

Great Lakes Housing Services

A PARTNER IN HOUSING SOLUTIONS

Who We Are

- **Great Lakes Housing Services (GLHS)** is a Michigan-based nonprofit.
- GLHS is a statewide organization.
- GLHS is governed by a board of directors focused on addressing community and stakeholder needs.
- GLHS provides expert consulting and technical assistance to communities and their partners to bring housing projects to life.



Meet the Team

Our team is composed of seasoned professionals from diverse backgrounds, each bringing unique expertise to the table. Together, we drive innovation and deliver exceptional results for our clients.



Ashley D. McLeod

Executive Director



Jeffery Campbell

VP of Consulting



Liz Smith

Consultant



Nicki Basch

Consultant

What We Do?

- Further Michigan's Statewide Housing Plan.
  - The State of Michigan needs 115,000 additional housing units
- Assist municipalities with their local access to available tools, particularly MSHDA tools, to further their potential housing projects. Those tools include:
  - Grants
  - Local legislation – such as a workforce PILOT ordinance.



Modification to PILOT Legislation

Payment-in-lieu-of-taxes (PILOT) - New in PA 239 of 2022: Municipalities may now provide a PILOT for “workforce housing” without being linked to Federal low-income housing programs.

- In lieu of receiving taxes from a housing development, the owner pays the municipality an agreed-upon fee for a certain number of years.
- Eligible new or rehabilitated housing must be affordable to and occupied by households of up to 120% area median income (AMI)
- Municipality must have an ordinance or resolution concerning the selection of eligible developments.

PILOT Fee

Calculation of service charge under the proposed ordinances:

- Under Lathrup Village's proposed ordinance, like most other cities with a PILOT ordinance, the City can receive up to 10% of the annual shelter rent (rents charged to tenants, excluding certain utility costs).
- Service charge must not exceed the ad valorem tax bill that the owner would have paid had the project not been tax-exempt.

Workforce Rent Limits

- The Area Median Rents are published by MSHDA on an annual basis. Oakland County monthly rent limits for workforce/attainable housing (80% to 120% AMI) are listed below:

	Studio	1-BR	2-BR
○ **80%**	1,414	1,515	1,818
○ **100%**	1,767	1,893	2,272
○ **120%**	2,121	2,272	2,727

The 100% and 120% AMI rent limits are equivalent to market rates.

Communities that have enacted Workforce Housing PILOT ordinances

Other communities that have passed workforce housing PILOTS in Michigan:

- City of Jackson
- City of Ferndale
- City of Muskegon
- City of White Cloud
- City of Detroit
- City of Lansing (working on finalizing regulations)

Workers Targeted in Workforce Housing Developments

Workforce Housing Development targets the following workers:

- Teachers, Nurses, Police Officers
  - Essential Workers
- Retail Employees
- Young Professionals

Do we want the people who protect us, care for us, serve us, and teach our children to be able to live in the community that they work?

Housing Typology

A PILOT can help incentivize the creation of different types of housing developments. Here is the current breakdown of housing typologies in Lathrup Village:

- 92% of Lathrup Village's housing units are Owner-Occupied residential homes.
- 89.2% of Lathrup Village's housing units are single-family residential homes.
- Based on the data, there is a lack of other housing typologies, particularly multi-family units, in Lathrup Village.

Positives of adding different types of Housing Typology

Positives of Providing Different Housing Typologies:

- Improved Property Values: Well-managed communities with diverse housing options tend to maintain or increase property values, making them attractive for residents and investors.
- Increased Economic Activity: Diverse housing options attract a broader customer base, stimulating local businesses and fostering economic development. Affordable housing options, in particular, can increase residents' disposable income, which they can then spend locally, further boosting the economy.
- Economic Resilience: Communities with diverse housing types tend to be more resilient against economic downturns.
- Attract and Retain Talent: The housing preferences of a younger generation are different.

Housing Preferences

Changing demographics also mean changes in housing preferences. The biggest demographic driver is the entrance of the ‘Millennial Generation” into the housing market, which appears to have significantly different housing preferences. These include smaller, more affordable housing options in denser urban environments than their parents. Apartments are now frequently seen as a more permanent housing choice rather than a stepping-stone to a single-family residential home. Retiring boomers also seek different types of housing options.

Engaging in Meaningful Placemaking

"Michigan has numerous communities that are attractive to families, what it lacks are places with the level of walkability, housing choice, and activities that will draw millennials and retiring boomers. Smaller cities and towns would do well to look at placemaking activities and projects in their downtowns and adjacent neighborhoods. By doing this, communities can become more attractive to talented workers and others entering the housing market."

- An article from MSU Extension

Thank you

info@greatlakeshousing.org
www.greatlakeshousing.org

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Questions

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