

LEELANAU COUNTY HOUSING NEEDS

LEELANAU HOUSING ACTION COMMITTEE
JUNE 19, 2017



Northwest Michigan's Housing Needs: A Snapshot

- Changing demographics
 - Aging population
 - Losing young people/families
- High land and housing values
 - Added costs of transportation and energy
- School enrollment
- Business and economic development impacts
 - Economic development/new investment depends on the presence of a workforce
 - Businesses can't hire staff
 - Who will provide services for aging population/seasonal residents/vacationers?

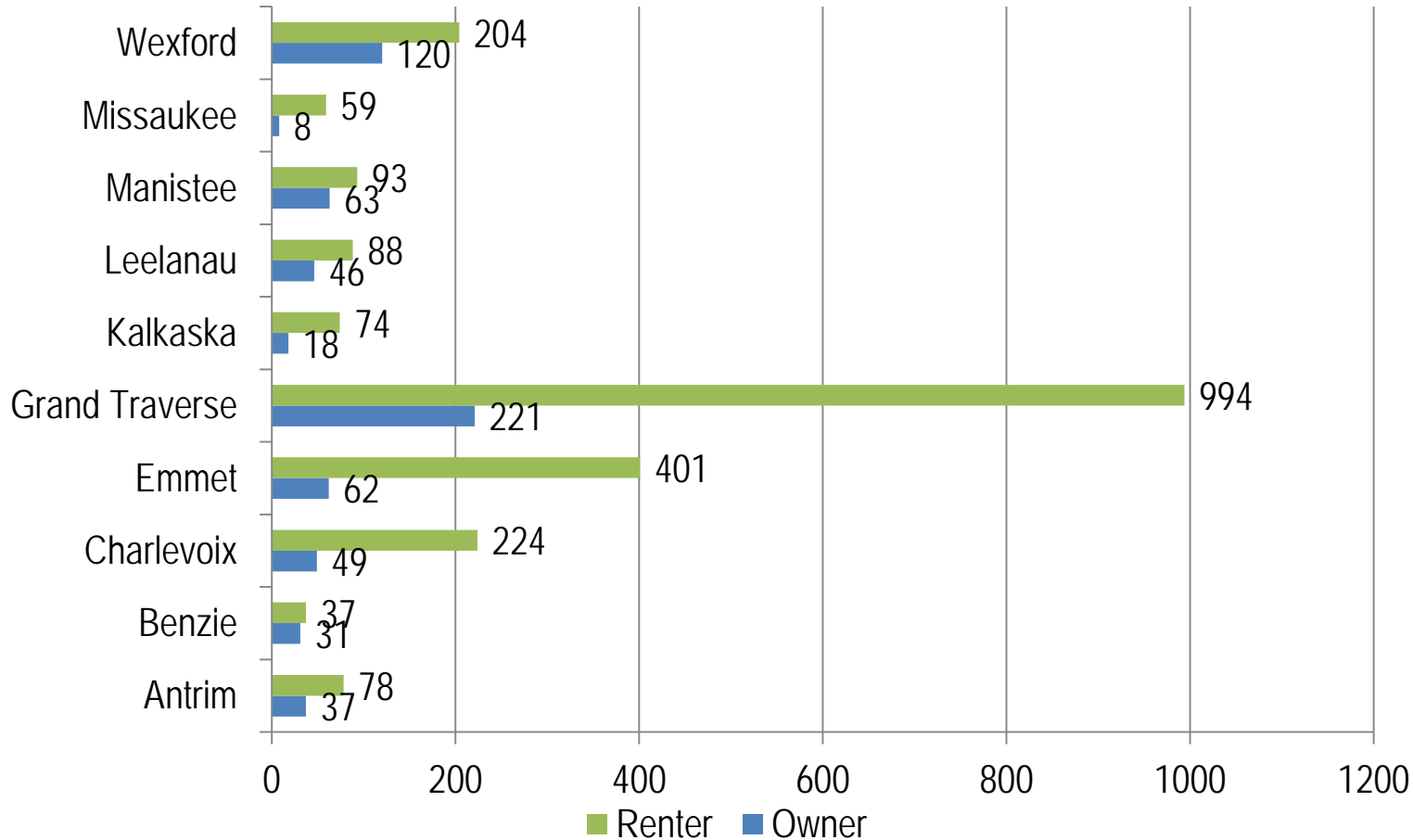


Affordable Housing Housing for Everyone

- Affordable housing should cost no more than 30% of the household's income
 - “Affordable housing” is often used synonymously with “low-income housing” or subsidized housing which refers to homes that are sold or rented to income-eligible buyers with long-term affordability restrictions
- Workforce housing
 - Refers to housing that's affordable, generally **without subsidy**, to lower- and moderate-income working households



Potential Annual Market Demand in Northwest Michigan, 2014-2019



**Conservative scenario. An aggressive scenario, i.e. with active efforts to attract new residents, could triple the market potential.
Data from the 2015 Northwest Michigan Target Market Analysis, prepared by LandUseUSA. Underlying data provided by the Internal Revenue Services; US Decennial Census; American Community Survey; and Experian Decision Analytics*



Potential Annual Market Demand in Leelanau County, 2014-2019

		Annual Market Potential - Owners	Annual Market Potential - Renters	Median Household Income
Digital Dependents	Young singles	18	34	\$37,000
Family Troopers	Lower-income families/households	0	15	\$29,000
Bohemian Groove	Lower-income Boomers	0	12	\$34,500
Booming & Consuming	Moderate-income Boomers	15	14	\$48,500
Senior Discounts	Lower-income seniors	0	7	\$20,000
Reaping Rewards	Moderate-income seniors	6	2	\$38,500
Golf Carts & Gourmets	Higher-income seniors	7	4	\$92,000
	Total	46	88	

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2015 Leelanau County Employment & Earnings by Industry

INDUSTRY	# EMPLOYED	% OF TOTAL EMPLOYMENT	AVERAGE ANNUAL EARNINGS
Accommodation and Food Services	937	21.5%	\$20,941
Construction	539	11.9%	\$39,789
Retail Trade	483	10.7%	\$20,447
Health Care and Social Assistance	476	10.5%	\$44,456
Manufacturing	430	9.5%	\$27,883
Agriculture, Forestry, Fishing & Hunting	237	5.2%	\$22,164
Administrative and Waste Services	225	5.0%	\$31,717
Wholesale Trade	178	3.9%	\$26,180
Professional and Technical Services	147	3.2%	\$26,712
Arts, Entertainment, and Recreation	143	3.2%	\$23,686
Finance and Insurance	137	3.0%	\$70,624
Other Services (except Public Administration)	136	3.0%	\$29,006
Real Estate and Rental and Leasing	109	2.4%	\$29,356
Educational Services	94	2.1%	\$30,709
Information	71	1.6%	\$36,187
Transportation and Warehousing	30	0.7%	\$43,082
Unclassified	8	0.2%	\$90,534
	4,537		



What's Affordable in Leelanau County?

Average earnings of top 5 Leelanau County industries	\$30,703
Affordable home purchase price	\$153,516
Affordable rent	\$768
# Leelanau County homes in MLS <\$154,000	11
Median rent	\$978



Why isn't more being done?

- Public perception
- Policy
- Financing
- Capacity




Public Perception

Policy Impacts & Issues	Solutions & Actions	Barriers to Success
Stereotypes about affordable housing create public and government opposition	Communications, education, and outreach	Complex message
		Multiple, diverse audiences



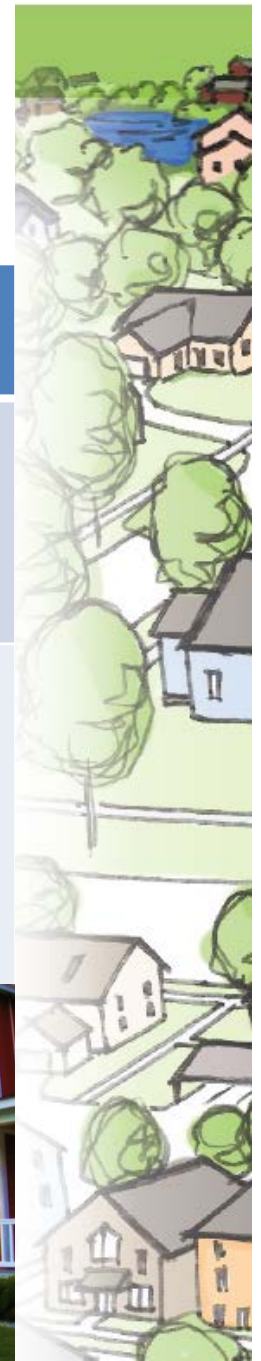
Policy

Policy Impacts & Issues	Solutions & Actions	Barriers to Success
<p>Zoning affects the cost and availability of land, can discourage or encourage needed housing types</p>	<p>Zoning changes, tax incentives can help expedite development or allow needed types of housing</p>	<p>Public opposition</p>
<p>Zoning process sometimes creates uncertainty or delays for developers – time is money</p>	<p>Incentives like PILOTs can provide some tax relief</p>	
<p>Taxes are a financial barrier</p>		



Financing

Financing Impacts & Issues	Solutions & Actions	Barriers to Success
Funding/capacity is limited for rural housing programs & development	Grants/subsidy available from public agencies	Complexity of financing sources discourages developers
Land and development costs prohibit both nonprofit and private developers from building workforce housing	Incentives available from local/county governments	<p>Difficult for rural projects to compete for limited funding</p> <p>Complexity/timing discourages small builders</p>
Strong market for seasonal and high-end homes removes incentives for building workforce housing		



Data/Reports

www.networksnorthwest.org/housing

Questions?

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