

SAUGATUCK TOWNSHIP

WWW.SAUGATUCKTOWNSHIP.ORG

3461 BLUE STAR HIGHWAY
SAUGATUCK, MI 49453

PHONE (269) 857-7721
FAX (269) 857-4542

Housing Presentation Approved minutes

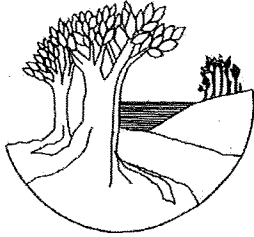
The Saugatuck Township Planning Commission met on October 28, 2019 at 6:00 p.m. in the Township Hall on Blue Star Highway Saugatuck, Michigan

- 1) **Call to Order for the Planning commission Work session** at 6:00 p.m. by chairperson Prietz.
- 2) **Roll Call** All members present.
- 3) Chairman Prietz welcomed Ryan Kilpatrick, our guest presenter, Director of Housing Next, an organization rooted in Ottawa Co., and sponsored by the United Way of Greater Ottawa Co. covering Ottawa and Allegan Counties. Housing Next is funded by the Community Foundations of Holland-Zeeland, Grand Haven-Spring Lake, and supported by The United Way, Lakeshore Advantage, Chambers of Commerce, and The Lakeshore Alliance.

Kilpatrick explained that Housing Next is interested in increasing housing supply at all price points and focusing on the workforce. Many employees of major manufacturing in the area have a difficulty finding affordable housing in an area close to their employment. Many earn between \$15 and \$25 per hour and are priced out of the housing market because it is difficult to find housing for sale under \$200,000 and/or rental under \$800.00/month.

Please refer to slide presentation attached.

Housing Next was created because the United Way had done a lot of work with the ALICE population (asset limited income constrained but employed) which meant people who worked full time but were not able to meet their expenses. Data gathered showed that 15,000 households in Ottawa Co., and 17,000 in Allegan Co. qualified as full time workers that were priced out of the housing market. A housing commission 'needs assessment' was done and it further showed that a total of 7,500 housing units were needed and 2,500 had to be market rate. Building homes under \$200,00.00 is not feasible today. Regulations, zoning and actual costs have made it prohibitive. Rentals for \$800 to \$1200 seem to be the sweet spot for today's workforce. The challenge is to find what will work and fit within communities while preserving their individual identities; and working with developers to create something that may not be what they are interested in creating in order to get more housing units built.



SAUGATUCK TOWNSHIP

WWW.SAUGATUCKTOWNSHIP.ORG

3461 BLUE STAR HIGHWAY
SAUGATUCK, MI 49453

PHONE (269) 857-7721
FAX (269) 857-4542

Ryan spoke about housing affordability (see slides) and what it means to be affordable, what it looks like and who belongs there. The premise is that no more than 30% of your actual salary should be spent on housing, including mortgage, utilities and taxes, and 40% if you include transportation costs.

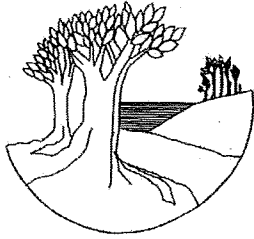
The 'Strongtowns' blog has a conservative approach to how communities can approach issues for affordable housing. Included are incentives that benefit developers and buyers. Employers participate in this program as well as communities, who have tight regulation and zoning laws. Public support for growing housing opportunities is important. Partnership for all vested is critical in advocating for new ideas and ways of creating housing projects. Newer housing stock tends to be more expensive than older stock.

Kilpatrick discussed partners in building and how to create more (one example) building panels for multiple housing units. He explained that building one house at a time is far more expensive than production building. West Michigan is known for its' manufacturing but has not brought that to the housing market fully. There is efficiency in modular housing as well.

The market study showed that today's housing market is composed of 30% single adults with no children, and almost 70% of two adults with no children at home. (see presentation) Homes used to be built with 2 adults, 2 ½ children in mind. Today's demographics have changed. Younger adults want amenity rich, smaller units, in walk-able neighborhoods, yet less than 5% of our housing stock meet those requirements.

Wages in Michigan show that almost 2/3 of employees earn less than \$20/hour which puts the maximum rent or mortgage amount at appx. \$1100/month (or \$180,000 mortgage on a home).

See examples of housing (slides) that are appearing in Michigan but are often prohibited by zoning and housing laws within a community. Also Townhomes and condominiums are other options. Communities must develop their vision, goals and objectives to make affordable housing a reality. Often what we have regulated adds to our community character but also limits creative options. In some instances you can now share septic systems and cluster development, yet create open shared spaces for activity and outdoor enjoyment. It is important to know the actual cost of building including cost/sq.foot, wells, lot size, regulatory requirements, services, and commutability. There are a few projects right now being developed, one in South Haven, that is appx. 900 square feet in size. (see examples)



SAUGATUCK TOWNSHIP

WWW.SAUGATUCKTOWNSHIP.ORG

3461 BLUE STAR HIGHWAY
SAUGATUCK, MI 49453

PHONE (269) 857-7721
FAX (269) 857-4542

This type of development is also desired by folks looking for 2nd homes. See slides for tools that are available for communities if they desire to be involved in these housing projects and what considerations are important. Consistent and thorough design standards are critical, along with forward thinking of how a project will look 10 years from now. Also, in building density, amenity access is important. A 'local needs assessment' is important, along with regulating the character and integrity of what is built.

Building costs have increased 30% over 10 years yet wages have only increased appx. 4%. Housing Next will assist a community to utilize all the available tools from Local, State and Federal sources along with local employers for housing.

Rowe asked Kilpatrick to address 'Tiny Houses' and their place in communities. He responded that if a unit is under 400 sq feet it is considered to be 'tiny', and if over 400 sq. feet, it is assumed to be 'small'. Again, communities design and monitor projects from higher level perspective while neighborhoods set their individual by-laws. Kilpatrick said there is not a large market for 'Tiny Houses' but for some people it is an adventure and for others folks it may be an important price point.

Ihle asked about the Summer Grove project on Wiley. Kilpatrick explained they have a central common area and pool, and pools are expensive amenities to maintain. It is important to assure you are creating amenities that folks want. If the neighborhood is older in age, steps may not be desired. There are many things to consider.

Helmrich asked how they have worked with other communities and Kilpatrick explained how they have worked with Holland and other communities.


Israels asked about the workforce and if there is a change in using temporary workers verses hiring permanent workers, as that would affect the housing market and demand. Kilpatrick explained that current manufacturers are hiring permanent employees and show confidence in future manufacturing. She also asked if builders are using elevators or lifts in the three story buildings. He said it was a cost factor.

Prietz thanked Kilpatrick for his presentation along with other members of the Planning Commission. The presentation concluded at 6:51pm.

Respectfully,
R. Israels, P.C. Sec.



What are we doing?




 Clearly define the nature of the problem & build momentum toward attainable solutions.

 Create public policy support for housing choice across all price points

 Ensure housing gets built by filling gaps in the ecosystem.

HN Governing Board

- Community Foundations
- United Way
- Economic Development Agencies
- Chambers of Commerce
- Ottawa County Administrator
- Lakeshore Non-profit Alliance







Housing Affordability

Generally, housing that costs 30% or less of a household's annual income.

Examples:

- Individual earning \$26,000 / Monthly maximum housing cost of \$650
- Family earning \$54,000 / Monthly maximum housing cost of \$1,350
- Family earning \$90,000 / Monthly maximum housing cost of \$2,250



5 "Laws" of Affordable Housing

1. Developers don't pay the costs of construction – buyers and tenants do.
2. Housing Demand is Regional
3. If local zoning requires expensive housing, housing will be expensive.
4. Housing costs are less affordable if transportation costs are high
5. Today's affordable housing is the last generation's luxury housing.

STRONG TOWNS



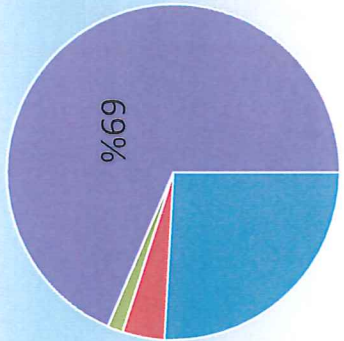
METRICS FOR SUCCESS

- Zoning Flexibility
- Regional Collaboration
- Private Sector Investment
- Non-profit Capacity Building
- Public Support for Growing Supply
- Lean Manufacturing & Building at-scale

Baby Boomers & Millennials
 both express strong preference
 for walkable neighborhoods &
 less maintenance.

Total Households in Ottawa County 2013-2017 Estimates

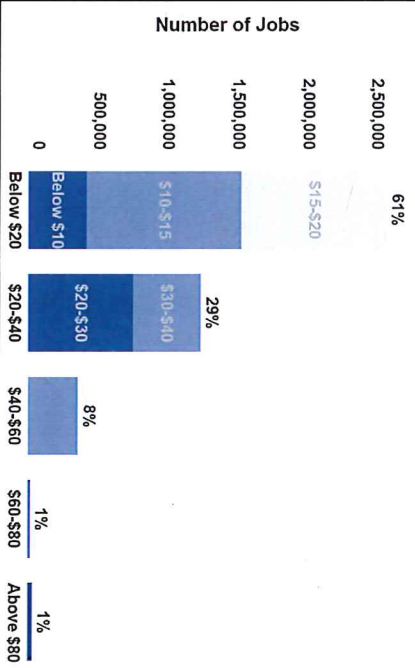
- Married with Children
- Single Parent Female
- Single Parent Male
- No Children at Home



**2383 Trailside Dr # 28,
Zeeland, MI 49464**

FOR SALE
\$304,610
Zestimate: \$271,654

Number of Jobs by Hourly Wage - All, Michigan, 2017



Source: Bureau of Labor Statistics, 2017.



Municipal
Tools to
Support
Housing

Plan



Zone

Invest

Abate



Planning

Establishes shared
community vision

Expresses clear goals
and objectives

Identifies
responsible parties

Offers a timeline for
execution



Municipal
Tools to
Support
Housing

Plan

Zone



Invest

Abate



Zoning

Establishes regulatory
framework

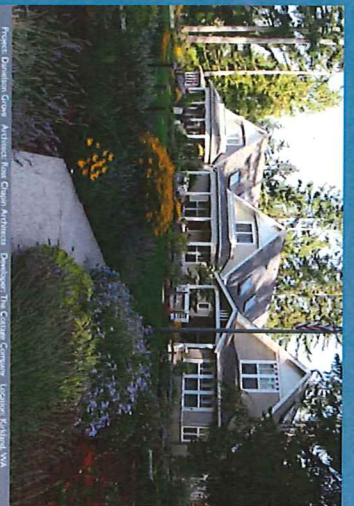
Expresses clear,
objective requirements

Defines the process for
new development

Governs building form,
placement and use.

Minimum lot area	45,000 square feet
Minimum lot width	150 feet (increased to 300 feet for lots which abut and are accessed from public streets which are classified as STATE TRUNKLINE, COUNTY PRIMARY, OR COUNTY LOCAL by the Ottawa County Road Commission) (amend. by ord. no. 498 cff. August 21, 2011)
Maximum height of structures	2½ stories, or 35 feet, whichever is lower
Front yard setback	50 feet
Rear yard setback	50 feet
Side yard setback	Each side yard setback shall be at least twenty (20) feet; both side yard setbacks combined shall be at least fifty (50) feet (ord. no. 309 cff. 2/22/99; amend. by ord. no. 376 cff. 6/21/03)
Minimum floor area per dwelling unit	1,100 square feet

See also footnotes 2; 8; 9; 11; and 17 in Chapter 21 (Schedule of District Regulations).

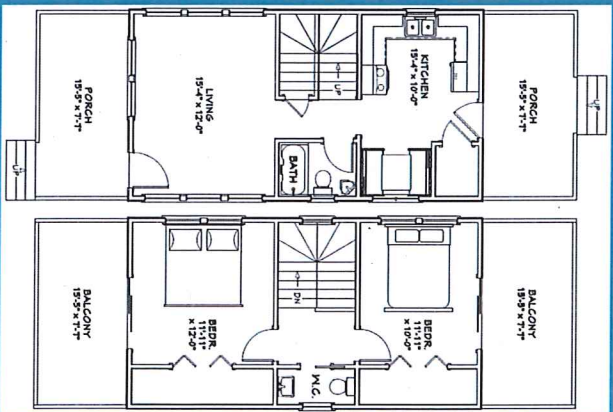


Project: Downtown Center, Astoria; Bear Creek, Astoria; Developer: The College Group; Location: Ellensburg, WA

Making Space for Housing Choice



- Reduced infrastructure costs
- Higher taxable value per acre
- Stronger connectivity to daily services / employment
- Less land intensive
- Supports higher frequency transit service



960 square feet

2 –beds 2 baths

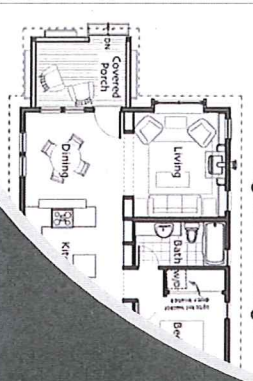
16 ft x 30 ft

Base unit price = \$159,000
Affordable to households earning \$35,000 / yr





Edgemoor Cottage



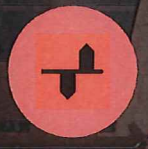
872 sq ft

Available State/Federal Tools



- Low Income Housing Tax Credit (4% or 9% MSHDA)
- Homeowner Assistance Funding (MSHDA)
- Community Revitalization Program (MEDC)
- Brownfield TIF (MEDC & DEQ)
- CDBG Funding (MEDC)

An effort to perfect the mechanics of regional collaboration.



ALIGN LAND-USE AND TRANSPORTATION OPTIONS



ESTABLISH CONSISTENT AND THOROUGH DESIGN STANDARDS.



AMENITIES MAKE DENSITY ENJOYABLE

Lever to influence the System

- ✓ Land Use Planning / Zoning Support
- ✓ Improve Mobility Options
- ✓ Support Wage Growth/Education
- ✓ Leverage and prioritize use of local, state and federal incentive tools
- ✓ Philanthropic / corporate funds to support developers
- ✓ Innovation in construction process

