members Absent: V. Goldschmidt, C. Noonan, K. Wiejaczka, S Yoder

Staff Present: T. Galla

Public Present: Yarrow Brown, Housing North

Consideration of Agenda

Clements provided a handout on Accessory Dwelling Units (ADUs) and this was proposed to be added as #4 under Discussion/Action.

It was moved by Foster, seconded by Lautner, to approve the agenda as amended. Motion carried 8-0.

Public Comments - None

Staff Comments - None

Consideration of September 13, 2021 Minutes

It was moved by Wessell, seconded by Oriel, to approve the minutes as presented. Motion carried 8-0.

Old Business

Update – Housing Summit 2021

Bahle thought it was a good summit and hoped there would be a scroll bar at the bottom for future summits, so you can go back and review sessions. There was a lot of good information. Wessell added that he is tired of zoom but liked the zoom format for this summit. It was well done and worked out very well for his schedule.

Update – Community Land Trust efforts

Bahle stated that since the Housing Summit and Larry Mawby having been mentioned for the Peninsula Housing Community Land Trust, and the article in the newspaper, Mawby has been getting phone calls from people from various places. There is a buzz out there on housing which is very encouraging and there are many different people who want to be involved. Mawby is building his contact list.

Clements questioned if literature would be coming out asking for donations? Bahle replied yes, when they get to that point. Mawby is filing his paperwork with the state to get things established.

Lautner commented on the new housing development going in along Grey Rd and M-72 and said it looks like two large apartment buildings – maybe rentals and duplexes. That could be workers for Leelanau County. Clements stated that Cornerstone did the development to the south and this is REI Construction who backed out of Elmwood Township because of the opposition to the density.

Discussion / Action

ARPA (American Rescue Plan Act) Funds / Request, Infrastructure Funds, Housing Ready Program position

Bahle said that infrastructure is available for broadband; perhaps they could ask the County Board for more for housing and use the other funds for broadband. Lautner gave an update and said the County Board has had one initial meeting on the ARPA funds and a few people expressed interest on where the dollars should go. The board meets again tomorrow to discuss these funds. The commissioners have a priority list and it looks like three commissioners are interested in dollars going to housing. No decisions have been made yet; they will be made as a full board.

Wessell stated he had asked Senator VanderWall when he was here, how infrastructure funds were coming through and it sounded like it was a wait and see process. The infrastructure bill covers more than broadband.

Lentych asked if the County Board would make their decisions before the final rule is out on using these funds. Lautner said she believed they were going to use an expert from the state to help the board and guide them on when and where they can spend these dollars. We won't get the next portion of the money until 2023 and it has to be spent by end of 2026. They have taken all the input on how to use the funds, but some of the requests may not qualify.

Lentych shared the same comment he made to Grand Traverse County at their study session: it is important as county leaders, with outreach to the public, to collect information as there is value in that. Even if the information can't be collected, there is value in the process.

(J. O'Neill present at 3:14pm)

Lentych continued, saying the state may do things different than all the counties. As governor put out her ideas, legislature goes in and programs that money. Her list is different from most of the counties out there. Bahle said there may be some competitive advantage if they make a decision early, like for broadband.

Lautner stated she had heard of some townships that spent it wrong and have to pay it back. We don't want to get into that. The Land Bank Authority request may fall into one of the approved categories.

Wessell commented that housing is a harder one to get a handle on than infrastructure or broadband because they don't have a good idea of how they would do that. Lentych replied that you have models out there like the REACH project in Northport. You know how much money was spent on infrastructure so you can program that into housing deals and qualify it that way. Some townships are doing 100 units with \$35,000-\$50,000 per unit for infrastructure. That is a direct line to affordability and you could use it that way. Wessell said if he were to pick one way to make a difference with housing, it seems like support for the housing readiness program person with Housing North is important. They would have someone working on grants and working with townships/villages and that person could make a big difference. Lentych mentioned that home repairs are being talked about and that they may need staff people for that one. Then there is other money from the infrastructure bill that will be flowing in.

Bahle asked for comments on the Housing Ready program position that was included in the packet. Wessell asked for comments from Brown. Brown explained they have \$10,000.00 from Leelanau Township Community Foundation to start fundraising for this position. In other communities like Manistee, they are using ARPA funds to help with the position. It is something they could propose to Leelanau County, and they could also look to

other units of government. They are hoping to have enough raised by early spring. They are just at the beginning stages and using leverage from the community foundation. Bahle said it is important for any community and suggested that one of the HAC members be with Brown to help ask for the funds. Also, it's important to have some participation from the county because they always want to know what the county is doing. This will start with a letter and proposal to the municipalities and then go out to others on a list of organizations to approach. And, there are some foundations that may have funds available. Clements requested the list so they can personally contact some of the members of these organizations.

Wessell said Leelanau County is getting \$4.2 million as a county and there is over \$2 million that our townships & villages will get. If we have \$6.3 million and housing is one of our biggest challenges, out of that \$6.3 million we ought to be able to find money to fund \$80,000 a year for 3 years.

Lentych commented on the period of time when Crummel was Housing Coordinator and the county was very active and got a lot done. If you look back at the justification for housing – people recognize in Grand Traverse County that a lot of people moved here during covid and started buying homes that were more than likely for families, so you can do some research and justify these funds for housing. We are a desirable area, sales went through the roof, price points accelerated, there is aging of the region and clearly more retirees here. We need to do something to serve that population and it's not hard to justify that.

Wessell would like to make a recommendation that tomorrow's meeting is preliminary. Bringing up housing is a challenge and Wessell asked if Galla, Lentych, and Brown could join them sometime in the future and talk more specifics on how they can make a difference in housing.

Brown said in Manistee, the county is doing \$20,000/year and Charlevoix is doing \$9,250/year. Emmet County is about 75% funded for a 3-year position –hoping other units of government will contribute. Manistee has been working on this for 1.5 years. They are working on developing a housing group and Leelanau County is one step ahead of that.

Wessell stated he was talking about housing, in general, and how we can help with these funds. The county has been asked for about \$800,000.00. They need to hear specifics on how that might work for housing.

O'Neill suggested showing the advocacy work and how that has increased housing stock which is a very important selling point. Showing real tangible results that show homes and apartments.

Wessell said they've been hearing from Leelanau Investing for Teens (LIFT) group for two years and we accept we have a housing problem but haven't had a conversation on how to solve that. This would be helpful at the County Board table. Brown felt some funds could help create a new program in Leelanau – perhaps rehab in the county, similar to Community Development Block Grant Programs (CDBG). That would be an opportunity to partner with others and use these funds in the community.

Foster said it is good to remind people what the problem is. If you have something else on your agenda, you don't think about it and this needs to be kept up front. Bahle said it seems like they are at the tipping point because everyone has someone in their family that can't find housing or they have employees that need housing.

Galla brought up a concept to have Esther Green do a presentation online. Galla had a recent conversation with her and she offered to do this for Leelanau County. Galla mentioned a few topics that could be covered and asked for input.

Clements suggested a small housing summit locally to talk about ADUs, ARPA funds – what are the most pressing needs. Bahle mentioned aging in place at home, and moving from a home into ADU.

Lentych suggested Green talk about ARPA funds and how communities got to the decision of what they should build. Provide examples of how people are doing different things, based on formal notice for ARPA.

Lautner commented on potential taxation that will force people out of their homes. She mentioned another annual income tax and said it will be a burden on our elderly and those on fixed income. This will be detrimental.

Wessell said he was interested in more of a presentation than just what Green can speak about for seniors. How do we do multi units on single lots, and apartments, and inter-generational housing and homes? The biggest challenge in the county is how do we get young people to stay here and move here - these two are connected. Lentych said at some point you have to decide where you want to focus your efforts. How many people can you actually serve with ADUs? Bahle noted ADU is another tool which is another option and Lautner agreed. Lentych said when he talks to people about ADUs, one thing is – are they ready for that? Building an apartment complex is 100% for people who want to rent. No one can rent without working so that means they will be working.

Agenda items for next meeting:

Bahle mentioned the Community Land Trust and potential projects around Suttons Bay but they are not far enough along to discuss publicly yet.

Oriel added increased awareness of housing, is it appropriate to have additional people on this committee? Bahle added that an audience can contribute, as well.

Foster said that citizens can also submit something for the agenda and come and talk to us.

O'Neill asked if there are any skills we don't have that we need for the work we are trying to do. Perhaps other interest groups should be involved?

ADU's – Clements's handout.

Clements gave a brief explanation on the city of Seattle – guide to building a backyard cottage – encouraging ADUs in residential areas and all the questions one might have. He encouraged everyone to go back and look at the document in more detail. In Frankfort there used to be a lot of carriage houses and accessory dwelling units and the main house was rented out for vacations. Clements reviewed the list of advantages of ADUs.

Wessell questioned with the ADUs, do you get a homestead break for taxes or are there consequences? Lentych noted the point of the whole state law is you won't be able to control or regulate Short Term Rentals, if the bill goes through. Properties are worth more money as a short-term rental. Lautner asked if there are situations where homeowners can do more than one ADI? Clements replied that in the document, there is some discussion from Seattle, like a duplex situation.

Brown said she had sent Galla information on an incentive program they are launching on ADUs as a starting point. More work will be needed which will involve the assessor. It might be good to invite assessors to the table to have a conversation on that. If principal accessory use passes next year, that might also help. Housing North is working on that with our tax structure in Michigan. Brown explained that the community might be able to do a tax credit if used year-round. There is work to be done on all the zoning language.

Lautner liked the idea of sending this to assessors in townships and zoning administrators as a heads up so they can give it some thought. Clements will check with Frankfort and see what information they can provide. Oriol supported continued discussion of this topic.

Communication Items

None

Public Comments

Brown thanked everyone for their work.

Staff Comments

None

Member Comments / Chair Comments

Bahle felt it was a busy day following along meeting to meeting.

Adjournment

Meeting adjourned at 4:17 pm.

DRAFT

Leelanau County Government Role in Housing Affordability and Availability

Our county government can play a positive role to support housing affordability and availability. There is widespread recognition of the need for housing that local workers, families, and individuals can afford to purchase or rent with local wages. It is appropriate for county government to play an active role in encouraging the private sector, non-profits, and local governments to contribute to housing affordability and availability.

The Health Department, Building Safety Department, Planning & Community Development Department, County Road Commission, and Equalization Department each directly or indirectly affect the construction of housing and the utilization of existing housing stock. The Land Bank Authority and Brownfields Authority are two key participants. Additionally, the county may have broader access to financing and funding sources available from state entities such as MSHDA (Michigan State Housing and Development Agency) and MEDC (Michigan Economic Development Corporation).

The County can help foster and promote housing in four significant ways:

1. **Community Relations and Planning:** Community relations and planning encompasses how the county, working with townships and villages, promotes the construction of all appropriate housing types in their communities.
 - A. Utilize the Leelanau County General Plan which encourages housing that responds to the needs of all residents.
 - B. Work with community stakeholders to advocate for workforce housing at the local level.
 - C. Partner with local and regional agencies to promote the need for a variety of housing types.
 - D. Advocate in partnership with Housing North at the state level for changes to Brownfield and TIF scoring mechanisms in rural areas.
 - E. Work with local jurisdictions to help them comply with the Housing Action Committee's Housing Ready Communities (HRC) Checklist.
 - F. Promote township and village consideration of density requirements, Short Term Rental (STR) limits, housing size requirements and available development incentives to reduce the costs of home ownership for young families and first-time home owners.
 - G. Continue to promote consideration of possibilities for local governments and home owner associations to limit STRs that deplete inventories for affordable work force and young family housing.
 - H. Promote consideration for increasing the availability of seasonal housing by creative options for summer housing of service and tourism-related workers.
 - I. Publish and make available HUD housing affordability indices to benchmark Leelanau County compared to regional, state and national performance.
 - J. Maintain and publish the HRC Checklist on the county government website.
2. **Support Development:** Developers and not for profit housing providers would be encouraged to build appropriate or affordable workforce housing in the County by educating them about opportunities to do so, and offering support to efficiently work through township and village regulatory processes.
 - A. Work with homebuilding associations, construction trade associations and others to help identify and mitigate constraints on their member's ability to construct affordable workforce housing.

- B. Encourage Benzie/Leelanau Health Department to work with the Department of Environment, Great Lakes, and Energy (EGLE) to maintain a preapproved list of Alternative Treatment Systems (ATS's) which will allow workforce housing to attain higher densities.
 - C. Work with EGLE to streamline the Part 41 multi-family well and septic permit process and approvals.
 - D. Make communities aware of grants and how to utilize them to rehabilitate deteriorated, abandoned, or unused buildings or properties.
 - E. Review Building Safety Department forms and permits to ensure they are simple, easy to access, and make the process as transparent and efficient as possible.
 - F. Encourage energy efficiency through building codes for long term affordability.
 - G. Encourage new construction and remodeling projects which support accessibility for all citizens.
 - H. Arrange for prospective developers to meet with key County, township and village officials in one meeting.
3. **Financing/Funding:** Provide assistance to housing developers and potential homeowners by making them aware of available programs and financing to assist them in funding their housing projects.
- A. Utilize Land Bank and Brownfield tools to acquire land for workforce housing.
 - B. Identify sources to make financing readily available for existing and new affordable housing.
 - C. Apply and be the recipient of funding sources for existing and new affordable housing.
 - D. Advocate with state agencies such as MSHDA, MEDC and others to make their programs and funding devices available to rural developers, builders, government, and nonprofit housing providers.
 - E. Work with Housing North and local jurisdictions to identify opportunities to access funds from community development finance institutions (CDFIs) and other sources for developers and buyers when banks won't lend or gap financing is needed.
 - F. Develop a model Payment in Lieu of Taxes (PILOT) policy and model ordinance allowing PILOT's, and encourage local jurisdictions throughout the county to adopt this model language.
 - G. Be knowledgeable about public funds available to the county for communities in need of public infrastructure improvements for housing projects.
4. **Marketing and Promotion:** A marketing and communications plan would be established allowing the County to promote to all interested parties, opportunities to construct housing throughout the County.
- A. Create a marketing plan for the County and local jurisdictions to promote to investors, real estate developers, non-profits, etc. the opportunities for workforce housing.
 - B. Work with local governments and Housing North to promote Housing Ready Communities/Sites that are available in townships and villages to developers, builders, investors and housing providers.
 - C. Post on the County website information to investors and real estate developers informing them of current housing policies, county owned housing sites, and links to planning, zoning and development information.
 - D. Post on the County website the latest marketing needs analysis and other pertinent housing information available from regional and state planning agencies.
 - E. Utilize grants and creative staffing opportunities such as interns to implement the above recommendations, and/or consider partnerships with local governments and other local stakeholders for shared housing staff.