



## OUR MISSION

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We build awareness, influence policy, and expand capacity so communities can create housing solutions that meet their unique needs.

## OUR VISION

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Northwest Michigan will be a place where families of all income levels can find homes that are safe and affordable.





## **AWARENESS**

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Provide outreach, messaging and communications tools to communities, developers and other partners.

## **ADVOCACY**

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Identify and influence policy that impacts development opportunities in rural Michigan.

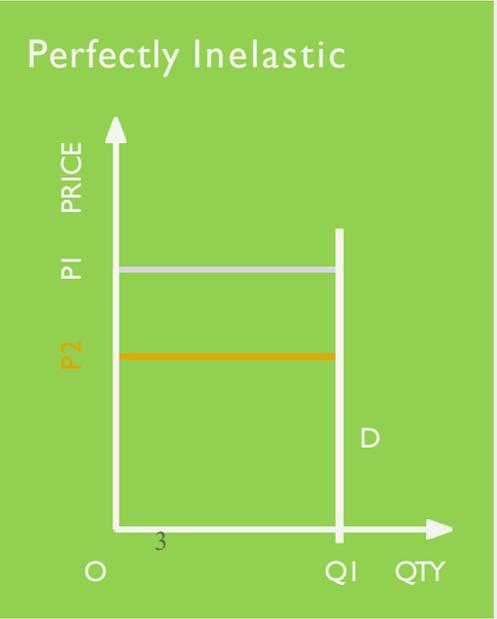
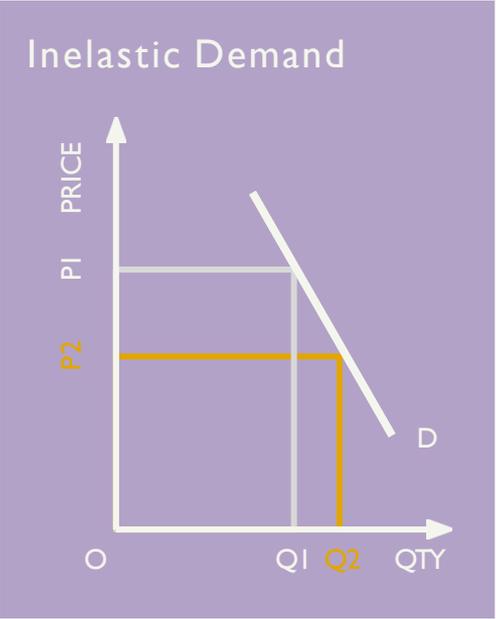
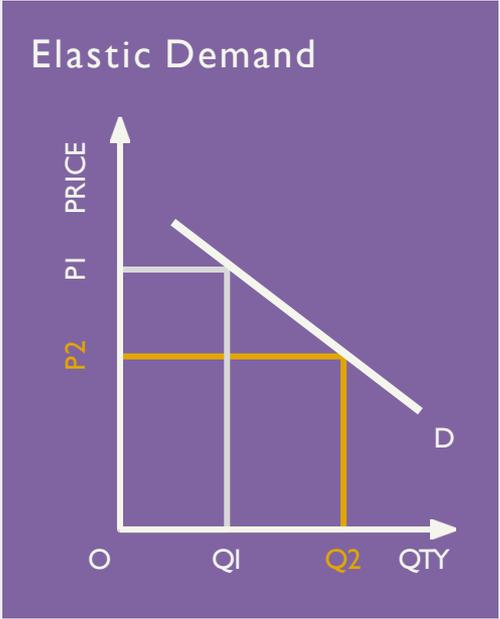
## **CAPACITY & RESOURCES**

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Work with partners to develop new tools and funding options for housing.



# Housing Supply & Inelastic Demand





# Regional Housing Dashboards



## Housing North Dashboard: **10 County Totals**

10 County Total



Click on any county



Rental  
Vacancy

**0.7%**

According to Bowen National Research, a healthy vacancy rate should be between 5-8%



New homes needed  
by 2027

**31,268**



Total new housing permits  
in the previous year

**913**



Income-restricted units built  
or preserved in previous year

**105**



Local zoning changes to enable  
more housing

**34**

\*Affordable\* is defined as housing which costs less than 30% of household income for a household earning at or below 80% of the median income in the county.

Data Sources: \* U.S. Census Bureau † Bowen National Research ‡ CoStar Market Analytics † Northern Great Lakes Realtors MLS \* MSHDA

## Barriers to Housing in NW Michigan

1. Cost gaps: High construction costs and limited local funding make many projects financially infeasible without significant subsidy or creative capital.
2. Zoning barriers: Many communities still have outdated or restrictive zoning that prevents missing middle housing types or multifamily development.
3. Capacity and staffing: Small-town governments and nonprofits are often overwhelmed with limited capacity to move housing projects forward.
4. Community opposition: Even well-aligned projects face resistance from residents concerned about change, density, or property values.

## Construction Costs

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\$150-\$375 /sq ft

An 800 square foot apartment costs a min of \$152,000 to build today.



Must rent for at least \$1,275/month to cover costs without subsidies.

A 1,200 square foot home costs a min of \$278,000 to build today.



Mortgage + Taxes = \$1,899/month (minimum) without subsidies.

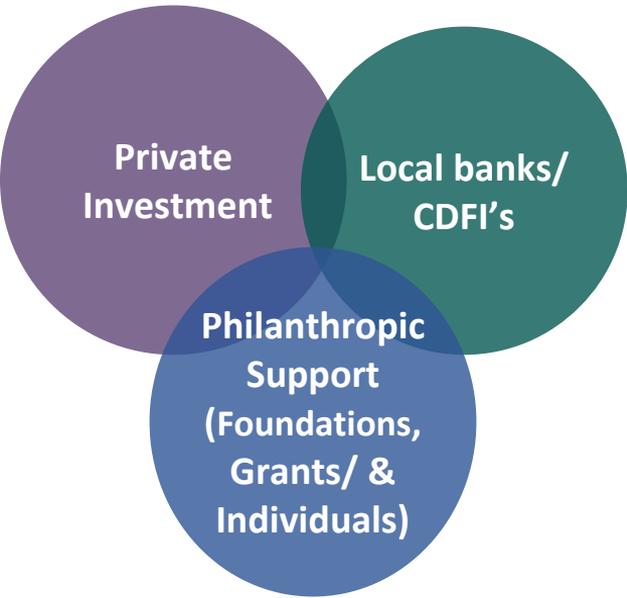
# Household Income & Affordability

\$25,000 yr	\$600/mo rent	Large subsidy needed in all markets
\$50,000/yr	\$1,250/mo rent	Moderate subsidy + flexible zoning or older housing
\$75,000/yr	\$1,875/mo \$250k mortgage	Flexible zoning + minimal to moderate subsidy*
\$100,000/yr	\$2,500/mo \$300k mortgage	Viable in most markets with moderately flexible zoning*.

\*amount of subsidy is dependent on local market specifics

To meet these challenges, we're staying nimble by:

1. Creating regional tools like the RRF to offer low-cost, flexible capital.
2. Partnering with community land trusts to preserve long-term affordability.
3. Advocating for smart, targeted policy changes—such as extending the Residential Housing Facilities Act incentives and expanding the Michigan Housing and Community Development Fund.
4. Supporting local zoning reform and helping communities access new tools and funding opportunities to reform zoning practices allow smaller, attainable housing options.



## Developer Support

- Low interest loans for pre-development expenses
- Gap financing (can be used for pre-development or construction)
- Bridge financing sources to support cash flow throughout a project
- Up front funds for TIF projects
- Provide a lower interest rate (4% or below) to result in lower project costs
- Allow repayment at sale of property or in installments for rental properties
- Land acquisition for developers or organizations

## Community Housing Needs

- Fund will address unique needs of each community
- Focus on supporting projects up to 120% AMI.

## Pre-Approved Plans

Pre-Approved plans reduce administrative barriers

## Ordinances for Nuisance Issues

Ordinances to limit the specific nuisances a community might be concerned about without preventing development altogether.

## Zoning Reform

An impactful approach to reducing the cost of new housing for everyone in a community.

## Brownfield TIF

A flexible funding source enabling affordable and middle income housing, on eligible property.

## A Payment in Lieu of Tax

PILOTS replace traditional property taxes with a negotiated payment based on a percentage of the rent from a housing development.

## Community Land Trusts

New types of ownership that separate land costs from homebuyer mortgages.

## Neighborhood Enterprise Zone

Reduces tax obligations for up to 15 years for new housing in mixed-use buildings or those with owner-occupied units.

## Revolving Loan Fund

A financing tool that fills financing gaps in new construction, acquisition, and preservation projects.

## Impact Investments

Community partners investing below market interest rates in projects that address social needs.

## Residential Facilities Exemptions

Provides a 50% tax abatement for qualified housing of 5 units or more.

## Deed Restriction Programs

A legal mechanism to ensure that homes sold to low and moderate income buyers can remain affordable for the long term.

## Attainable Housing Districts

Provides for a 50% tax abatement for qualified housing in eligible districts.

**How It Works**

## Housing Tax Increment Finance Bill or H-TIF

**Housing North**  
Northwest Michigan Rural Housing Partnership  
info@housingnorth.org  
231-335-6545  
811 Reed Drive  
Suttons City, MI 49686

**Flywheel**



**1** Any property where eligible financing activities will occur can now be identified and re-zoned. The property owner will be aware of an urban landward with a low taxable value - say \$100,000/year.



**4** The board of a authority agrees that zoning is appropriate for the site and they approve the plan for the neighborhood level.



**7** Half of the new homes have been built are used to increase qualified households to 1200-1300 and are needed for the other half for 1500 or more. Combined, all 10 homes are produced and sell \$200,000 of new tax revenue every year.



**2** Since the builder wants to buy the land and build, they have to pay for the land, but the cost to build a house will be more than the land cost without H-TIF.



**5** Since there is a certain that approve the H-TIF board, the developer can proceed to local firms or a good idea and they approved the plan. The city also approve the plan for the neighborhood level.



**8** During the loan agreement, most of the \$200,000 in new tax revenue can be used to reimburse the loan for infrastructure costs and associated interest. The original government continues to collect the \$100,000/year in tax revenue during this time.



**3** Since he has to pay for the land, the developer will have to pay for the land, but the cost to build a house will be more than the land cost without H-TIF.



**6** With approval in mind, the developer will have to pay for the land, but the cost to build a house will be more than the land cost without H-TIF.



**9** Once the loan has been fully repaid, the developer will have to pay for the land, but the cost to build a house will be more than the land cost without H-TIF.

**How It Works**

## PILOT Process Roadmap

**Housing North**  
Northwest Michigan Rural Housing Partnership  
info@housingnorth.org  
231-335-6545  
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Suttons City, MI 49686

**Flywheel**

**1 Application Submission**  
Sponsor submits a request for the certified notification of exemption to the County PILOT.

**2 Staff Review**  
Staff has 30 days to review the application then sends it to the Commission with a recommendation.

**3 Commission Adoption**  
Commission adopts a PILOT Resolution approving the request.

**4 Certified Copy of Resolution**  
City Clerk obtains the signed or certified copy of the resolution approving the application.

**5 MSHDA Certification**  
Sponsor submits an affidavit to MSHDA for certification that the project is eligible for the workforce housing exemption.

**6 Certified Notification of Exemption Filing**  
Upon receipt of notification from MSHDA that the project is eligible for a workforce housing exemption, the Sponsor or MSHDA must file the certified notification of exemption with the City Assessor before November 1st of the year preceding the tax year in which the exemption is effective.

**7 Certified Notification of Exemption by Co. Treasurer**  
Not later than 5 business days after receipt of the certified notification of exemption, the assessor shall provide a copy of the certified notification of exemption to the County Treasurer.

**8 Certified Notification of Exemption Review**  
The County has 45 days of the County Treasurer's receipt of the certified notification of exemption, to post a resolution, by majority vote, that approves or disapproves the exemption.

**9 Ad Valorem Property Tax Exemption**  
This project will be exempt from all ad valorem property taxes of 2020 for all of the year in which construction or rehabilitation commences.

**10 Construction Timeline Requirements**  
Construction must start within 90 days of the date of MSHDA certification of exemption or such longer period of time as may be provided by the PILOT Resolution.

**11 Annual Independent Audit Submission**  
Every year by April 28th, a sworn vendor file provided to in the PILOT Resolution, Sponsor shall submit to Independent Audit to the City Assessor.

**12 Annual PILOT Payments to City**  
As of the date July 1st, the City Treasurer shall release the amount of the PILOT payment due for the current year. Each payment shall be paid no later than July 31st.

**How It Works**

## Payment In Lieu of Tax or PILOT

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**Flywheel**

### Incentivizing Workforce Housing

When communities adopt a PILOT ordinance, it involves their governments and developers to partner together to address local workforce housing needs.

It encourages developers to build or rehabilitate affordable housing and community-serving projects by reducing one of their biggest expenses: property taxes.

In exchange for paying a negotiated lower amount of tax over a set term, the developer agrees to cover these savings for the tenants via a lower rent.



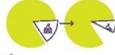
**1** Enter into a contract with a local government to build or rehabilitate affordable housing or community-serving projects with 10 or more units or below 100% Area Median Income (AMI).



**2** Have the local government, the town will make sure that the building tax expense for the families low wages to support it. Even with the local government if they would consider a tax reduction.



**3** Community leaders agree that they would be willing to consider a tax reduction if the town guaranteed that portion of the units will only be available to people earning up to 100% AMI.



**4** Enter an agreement and applies for a Payment in Lieu of Tax (PILOT) - this negotiated agreement will be a mission-aligned developer to pay a lower amount (they pay a percentage of taxes that they would have paid otherwise).



**5** The City or Town will be governing body consents to the Payment in Lieu of Tax, and the developer agrees to pay a lower amount (they pay a percentage of taxes that they would have paid otherwise).



**6** Instead of the full tax bill, the town pays 10% of the taxes that would have been paid. The amount of the tax reduction is set by the PILOT agreement. The developer agrees to cover these savings for the tenants via a lower rent.

# Housing TIF Explained

# Payment in Lieu of Taxes (PILOT) Steps

# Payment in Lieu of Taxes (PILOT) Explained

**Outreach materials to bring tools to our communities and help guide ordinances and provide resources to support adopting these new tools**

# ZONING REFORM TOOLKIT

## Zoning Reform Toolkit

15 TOOLS TO EXPAND HOUSING CHOICE + SUPPLY



### MAP's 15 Tools for Zoning Reform

Zone Districts	Form and Context	Processes
Collapse Zone Districts	Reduce Minimum Lot Width and Area Requirements	Eliminate or Reduce Elected Body Approvals
Rezone for Mixed-Use / Multifamily in Commercial Districts	Reduce or Eliminate Minimum Dwelling Unit Size	Expand Administrative Review
Expand Allowable Uses	Reduce or Eliminate Minimum Parking Requirements	Pre-approved Plans
Performance Standards for Uses	Missing Middle Housing (Including ADUs)	More Flexible Approach to Nonconformities
	Density / Height Bonuses	Police Power Ordinances to Regulate Nuisance
	Form and Site Standards	

We need everyone  
to move housing  
forward!

## What is needed to move housing forward

Smart, flexible investment in housing—including direct appropriations for gap financing and capacity building

Regional ability to provide lowcost capital annually

Support local zoning reform

Leadership in land use policy, infrastructure, and tax incentives to make attainable housing possible—not just in cities, but in rural and resort communities



**Thank you....Any Questions?**

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