

HOUSING AFFORDABILITY STRATEGIES & RESOURCES

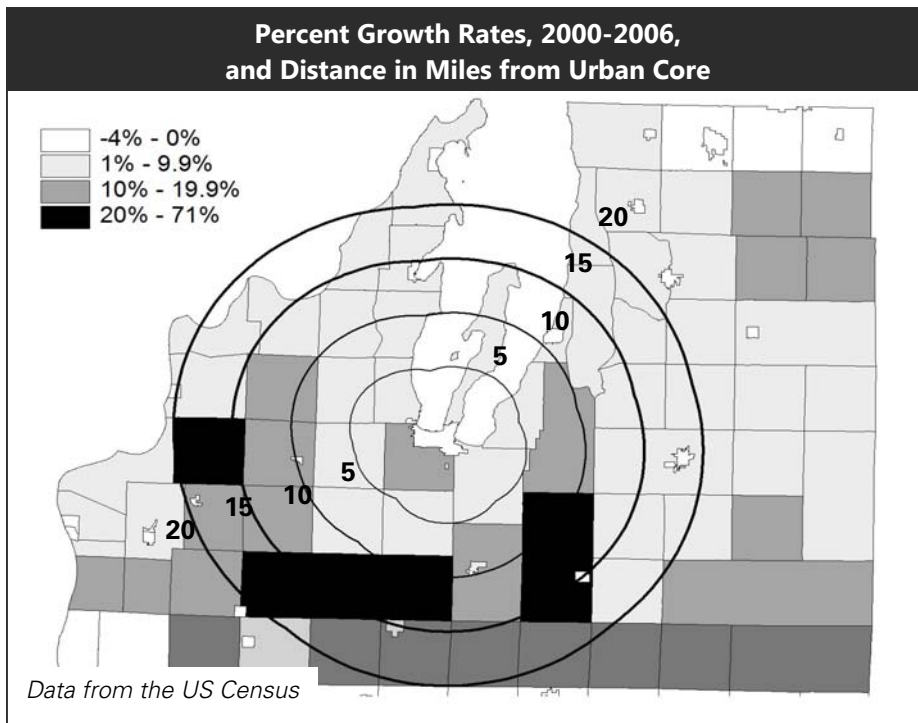
Housing Choices For Northwest Michigan

For years, communities throughout Northwest Lower Michigan have been struggling with shortages of housing that's affordable to low- and moderate income households.

A gap between the region's high housing values and relatively low incomes means that many families are being priced out of our cities and towns and pushed into the countryside—away from jobs, schools, and shopping—where homes are generally cheaper. These moves mean longer commutes, which in turn come with higher transportation costs and more time on the road—leaving less time for family and community.

our schools, and overall quality of life.

When families leave town for rural areas, schools end up struggling with unstable enrollment and subsequent budget cuts. Local governments have to extend their already stretched budgets to provide services to households farther out in the country. Businesses lose year-round customers. Companies that need housing for their workforce look



The short supply of affordable housing is a growing worry throughout Northwest Michigan – and not just for the many individuals and families that can't find a home to fit their budgets. Businesses, local governments, school officials, and other community members are concerned that this shortage is leading to problems with traffic, the economy,

elsewhere to site their headquarters—and our high school and college graduates follow them out of the region and the state. Residents throughout the region fight heavier traffic from the longer commutes. And the resulting sprawl degrades the natural beauty of the area – one of its key selling points to residents, visitors, and businesses alike.

BREAKING DOWN BARRIERS: HUD's Affordable Communities Initiative

Regulatory barriers are policies, rules, or processes that raise the cost of housing or discourage new development. HUD has determined that regulatory barriers are responsible for many of the constraints to creating affordable housing. In this region, regulatory barriers may include:

- Low-density zoning
- Limitations on types of residential developments
- Excessive design standards
- Complicated approval procedures

With its National Call to Action campaign, HUD is working to enlist states, local communities, and affordable housing advocacy groups across the country to commit to regulatory reform that will result in greater opportunities for affordable housing. To learn more about HUD's National Call to Action, visit the website at:

www.hud.gov/initiatives/affordablecom.cfm

Affordable Housing MYTH & FACT

Affordable housing is simply housing that costs no more than 30% of a household's income.

We all need affordable housing. But there's often opposition to new housing that's affordable to lower- and moderate-income families based on misunderstandings about property values, traffic, crime, and residents:

MYTH: People who live in affordable housing won't fit into my neighborhood.

FACT: Many residents of affordable housing are already part of your community: they are your police officers, bank tellers, social workers, secretaries, teachers, nurses, and carpenters. Most people who live in affordable housing have full time jobs with entry-level or moderate wages. But, as housing costs in the region continue to rise faster than our incomes, these working families are struggling to find housing they can afford.

MYTH: Affordable housing is ugly.

FACT: Affordable housing has to comply with the same restrictions as market-rate housing. And, because it's often funded in part with public money, it sometimes needs to meet additional restrictions and higher standards. There are many examples of affordable homes in the region that have been incorporated into existing neighborhoods and new housing developments—and there's no way to tell the "affordable" from the market-rate homes.

MYTH: Affordable housing will reduce property values.

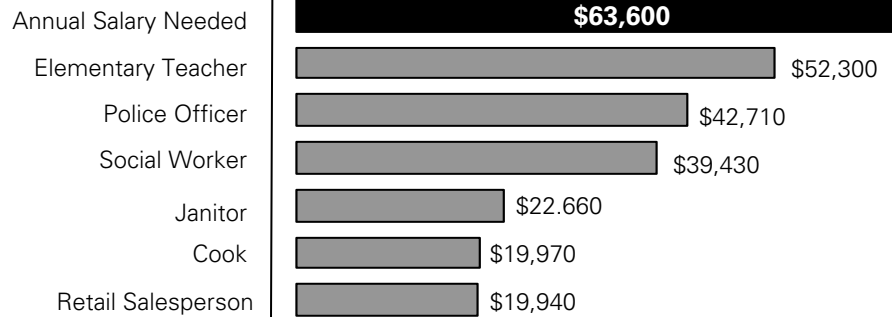
FACT: Many studies have shown that affordable housing does not have a negative impact on property values. In some cases it can even raise property values by spurring further investment in the area.

MYTH: Affordable housing creates more traffic.

FACT: Building affordable housing near jobs and public transportation helps to shorten commutes and reduce congestion.

Income and the Cost of Housing in Northwest Michigan

Median Home Price: \$163,000



Home price data from Traverse Area Association of Realtors. Incomes cited are median annual incomes from Bureau of Labor Statistics. Annual income needed to buy a home based on average interest rate, 5% downpayment, mortgage insurance, principal, interest, and taxes

Parts of this problem stem from market forces: the Grand Traverse region's reputation for a high quality of life drives up demand and cost. But some local land use and economic policies work together with market forces to impact home prices. By affecting the availability and the price of land, and by discouraging certain kinds of development, these "regulatory barriers" can raise the costs of new housing by up to 35%.

Fortunately, many communities across the country have taken action to not only remove these barriers, but to implement proactive new policies that help create more balanced housing markets—with opportunities for safe, decent, affordable housing for households at all income levels. Some of these policies are focused on land use, some on financial incentives;

some are dependent on a community's unique circumstances, and some have been successfully replicated nationwide. But all reflect the growing recognition that affordable housing is a challenge that needs leadership and action from local government, business leaders, and the public alike.

Community Housing Choices has created *Housing Affordability Strategies and Resources* as a series of best-practice resources to summarize those proactive housing policies and programs that could be effective in northwest Michigan. Taken singly, these strategies won't act as stand-alone solutions. But they can be a valuable set of tools for local officials, planners, businesses, developers, nonprofits, and the public as they work together to improve the supply of affordable housing in their communities.

Housing Policy & Outreach in Antrim-Benzie-Grand Traverse-Kalkaska-Leelanau Counties

communityhousingchoices

Community Housing Choices is a New Designs for Growth program intended to further the housing policies of the *New Designs for Growth Guidebook*, and is administered by the Northwest Michigan Council of Governments (NWMCOG). The goal of Community Housing Choices is to ensure sufficient housing choices for the region's workforce, using education, collaboration, and advocacy to promote the adoption of land use and economic tools that will contribute to livable, vibrant communities. Community Housing Choices is designed to assist governments, nonprofits, developers, businesses, and citizens initiate proactive housing strategies in our communities.

This series of best practice resources serves as an extension of housing policies identified in the *New Designs for Growth Guidebook*. For more information on the *Guidebook*, please visit the website at www.newdesignsforgrowth.com, or call (231) 929-5000.

www.communityhousingchoices.org