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Each January at their annual retreat the MAP Board identifies a policy priority - an issue or challenge facing our industry - and over the course of the year seeks to learn more about that topic, ultimately developing a policy to guide the work of MAP, and of our members.

To that end, the board “links” with experts throughout the year, inviting leaders from planning or other industries to join the board for conversations about the topic, deepening our understanding, and informing our policy direction. What we learn is incorporated into our policies, and ultimately shared with our members through educational programming, Michigan Planner features, and advocacy. Sometimes it results in new partnerships or grants.

These board linkage conversations are so rich with content that we believe our members will find useful that we developed this series of Board Linkage Summaries to highlight the key findings of these exchanges with others - typically non-planners - who join us in the space of community building.

The objective of this series of to allow you to also better understand who the board is meeting with, the objectives of those meetings, and the takeaways that will help us all understand the interconnectedness we share with other disciplines and professions, and how we can apply this knowledge to our work as planners.

Board Linkage Briefs

Building Collaboration: Planners Can't Do It Alone

The housing shortage in Michigan started 40 years ago and continues to worsen. Solving this problem will take a collective effort of many players including municipal elected leaders and professionals - including planners - developers, banks and CDFIs, investors, non-profit housing providers, and many others. It is a complex problem requiring many interventions. Planners have a role, but cannot do it alone.

The homes that are being built by the private market primarily serve the shelter needs of higher-income households. A developer must consider many factors when determining what type of housing to build including the economy, the cost of construction materials, labor, and land, whether federal, state or local incentives are available, and the price the market can bear. The total cost of development is based on the following:

- Land cost
- Developing the site: infrastructure, parking, landscaping
- Construction: building construction, permits, property taxes, materials, skilled trades and construction workers
- Marketing: advertising, realtor expenses, promotional materials

Denser housing types such as townhomes and apartments, stacked units, and tri-and quad-plexes might be more affordable to build, but even these units (particularly if they are market-rate and in a desirable area) will not be affordable to many Michigan residents.

The development of affordable housing without incentives or subsidies is practically impossible. Government must intervene with assistance to developers. However, there is no readily available, dedicated project financing that communities or developers can consistently tap to make projects more affordable. Multiple financing and incentive tools are often necessary to fill a funding gap—a stack of funding to make the project viable and affordable - to “pencil in” a profit for the developer. Federal, state, and local subsidies and incentives can make development more affordable, while providing guarantees that the homes remain affordable over the long term. Developers are business people, and seek to make a profit for their efforts.

Long before the project is is queued up for approval, planners and community leaders must forge relationships and alliances with organizations who can assist in making affordable housing projects a reality. This means meeting and discussing the housing problem

ahead of time, before the design is put to paper, before permits are pulled. Planners can take the lead, here, to inform stakeholders about the issue: Bankers, neighborhood groups, developers, city government--all see the world from different perspectives and it is time consuming - but critically important – that each entity receives targeted messages about the critical need for housing, and their role in making it happen. Once partners are assembled and understand the need, creative, out of the box thinking can make projects viable.

Decision makers, citizens, and developers recognize that local government has a big part to play in new housing development. However, sometimes stakeholders assume that role is bigger than it actually is. Be clear about the responsibilities of the municipality, and clarify the roles of the myriad other players. The state and federal government must also recognize the housing crisis and work to solve it through changes in their policies and regulations, too. Planners are trained to talk to different groups and reach across divides. Planners are also trained to review, analyze, and explain data. That training makes planners invaluable to have in the room when these conversations happen.

Where this is happening?

- Housing North/Networks Northwest in Charlevoix
- Housing Next in Grand Haven
- Equitable development initiative in Grand Rapids

RESOURCES:

- Michigan State Housing Development Authority (MSHDA)
- The Federal Home Loan Bank of Indianapolis (FHLBI), part of the Federal Home Loan Bank system
- Michigan Community Capital
- Community development finance institutions (CDFIs)
- The Michigan Economic Development Corporation (MEDC)
- Housing trust funds
- Philanthropic institutions
- Local tax incentives are available through payments in lieu of taxes, neighborhoods enterprise zones, brownfield redevelopment, and land bank authorities
- The State Land Bank Authority
- County land banks
- Downtown Development Authorities, Brownfield Redevelopment Authorities, Corridor Improvement Authorities, Tax Increment Financing Authorities