



*The Village of Friendliness - Since 1870*

This is the City Manager's week in review for the week of March 20, 2023.

**Housing Tools** – At a meeting this week with Housing Next, I learned about a number of new tools being made available to communities to improve long-term housing opportunities. New legislation is making it possible for municipalities and developers to work together to create long-term workforce housing / attainable housing by using tax increment financing. I plan to request a special meeting of City Council and the Brownfield Authority at the end of April to share information about these tools.

**City Council** – City Council held its regular meeting on Monday and heard a presentation about the status of the playground projects and fundraising, and also approved the following items:

- Special event for National MS Society – Bike Great Lakes West Michigan Breakaway
- Special event for Community Pride - Oktoberfest 2023
- Appointed Ricky Zoet as DPW Director – Congratulations Ricky!!!
- Passed a resolution in support of Social Districts through 2024
- Supported DDA lighting on municipal structures

**Budget Workshop** – Budget session #2 was completed this week with a conversation about facilities, parks, and property. The April 3<sup>rd</sup> budget session #3 will focus on planning and zoning, sidewalks, streets, downtown, and Blue Star Highway. The April 17<sup>th</sup> budget session will be about equipment.

**Parks and Recreation Meeting** – I participated in an organizational meeting for the five-year parks and recreation meeting. Representatives from Saugatuck, Saugatuck Township, the school district, and interested citizens met to discuss next steps and participation in developing the next five-year plan. The City of Douglas will seek a variety of volunteer and elected officials to represent Douglas in the meetings since we don't have an official parks board.

**Downtown Development Authority** – DDA held its regular meeting on Wednesday and amended a motion for holiday lighting and discussed budget priorities. They also heard a presentation in support of updated artwork on the gateway signs located on Blue Star Highway at Main and Center Streets.

**Garandana Drainage** – I met on-site with the City Engineer and a property owner about persistent drainage issues on Garandana Drive. The west end of the road routinely collects water during large rain events and has no outlet...not unlike other areas in Douglas. We discussed potential solutions and easement routes to drain the water to the public stormwater drains. Garandana drainage is particularly tough to resolve due to the area being lower than surrounding areas. With some good engineering and easements, a plan could be devised to send the water to the Warnock Drain.

**Douglas Harbor Authority** – The DHA met on Monday and held an organizational meeting and discussed aquatic weed treatment and slip leases at Point Pleasant Marina. The Authority made a recommendation to City Council to continue to treat the aquatic invasive species in Wades Bayou and the Kalamazoo River. Wades Bayou has shown improvement in the variety and quantity of aquatic invasive species to the point that natives aquatic species are returning. The Authority also directed me to research more information about the potential removal of Calkins Dam in Allegan County.

That is all I have for now. Have a good weekend.

Rich LaBombard  
City Manager





# New Legislation Gives Communities More Tools to Add Workforce Attainable Housing

By Josh Hovey

It's no secret that housing has been a hot topic in Michigan and across the country. The state's aging housing stock, combined with the housing industry's struggle to recover from the Great Recession of 2008-09, has pushed home prices up across the state.

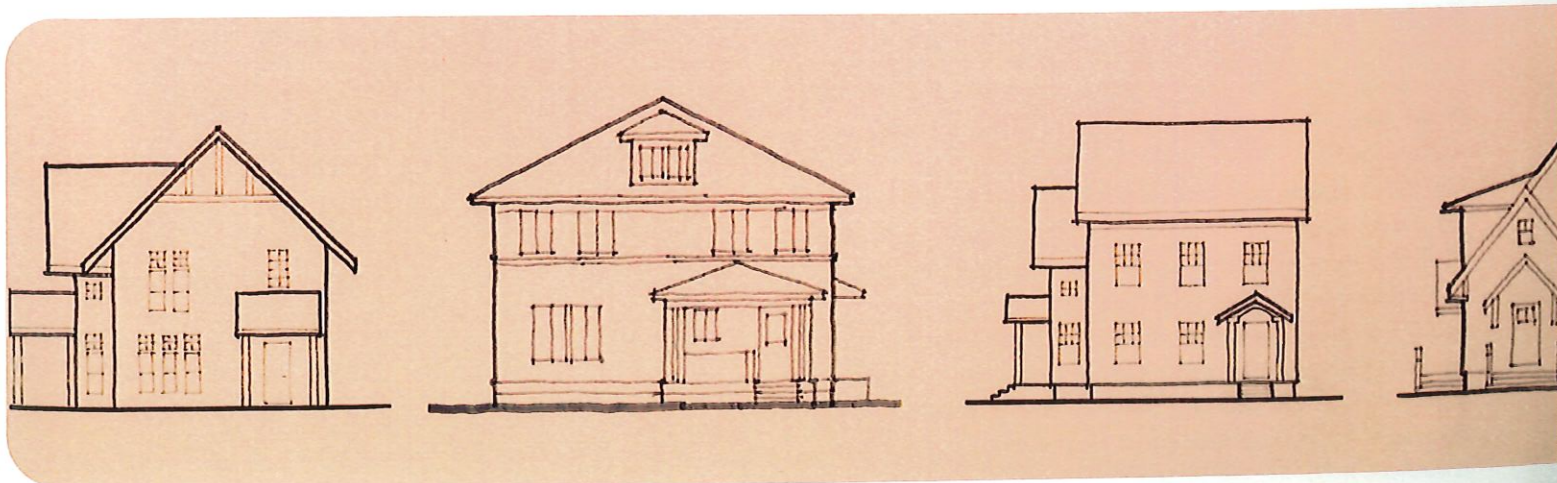
According to the Michigan Statewide Housing Plan, the average number of building permits for new construction issued between 2016 and 2020 is less than half of what it was between 1986 and 2006. As a result, existing housing—historically the main supply of housing for middle-income and low-income families—is scarce.

That scarcity is driving up prices for Michiganders across the board, but it is particularly stressful for low and middle-

income earners. The Michigan State Housing Development Authority estimates that 50 percent of rental households are "cost overburdened" and 25 percent are "severely cost overburdened."

In December of last year, Gov. Gretchen Whitmer signed a package of four bills into law that aim to address housing affordability by helping communities build more workforce and attainable housing.

The Attainable Housing Facilities Act and the Residential Housing Facilities Act work together to help remove obstacles to workforce and attainable housing development in the areas of land use, financing, and taxation by accomplishing the following:





- Allowing the establishment of attainable housing districts that will offer tax incentives for housing developments that target income-qualified households, including dormant properties previously used as commercial or industrial sites.
- Creating residential facility exemptions offering specific tax exemptions for income-eligible housing projects.

The other two bills in the four-bill package concerned:

- Expanding the use of PILOT—or Payment in Lieu of Taxes—pacts with local governments for projects dedicated to workforce housing opportunities on a long-term basis.
- Expanding the use of Neighborhood Enterprise Zones to offer financial incentives for the creation of workforce housing.

The bills were drafted in coordination with the Housing Michigan Coalition—a group of 60-plus organizations chaired by the Michigan Municipal League, the Home Builders Association of Michigan, the Grand Rapids Chamber, and Housing North.

Following the passage of the legislation, Dawn Crandall, executive vice president for government relations for the Home Builders Association of Michigan, told *Crains' Detroit Business* that a key feature of the housing package is that the bills provide municipalities the flexibility to leverage which tool is best for them. "The thing we like about these bills is that it's not a mandate for municipalities. Each locality really gets to set the guidelines," said Crandall.

While demand for the attainable and workforce housing tools has not been quantified, one Traverse City developer recently announced in February their intention to seek a PILOT to allow more workforce housing in one of its apartment buildings.

Brian Mullally is a principal at Innovo Development, which owns the 78-unit Breakwater apartment building in downtown Traverse City. He plans to use the PILOT to convert some of the building's largest units into smaller apartments, and the building will target workers earning 80-120 percent of the area median income, or roughly \$53,000 to \$80,000.

"This new state legislation is a major win for our community, and we are excited to work with the city to increase long-term housing for the workforce. This gives us a competitive advantage to bring more talented workers to our region who can live affordably in Traverse City," Mullally said.

While housing advocates and local government leaders note that housing affordability is a complex and multi-faceted issue, the new legislation adds more tools to the toolbox.

"Creating a healthier housing market benefits everyone," said the League's assistant director of state & federal affairs, Jennifer Rigterink. "Because when families are not cost burdened on their housing, they are able to better provide for their families and spend that extra money to improve their lives and their communities."

In addition to supporting last year's housing package, Rigterink notes that the League has pursued a multi-faceted approach to address the state's housing needs.

Through its leadership in the Coalition for a Strong and Prosperous Michigan, the League was able to successfully advocate for leveraging a portion of Michigan's American Rescue Plan Act funding toward attainable housing and community development initiatives.

The League also announced last year the Pattern Book Homes, an initiative to provide developers and communities with free building plans for duplex and quadplex homes ideal for infill development in many of the state's older neighborhoods.


"While no single bill package or initiative is going to solve all of the state's housing needs, we continue to add tools to our toolbox and work collaboratively with our leaders in Lansing and partners across the state to help meet our housing needs," said Rigterink.

For more information:

#### Michigan Housing Coalition

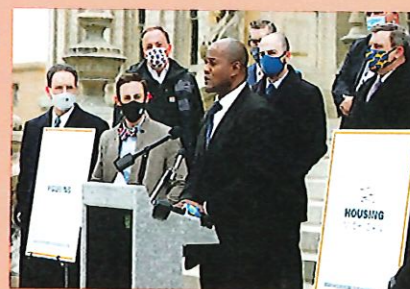
[www.housingmichigan.weebly.com](http://www.housingmichigan.weebly.com)

#### Michigan Patternbook Homes

<https://mml.org/blog/2022/09/19/pattern-book-homes/> 

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2020 Press conference launching the Michigan Statewide Housing Plan Partner Advisory Council that developed Michigan's first Statewide Housing Plan (see Review July/August 2021 and May/June 2022).



Governor Whitmer signed the housing package of bills in December, 2022.