

# Northwest Michigan Housing Summit

Regional Housing Developers Survey and Interviews

October 16, 2017

# Perception of Housing Needs

- Great need, particularly near proximity of core communities;
- Persistent shortage of all kinds, but especially multi-family and rental;
- Meeting needs is increasingly high cost/high risk;
- Overall very pessimistic needs can be met via market forces;
  - Must have an intentional public vision, consistently applied by local gov't;
  - There are easier, lower cost/risk ways to achieve ROI, including “build by right” high-end housing, and greenfield development.

# Most Desirable Locations for Development (Not “Easiest”)

- Near core communities, i.e., city and village centers;
- Near or accessible to natural resources and amenities;
- Specifically:
  - Traverse City
  - Leelanau County
  - Blair Township

# Awareness of Regional Housing Initiatives

- Generally not aware;
- Sense of disconnectedness between those behind initiatives and those with jurisdiction over implementation;
- Housing initiative creators do not translate into housing development advocates.

# Perception of Public (Citizen) Support/Opposition to New Housing Developments

- Public wants benefits of housing without the “costs” (density, character, view sheds, farmland, open spaces, low taxes, etc.)
- “Public is grossly underinformed” about what it takes to pursue a housing development, particularly one that includes significant public benefit;
- Perception that all developers are wealthy, and that any public incentives are subsidizing developers’ bottom lines;
  - Leads to a “laundry list” of trade-offs and public demands for project approval;
- Public has been empowered by politically motivated or underinformed elected and appointed officials who succumb to a NIMBY phenomenon – tyranny by a minority at the expense of community priorities.

# Greatest Barriers to Development in 5-Counties

- Private

- Rising cost of doing business:
  - Fewer contractors/workers;
  - More expensive materials & utilities;
  - Construction delays, i.e., inspections;
  - Holding costs of property.
- Less available financing:
  - Banks are less willing or unable to accept as much financing risk;
  - More need for investors, further limiting flexibility of developer.

- Public

- Role of relevant decision makers is unclear:
  - Boards & commissions have become courts of public opinion versus keepers of the process;
  - Lack of consistency in application of rules applying to development
  - Impedes flexibility of developers, even within ordinances, to pursue high-density, non-subsidized developments
- Inaccurate perception that developers pay for costs; consumer does.

# Necessary Conditions for “Development Readiness” To Be Successful/Profitable

- Specific & consistent zoning & approval process: “Just tell us the rules!”
- Better informed public relative to traditional incentives, i.e., TIF, BRA;
- Efficient and consistent building inspection process;
- Better adherence to master plans and established permitting process;
- Review of “conditional rezoning” that has led to case-by-case perception of process;
- Last mile infrastructure (gas, electric, water, sewer, broad-band, etc.)

# Other Thoughts

- “Not for the faint-hearted;”
- “Either find ways to incentivize lower housing costs or raise wages;”