



HOUSING PARTNERSHIPS

New Housing Development:
Financing Programs & Incentives

February 23,
2012

Greater Grand Traverse
Area Continuum of Care -
Interagency Services Team



Housing Partnerships Series

- Grand Vision Housing Solutions Network
- Grand Traverse Area Continuum of Care
- Traverse Area Association of Realtors

Grand Vision Housing Solutions Network

- Aid in development of a diverse mix of housing choices with affordable options that fit in with the small town character of the countryside, neighborhoods, villages, and cities of our region
- Nonprofit housing organizations, funders, lending institutions, real estate, local government, and other housing stakeholders work together to:
 - ▣ Raise and leverage funding
 - ▣ Sponsor new programs and initiatives
 - ▣ Provide educational resources
 - ▣ Build awareness of housing issues
- www.thegrandvision.org



What is affordable housing?

- Housing that costs 30% or less of a household's income
- Permanent affordable housing
 - ▣ Rental or for-sale housing that is made affordable, through public or other subsidies, to low- and moderate income households

Who is it for?

- “Low income” means households that earn 80% or less of the Area Median Income (AMI)
- Cashiers, waitstaff, nursing aides, hotel clerks, child care workers, firefighters, reporters, carpenters, counselors, police officers, elementary school teachers, maintenance, hair stylists, administrative assistants – working families

Income Levels and Affordable Monthly Rent (HUD 2012 Limits)

	30% AMI	Rent	50% AMI	Rent	80% AMI	Rent
1-person household	\$13,850	\$346	\$23,100	\$578	\$36,900	\$923
3-person household	\$17,800	\$445	\$29,700	\$743	\$47,450	\$1186

Median rent (Grand Traverse County, 2009) - \$787

2009 5-County Housing Needs Assessment

	Rentals		Homeownership		Other Needs
	# Units	AMI Target	# Units	AMI Target	
Traverse City market	300-500	50%-60%	1100	80%-100%	Rehab Special Needs
Balance of 5-county region	315	40%-60%	1020	60%-100%	Rehab Special Needs Homeownership Assistance

“While economic considerations at this point in time may temporarily inhibit housing demand growth, long-run demographic, economic, and social trends will ultimately lead to continued demand potential for all types of housing options for both existing residents and future residents of the region...All of these housing options should be considered in demand, and direct involvement by local community leaders and housing providers will be necessary to meet this need.”

Local Incentives

Neighborhood Enterprise Zones

- New development tax incentive
 - ▣ ½ the average state millage rate for 12 years (about 16 mills)
 - ▣ Must be new owner-occupied residential units
- Rehabilitation
 - ▣ Taxes frozen at previous year's assessment for 12 years
- Must be in local govt-designated NEZ

Payment in Lieu of Taxes

- Rental housing must be affordable to low-income
- Taxes waived on affordable portion of development; replaced with "service charge"
 - ▣ Past PILOTS - 10% of gross rent minus utilities
 - ▣ Supportive housing – 4% of gross rent minus utilities
- Requires a local ordinance

Traverse City Zoning

- No residential density limits in commercial districts
- Density bonus in multi-family districts
 - One additional market-rate unit for each affordable unit
- Impervious surface coverage flexibility for density bonus
- City Housing/Building Committee activities
 - Cottage housing, accessory dwelling units

Resources Available

www.communityhousingchoices.org

- www.thegrandvision.org
- www.nwmhousingsearch.org

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