

A regular meeting of the Leelanau County Housing Action Committee was held on Monday, March 10, 2021 at the Government Center, in person and by ZOOM.

CALL TO ORDER

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

ROLL CALL:

MEMBERS PRESENT (in person): Rick Foster, Melinda Lautner, Ty Wessell

MEMBERS PRESENT (ZOOM):

Lois Bahle - Village of Suttons Bay

Kathy Birney- Leland Township– *off before 4pm*

Frank Clements – Empire

John O'Neill – Solon Township

Sharon Oriel - Glen Arbor Township

MEMBERS ABSENT: Victor Goldschmidt, Tony Lentych, Casey Noonan, Kathy Wiejaczka, Steve Yoder

Staff: (in person) T. Galla, G. Myer

Public: (ZOOM) Yarrow Brown, Steve Schnell

Consideration of Agenda

Motion by Wessell, seconded by Clements to accept the agenda as presented. Motion carried 8-0.

Staff Comments – None

Public Comments

Bahle announced the phone number for public comment. No comments received.

Consideration of March 8, 2021 Minutes

Birney stated she was listed as absent and on Zoom, she participated by Zoom. Clements mentioned typos which he will email to staff.

Motion by Birney, seconded by Clements to approve the minutes as amended. Motion carried 8 -0.

OLD Business

Opportunity Analysis for Affordable Housing

Clements mentioned the webinar hosted by Housing North on affordable housing. Developers are looking for shovel ready sites; greenfield sites are important, but shovel ready is what they want. Sites that have sewer and water so they can hit the ground running. They don't want to waste a lot of time in the permitting process. Clements gave an example of Greilickville as a beta test which shows mapped commercial areas, BATA bus locations, and zoning areas for housing.

A list of the step program was briefly broken down:

1. Develop candidate sites criteria for each of those sites.
2. Examine each township. Should do target sites, those with sewers and employment. Those would be Elmwood, Suttons Bay, Northport, Lake Leelanau.
3. Compile findings into database; where are these sites?
4. Develop a database of potential developers, investors & builders
5. Marketing campaign
6. Point out to communities the impact of not having any housing ready sites

This process will show local communities they are either not ready or have sites available for housing. Clements mentioned the Brewery Creek proposal development. He proposes in the next phase, they think of it as a potential project. Housing North is thinking of a 3-year process and he believes this project would be considered a 'low hanging fruit' opportunity. Wessell asked Clements if he wanted the HAC to restrict themselves to only those areas where public sewer is available? Clements responded yes; we are looking for shovel ready with community sewers.

Wessell said it makes sense for complexes/multi-family units, but hopes they will still focus on single family homes. A Habitat for Humanity home in a rural setting might have some land available to consider. Clements suggested they focus on apartments for affordable housing.

O'Neill spoke about layering information with a GIS system and how it could be useful. Clements agreed; they could add a lot of information that would be attractive to a developer.

Lautner agreed with Wessell. We don't want to limit ourselves; 2-5 acres sites are desirable, especially in Leelanau. Kasson Township continues to have the lowest land prices.

Oriel felt they needed help from others to get the ball rolling and agreed with all the comments that have been made.

DISCUSSION/ACTION ITEMS

Draft Proposal – Housing Ready staff proposal

Bahle commented on the Housing North webinar which members were invited to watch. It explained how this works. This is now follow-up discussion. Bahle referred to the webinar and how Charlevoix has a full-time position for 500 needed housing units, and Leelanau County needs 600 units.

Brown noted the vision was started before her time, over a year ago. She stated that Steve Schnell started a year ago in Charlevoix, as the first housing ready position and covers three housing action groups as a full-time position. Brown said that Schnell's position is a full-time job to even cover one county. It is important to have the units of government and more support within the county to ensure success for the position. Brown concluded that a shared position with more than one county is an option, but recommends one full-time position for one county.

Schnell said they need someone who is focused only on housing. If you have a part-time planner, they might be focused on other unrelated projects. His job is to come back when they are making tough decisions and make sure they have what they need. Schnell strongly believes that focused effort is the critical part and communities that partner together make a difference.

Brown said Sleeping Bear Gateways Council (SBGC) is an example of a sharing partnership because of its large geographical range. Bahle suggests each representative in the committee come back with a list of best potential locations within the communities that would best fit the criteria, with Schnell's help.

Wessell asked, if we went to a group to ask them to fund a position, is the high price of land the problem? Zoning restrictions? Or high cost of building material? How will having a person in place make a difference? Brown stated that typically there isn't enough staff that can focus primarily on housing projects, and agrees that a combination of Wessell's inquiries make it more difficult. Today is about deciding if this position is something you want in Leelanau County. Brown briefly shared Schnell's success with the number of units of housing and getting communities ready with their zoning along with building relationships. He has also gotten units of government comfortable with the tools they have at their disposal.

Schnell explained how the process of housing action and how each community has their own goals. Schnell has been helping Charlevoix with a new expanded housing section in the new updated master plan. That is an important process because they are building relationships and community support. They are also prepping them for future difficult decision making such as higher density housing or accessory dwelling units which may be opposed by certain communities. Schnell said they rallied their Boyne area solutions team to be advocates for a manufacturing home community and his job was to let the community and decision makers know the pros and cons.

Yes - they are difficult to finance, but you have more wealth built in apartments. Their Planning Commission voted no, but the city council, with enough support from the housing solutions team knowledge base and advocacy, approved 145 housing units for the property. Each community has to set its own guidelines for housing.

Wessell asked what difference Schnell has made and what has happened because he was there. Schnell said a number of zoning ordinance amendments suggested by himself are more housing friendly. Advocacy work is encouraging East Jordan to approve a short-term rental ordinance to extend the loss of housing to short term rentals. They have uncovered quite a few properties for potential housing that would have otherwise gone unnoticed. They have looked at unused parcels at schools, libraries, etc. that could be available for affordable housing. They have also raised a lot of awareness. People understand it now when they go to meetings such as Rotaries, Lions Club, Kiwanis Club, etc.

Wessell asked if they have been successful in raising funds through grants or MSHDA? Schnell said that their local communities wanted to see less dependency on state dollars because they were drying up. Both he and Brown have been working on a local investment fund at both a regional and local level to get investment interest from local employers.

Schnell talked briefly about the Accessory Dwelling Unit (ADU) grant that they are currently working on. They sent in an ADU application through the local community foundation to purchase plans for accessory dwelling units. These 'royalty free plans' are drawn by a local architect for ADU's which they would then give away once developers meet local zoning approvals. If developers agree to have deed restrictions for year-round housing, they would provide them with plans worth \$4,700 and use them as construction drawings and for zoning approval. O'Neill mentioned deed restrictions to make sure they are year-round units instead of vacation or short-term rentals. Schnell said he has been working with the existing land trust, Northern Homes Community Development Corporation, in making sure they use an existing resource and not duplicate efforts. They are also working with their local Land Bank Authority to create more community land trust options. The deed restriction is operational throughout the county.

O'Neill asked Brown about funding sources for Schnell's position and how long did it take to put that funding together and how much came from government? Brown explained that \$25,000 came from local community foundations and \$25,000 from the Frey Foundation. Each of the four municipalities put in a total of \$40,000. This is a full-time position with benefits. Emmet County is working on this right now and could share the materials they are using to package it.

O'Neill asked if it made sense to partner with Grand Traverse or Benzie? Lautner said she prefers their previous plan to open up a web page to download grant opportunities, bankers that would work with people, MSHDA, contact list of zoning administrators, and maybe offer a rebate or density for deed restrictions. Density is key for the county. There are a couple pieces in Solon Township that will be used for housing. The 5-acre zoning just cuts deeper and deeper into the county. Solon and Elmwood are good locations for Leelanau residents that work in the Grand Traverse area. Density could help the most. \$10,000 an acre is about the norm now. Lautner will not support a full-time housing position. That was known when this committee was set up to be a resource, and to help coordinate, but it was not to be a position.

Birney shares her comment of being torn, in the sense that she is not really sure there is enough work for a full-time person for this county. It would be good to share with another county.

O'Neill clarified that they are not talking about hiring a county position, but rather partnering with Housing North in which they would be the hiring organization and then find the funding for the position.

Lautner argued that it boils down to money. If we are only looking for \$5,000 for Housing North and they would provide this person, then that would be different.

Discussion continued on funding concerns and possible opportunities.

O'Neill stated we are not just looking at the cost to the county, we are looking at effectiveness. How long has HAC been in operation? We've been doing this for 4 years. Everyone knows density is the key and we need the

housing. We have had a pressing need for more than 20 years. This is an investment to strengthen local community and local businesses. It's a mistake to look at the cost without looking at the possibility of doing it and what the benefits will be.

Wessell said he didn't want to give up on the idea because of the funding. When they had an idea for housing in Northport, a private citizen came forward with \$30,000, the community foundation came forward with \$5,000, a lumber company discounted all materials, and a land owner gave them the land for four homes. The need is such that if we say this is what we need to do, we can collectively find the funds to do it. Bahle agreed and is willing to give it a try and ask for funds.

Lautner questioned if they could get those kinds of donors in other areas? Will people donate for housing in other areas? Or just in their own community?

Oriel stated communities and townships recognize housing is an issue because the entire county is hurting. Housing is impacting the entire county. That is the beauty of having a dedicated person. Schnell has been a bridge between groups. Oriel believes they have had a good track record and with Schnell's 1 year history, they would have strong effort to go forward and ask for funding.

Lautner clarified, Housing North creates this position, goes out and does the fundraising, then works with what we already have. This would not be HAC having a full-time employee, this would be Housing North having a full-time employee. Brown agreed.

Foster said that at the northern end of the county, housing is needed for every manufacturing and retail business along with our school and fire departments.

Motion by Lautner, seconded by Wessell that Housing North create the suggested position for a housing coordinator and solicit donations to pay for the position.

Discussion continued.

Brown asked if the motion could include this to be in partnership with Housing Action Committee because that is a key component. Lautner disagreed, and stated someone would have to offer that in an amendment to the motion because HAC has no money. We are asking Housing North to create this position to help us out.

Wessell commented on Lautner's motion, saying that obviously we want Housing North to create it and fund it. Wherever we are, the county and the residents and the partners and Housing North need to endorse this and move forward and try to form a partnership and find the funding. He suspected the county may have to come up with some money along with the chambers, maybe townships, foundations, private donors, etc. We have to work with Housing North and make this happen. Leave the details until we are committed to the idea and then figure out how to make it work.

Lautner felt partnering was a problem because they will come back to the county for funds and that was not the intent of this committee when it was formed. REACH was very successful on their own until they came to the county because we had land to donate which worked out perfectly.

Wessell mentioned that REACH folded because they agreed as an organization that although they successfully completed four homes, they were not having the impact and they were not the model to solve these problems.

O'Neill stated that they are not asking the county for money. The county is free to say yes or no on money. We are asking HAC to work with Housing North to look for the funding for this position. The decision whether the county puts in or not is not on the table. It's the documented need for 600 units. We have had 4 built in Northport and a couple by Habitat for Humanity. We're not asking the county to look for the money, we have volunteers for that.

Clements mentioned Browns previous statement on a steering committee or executive committee. Is that how they operate with other entities? Brown said yes, to meet quarterly as an executive committee from each fundraising organization to oversee the position.

Wessell doesn't want to limit future action but also wants to realize whatever they do is a recommendation. The Housing Action Committee cannot commit the county to something, we can recommend that there be support. Down the road, he does see them putting this into the budget process and having a role for county funding.

Wessell commented all we can do is recommend that the county to consider partnership. Lautner's motion allows us to keep moving forward. Wessell wanted to amend the motion because it currently gives all responsibility to Brown.

Motion by Wessell to amend the motion to say 'go forward with this concept and work with Housing North to consider options as to how the Housing Action Committee might go further'. Seconded by Oriel.

Wessell said this endorses the concept and we work with Brown. It doesn't us to anything, but keeps the plan moving.

On a roll call vote, the amendment to the motion passed 6-1, Lautner opposed. (Birney not present)

On a roll call vote, the motion passed 7-0.

Future Actions - No discussion held.

Communication Items - None.

Public Comments

Bahle announced the phone number for public comments. No comments.

Staff Comments

No staff comments.

Member Comments/Chair Comments

O'Neill commented on mortgages, stating facts about 3 million at risk of foreclosure, and 800,000 in extended default. Today is the last day they can comment on extension that would go until end of December. Many of these can be saved if the moratorium can be extended. Lautner asked about Leelanau County numbers. O'Neill said that information was not available. If mortgages are due at the end of June, a lot of people won't have an established income as businesses are starting to open back up. How the foreclosure moratorium functions is that the money that is missed on payments gets pushed to the end of the mortgage term and additional interest is not mandatory.

Bahle said she was glad to see O'Neil's passion towards foreclosure prevention. We discussed how the HAC would focus on building houses in the affordable range and preventing them from becoming short term rentals. Also, to find a focused staff member to help us achieve that.

O'Neil said that when they discussed the goals in the group about preserving existing affordable units one way to do so was by eliminating short term rentals. Another way was by advocating. He said he would send a follow up email to the members after the meeting.

ADJOURNMENT

Meeting adjourned at 4:40 pm.