



Region 6 Housing Implementation Plan

Current Conditions - What we know

- ▶ Extremely low vacancy rates across the region for both owner-occupied and rental units
- ▶ Median unit value is between \$95,000 - \$145,000
- ▶ Very few active listings in the marketplace
- ▶ Average listing price is \$156,000
- ▶ Region is still getting older, median age is 39
- ▶ Downtowns are seeing strong pressure for housing

What we've learned (buyer side)

- ▶ Much of the population is at the limit of what they can afford (1/3 of monthly income)
- ▶ Residents still have high levels of debt (credit card, student loans...)
- ▶ Some buyers have been able to save for down payments, but the majority in the middle market are still struggling
- ▶ Looking specifically at buyers with incomes between \$30k and \$75k, there is a very large market place for potential buyers
- ▶ 25% of workforce within the region commutes from outside the region opening up a potentially large market of new residents to attract

What we've learned (Builder side)

- ▶ A very tight labor market has constrained the construction industry by adding cost and time for new construction. Many new builds average 7-10 months to complete.
- ▶ Regulatory environment is adding major costs to construction - 20%-30% in some cases.
- ▶ Building permits are on the rise, but not at the rate they should be.
- ▶ In 2004, the cost of new construction was between \$115 and \$130 per square foot
- ▶ In 2018, the cost of new construction is between \$170 and \$200 per square foot.
- ▶ There is a need for a uniform and consistent development review process across the region.

What's Working

Project	Location	Housing Type/Costs per Month	Developer
Cavalier Green	City of Corunna	1-2-bedroom apartments, \$200-\$600 per month	Woda Group
Osborne Lakes	City of Owosso	1,200 – 1,700 sf single family homes and vacant lots from \$150,000	Public Private Partnership (PPP) with City of Owosso
Lexington Oaks	City of Fenton	1,400 – 2,100 sf single family homes from \$220,000	PPP with City of Fenton and Mitchell Builders
Sleepy Hollow	Mundy Township	1,200 – 1,600 sf duplex condos starting from \$170,000	
Mallard Ponds	City of Burton	1,200 – 1,700 sf single family homes and vacant lots from \$150,000	PPP with City of Burton and VIP Homes
Habitat for Humanity	Region wide	New homes to qualified buyers at an accessible price.	Habitat for Humanity
Swayze Court Apartments	City of Flint	1-2-bedroom apartments for low and moderate-income households	Collaborative effort between Communities First Inc., RAD Conversion Specialists, Michigan State Housing Development Authority, U.S. Department of Housing and Urban Development, City of Flint, Genesee County Land Bank Authority, Chase Bank, National Equity Fund, and Michigan LISC.
St. Clair Place Apartments	City of St. Clair	107-unit, 3 story, brick apartment complex with 1 and 2 bedroom apartments ranging from 650 – 1,000 sf.	St. Clair Place II, LLC
New subdivision	City of Marysville	150 – 200 new single-family condos between 1,400 and 1,600 sf starting from \$175,000 to \$225,000	Boddy Construction Co.
Drakeshire Subdivision	Village of Almont	118 single family homes, 1,600-2,200 sf starting around \$155,000	Multiple developers
Imlay Place Condominiums	Imlay City	1,750 sf condos with garages starting at \$115,000	Unknown
New Apartments	City of Lapeer	148 Units	Unknown

Implementation projects/strategies/priorities

- ▶ Municipal Role
 - ▶ Look at regulatory costs (tap fees, review fees)
 - ▶ Develop an inventory of properties that are development ready (roads, water, sewer...)
 - ▶ Community survey of housing wants and needs
 - ▶ Pre-approval/zoning approvals to anticipate or catalyze development
 - ▶ Acquire land for redevelopment purposes
 - ▶ Extend infrastructure if possible

Implementation projects/strategies/priorities

- ▶ Municipal Role continued
 - ▶ Obtain ownership of tax foreclosed properties
 - ▶ Review ordinances to ensure target housing types and densities are permitted by right
 - ▶ Identify land and determine housing types most appropriate
 - ▶ Subdivide into multiple lots
 - ▶ Individual developable lots
 - ▶ Multi-family
 - ▶ Mixed-use and urban housing types such as townhouses, flats...
 - ▶ Consider accessory dwelling units to diversify housing options and increase densities where desired
 - ▶ Recruit local companies and banks to create development partnerships

Implementation projects/strategies/priorities

▶ Regional Role

- ▶ Complete a regional “development review process” fee survey and best practices guide to share regionally
- ▶ Promote opportunity zones as a development finance tool
- ▶ Complete a regional branding strategy focused towards housing developers
- ▶ Complete a regional inventory of development ready sites with infrastructure to promote on the regional website
- ▶ Develop a housing finance partnership/consortium for the region to assist with development projects
- ▶ Lobby MEDC to include housing development as part of their Collateral Support/Loan Participation Programs

Implementation projects/strategies/priorities

- ▶ Regional Role Continued
 - ▶ Target commuter workforce for new housing opportunities within the region
 - ▶ Promote construction jobs and increased trades training to increase development opportunities (ensure workforce availability)
 - ▶ Work with local employers to financially support development projects to attract workers, or to have a housing allowance for existing workers to live within the region or as a worker attraction tool
 - ▶ Work with state legislators to bring development review/approval time in the subdivision control act in line with the condominium act
 - ▶ Prepare online and print content to promote development opportunities across the region
 - ▶ Partner with the state and local Home Builders Associations to promote new opportunities
 - ▶ Build a coalition of builders and realtors to identify and promote new opportunities

Performance measures

- ▶ What is “progress”?
- ▶ When is the job “done”?
- ▶ Where will the funding come from?
- ▶ Who is responsible?



Questions?

