



# **HOUSING**NEXT

*Summary Report of Activity to-date*

*2018-2019*

# DEFINE THE PROBLEM

In late 2018, Housing Next completed a Housing Needs Assessment with the support of the Greater Ottawa County United Way and the Community Foundation of Holland/Zeeland and Grand Haven Area Community Foundation. This report provided detailed information pertaining to the current availability and condition of housing supply across the County. It also provided a specific sub-set of data pertaining to specific regions within the County (Holland/Zeeland, NW Ottawa and Jenison/Hudsonville). As a result of this report, each of our local municipalities now has a very clear understanding of the number of new housing units needed in their region and the price points which are most in need.

## WHAT ARE WE DOING?



*Clearly define the nature of the problem and 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.*

Between 2009 and 2017, employers across Ottawa County added a total of nearly 40,000 jobs to the market (an increase of 34%). Meanwhile, the total of all new housing starts county-wide has averaged less than 1,000 new units per year for the same time period. While not all of those new jobs require the employees to live in the location where they are employed, the significant economic growth in Ottawa County is driving a tremendous amount of demand for housing across the region and supply has not kept pace. This has been a primary driver for significant competition among existing housing stock and the dramatic price increases that have occurred as a result. It is important to recognize that 30% of those new jobs created were in the retail, food service and social service industry, paying an average of just \$12 per hour. This is a wage level that does not provide enough income for a single earner working 40 hours per week to afford market rate housing.

# METRICS FOR SUCCESS



*Zoning Flexibility*



*Regional Collaboration*



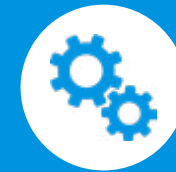
*Private Sector Investment*



*Non-profit Capacity Building*



*Public Support for Growing Supply*



*Lean Manufacturing  
& Building at-scale*

## POLICIES TO SUPPORT HOUSING CHOICE



### ZONING FLEXIBILITY

In an effort to create an environment in which the private market has some capacity to partner with local municipalities, non-profit organizations and employers across the region, Housing Next has focused a significant amount of time and effort on highlighting local zoning and permitting processes that have undermined the amount of supply that can be built at a variety of price points. As part of this effort, Housing Next was a member of the Grand Haven Housing Task Force, making ten recommendations to the City Council which would improve the local ecosystem for more housing supply and a greater number of choices in the market. Housing Next worked closely with the City of Holland staff and Council to craft a new Development Support Policy which outlines the many ways that the Council can support new housing

construction through the use of local and state incentives, and how to balance those tools with the need to continue to generate adequate tax revenue to support local services. Housing Next has been a partner to the City of Holland, the City of Grand Haven, the City of Hudsonville, Grand Haven Township and Holland Charter Township in making recommendations to update or rewrite local zoning provisions which may be hindering the ability of the market to provide more housing at appropriate price points. Finally, Housing Next has been working with the regional Metropolitan Planning Organizations, Transit Authorities and the County to discuss opportunities for regional growth management and planning practices that would offer more opportunities for housing while appropriately balancing other priorities in each community.

## POLICIES TO SUPPORT HOUSING CHOICE



### CAPACITY BUILDING

Housing Next is a member of the Responsive Grant Fund committee, a grant-making tool created by the Grand Haven Area Community Foundation and the Community Foundation of Holland/Zeeland and supported by the Greater Ottawa County United Way. This Committee made several grants to build capacity among non-profit and municipal partners across the County in 2018 and 2019. As part of the initial work of Housing Next, the Responsive Grant Committee funded the research to complete the 2018 Housing Needs Assessment, which identified housing needs at all price points across Ottawa County and provided specific insight into how much additional market rate, workforce and low income housing would be needed in each of three markets across the County – SW Ottawa County, NW Ottawa County and Eastern Ottaway County.

In early 2019, the Responsive Grant Committee supported a three-year grant of \$120,000 in operational funding to assist Good Samaritan Ministries in expanding their scope of services to include a non-profit property management arm. This non-profit service expansion is

critical to enhancing the regional eco-system of support for the preservation of existing housing options that are attainable to our workforce and lower income residents. It is our hope that this service is able to grow sustainably and in a way that also allows GSM to support new housing that we have a role in supporting or catalyzing.

The Responsive Grant Committee has also supported the City of Grand Haven in their commitment to re-write the local zoning ordinance with a \$7,500 grant. The award is in support of the City's work to provide for more housing choice, greater affordability and opportunities for existing residents to age-in-place.

Housing Next has also been able to engage with multiple churches and faith-based communities pertaining to their existing services and resources and how each organization might be able to uniquely contribute toward solutions. Several church communities are currently exploring the use of underutilized land adjacent to their buildings and whether or not some of that land can be used for additional housing.



## POLICIES TO SUPPORT HOUSING CHOICE



### REGIONAL COLLABORATION

Housing Next is working in concert with County staff, regional transit authorities and MPOs as well as local municipal staff to consider mechanisms by which we can be more collaborative about planning for housing and transportation investments across the region. The West Michigan Express is a regional initiative that has been led by the City of Hudsonville but has also attracted support from the Cities of Holland, Zeeland, Grandville and Grand Rapids, as well as the MAX Transit Authority, the Rapid

Transit Authority, Lakeshore Advantage and Ottawa County. The intent is to develop a high frequency transit line that connects downtown Holland to downtown Grand Rapids with several stops in between in an effort to better support the workforce of more than 60,000 employees who commute into Ottawa County every day. We are also evaluating how this model can be scaled down to individual corridors within Holland/ZeeLand and Grand Haven/Spring Lake to support better public transportation options within those regions.



### PRIVATE SECTOR INVESTMENT

From the beginning, Housing Next has been structured in a way which is designed to maximize market solutions to housing supply and affordability. We are working to improve the underlying network of finance and zoning to make development simpler and more cost effective for the private sector while also ensuring that those policy changes also benefit non-profit partners looking to execute on specific low-income or special needs. So far,

we have been able to successfully support the efforts of three private sector partners to gain a total of 528 new residential apartments that will be (or are currently) under construction before the end of 2019. These apartments will range in affordability from approximately 40% of Area Median Income to 120% of AMI. Several more projects are currently in the planning stages and outlined within the attached Appendix.

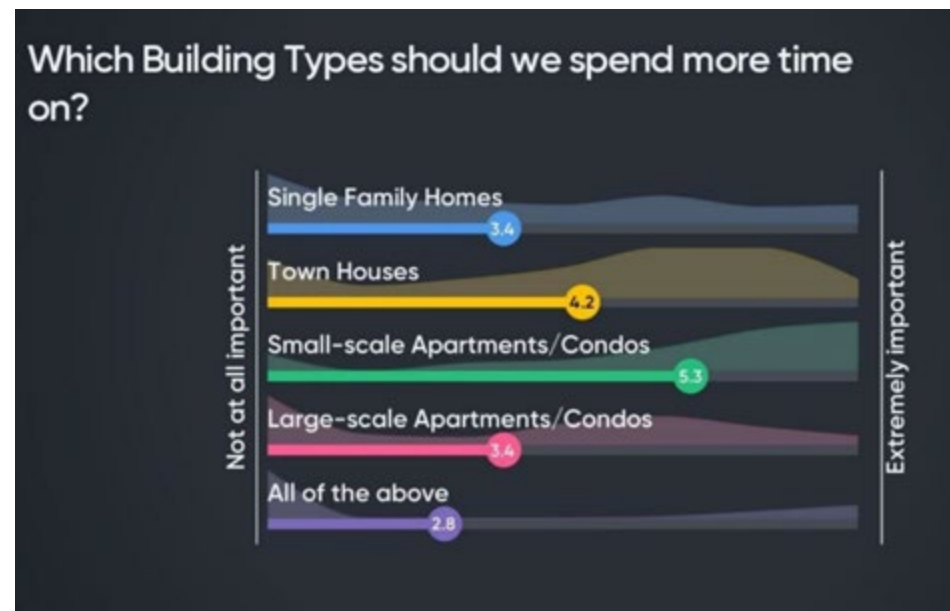
## POLICIES TO SUPPORT HOUSING CHOICE



### PUBLIC SUPPORT FOR GROWING SUPPLY

When Housing Next began its work in early 2018, there was a significant amount of disagreement about what “Affordable” meant relative to housing, how much more housing was needed, and where that new housing belonged relative to existing neighborhoods. As a result of our work so far we have been able to galvanize public support and approval for the idea that more choice is needed in the market. This means that not everyone wants (or can afford) a single-family detached home at the current stage of their life. Some seniors are ready for a small condominium building with an elevator, but still

want to be within walking distance of restaurants and shopping. Some millennials are looking to rent a simple studio apartment so that they can afford to save for a down payment on a future home or simply spend some of their income on travel and experiences with friends. And some families are made up of single parent households with only one child at home. Each of these demographic groups can easily be accommodating by smaller housing product (less than 1,500 square feet), and research indicates that roughly 60% of the total market demand for new housing is demand for housing in walkable neighborhoods where area amenities are more important than the size of the yard.



Housing Next has been advocating for more town homes, small apartment buildings, and residential above retail storefronts and we have received positive support from Planning Commissions and neighboring residents across the region. In June of 2019, as part of the Housing Next Community Update, we surveyed the audience in attendance and found that 76% of respondents would be excited to live in a mixed-income community. We also learned that the top priorities of this audience were more small apartment buildings and town homes, two products which are in significant demand in Ottawa County but of which we currently have very little supply.

## POLICIES TO SUPPORT HOUSING CHOICE



### LEAN MANUFACTURING & BUILDING AT-SCALE

A major barrier to the creation of more housing supply at appropriate price points is the uncertainty of the economic climate and residual fear from the 2009 housing market collapse. Banks are unwilling to finance speculative development without significant collateral and developers remain gun shy about over committing to new construction amid concerns that trade disputes and material costs may make new construction financially unfeasible in the short term. To counter these economic forces, Housing Next has been talking with community partners and regional businesses about solving for some

of these issues. This has included conversations with lumber suppliers and builders about factory built panels and modular construction methods as well as design sessions with regional architects to think about creating simple templates for small scale apartment buildings and town homes which can be easily replicated with precision material orders and efficiency in construction timing. The next phase of this work will include specific project commitments to begin to create prototypes of panelized or modular building construction and collaboratively learn how to solve for efficiencies in design, assembly and financing.

# PROJECT WORK

In 2018, Housing Next partnered with the Greater Ottawa United Way, the Grand Haven Area Community Foundation and the Community Foundation of Holland/Zeeland to commission a Housing Needs Assessment. The result was a 200+ page report which outlined a great amount of detail pertaining to the existing availability of housing at each price point from very low income up to higher end, market rate homes. It also projected the gaps between available homes across the County and the anticipated demand for new housing, with a total need for an additional 7,500 housing units at various price points. A simplified summary table of this data is provided below. On the following pages is a brief summary of the projects Housing Next is working on across the County to ensure housing is available at all price points.

## OTTAWA COUNTY HOUSING NEEDS ESTIMATES (2017 TO 2022)

	Housing Segment	Number of Units*	Priority
Rentals	Low-Income Rental Housing (<\$625/Month Rent)	~1,515	High
	Affordable Workforce Rental Housing (\$625-\$1,249/Month Rent)	~1,065	High
	Market-rate Rental Housing (\$1,250/Month Rent)	~818	Moderate
For-Sale	Entry-Level For-Sale Homes (\$100K-\$149K)	~771	Moderate
	Moderate-Income For-Sale Homes (\$150K-\$249K)	~1,659	High
	High-Income For-Sale Homes (\$250K+)	~927	High
Senior Care	Senior Care Housing (Assisted Living)	~524 (Beds)	Moderate
	Senior Care Housing (Nursing Care)	~191 (Beds)	Low

\*Number of units assumes product is marketable, affordable and in an appropriate location. The Housing Needs Assessment data defines "affordable" as a household spending less than 30% of their gross income on housing. Variations of product types will impact the actual number of units that can be supported. Additionally, incentives and/or government policy changes could encourage support for additional units that exceed the preceding projections.



# APPENDIX

## OVERVIEW OF PRIVATE INVESTMENTS LEVERAGED TOWARD HOUSING

## PROPOSED 236 UNIT MIXED-INCOME DEVELOPMENT AT WAVERLY & 24TH IN THE CITY OF HOLLAND



Working toward a project sale to Rockford Construction. Intention is to pursue a Low Income Housing Tax Credit award to ensure 30% of the units are affordable to households earning less than 60% of area median income. Roughly 30% of remaining units will be targeted as affordable to households earning 60% to 100% of AMI, with market rate housing make up a balance of the project. Moving toward construction in 2020. Rental price points will range from below \$625/mo up to \$1,800/mo or more. For sale product is target at price points starting below \$200,000.



## PROPOSED MASTER PLAN



### PROPOSED DEVELOPMENT SUMMARY

	Dwelling Units
<b>PHASE 1A - WESTSHORE BOULEVARD</b>	163
Senior Housing	72
L-Shaped Building	28
Barbell Building	47
Townhomes	10
Livework	6
<b>PHASE 1A - PARK STREET</b>	54
Townhomes	34
Stacked Flats	16
Multiplex	4
<b>PHASE 1B - FELCH STREET</b>	129
Courtyard Building	64
Barbell Building	65
<b>PHASE 2 (*TBD)</b>	114
Multiplexes, Townhomes, Duplexes, Single Family Cottages and Homes	
<b>TYPICAL UNIT SIZE</b>	
Studio	492 - 798 sf
1-Bedroom	635 - 835 sf
2-Bedroom	800 - 1296 sf
3-Bedroom	1124- 1440 sf
Townhome	2230 - 3000 sf
Stacked Flat	1120 sf
Live-Work	2500 - 3000 sf
Multiplex	1120 - 1600 sf
<b>TOTAL PARKING</b>	690
<b>TOTAL DWELLING UNITS</b>	460
<b>TOTAL SITE AREA (PHASE 1)</b>	66.04 acres
<b>PARKING RATIO</b>	1.5 spaces / unit

THE SHOPS AT  
westshore

HVK CONSULTING

BROAD STREET  
DESIGN

18

Up to 30% of the overall unit mix is intended to be affordable to households earning less than 60% of Area Median Income. Phase 1 construction proposed in 2020. Versa Real Estate is the lead developer.



## PROPOSED 182 UNIT MULTI-FAMILY DEVELOPMENT ON LAKEWOOD BLVD WEST OF US-31 IN HOLLAND TOWNSHIP



Project is designed as workforce housing targeting households earning roughly 60%-120% of Area Median Income. Lead developer is Midwest Construction. Targeted construction in 2020.



## PROPOSED 100 UNIT DEVELOPMENT ON FELCH JUST WEST OF 120TH IN HOLLAND TOWNSHIP



**H DJ** HOOKER | DE JONG  
ARCHITECTS & ENGINEERS

PRELIMINARY  
NOT FOR CONSTRUCTION

OVERALL SITE PLAN  
PROJECT: 100-UNIT DEVELOPMENT  
1000 FELDCH STREET  
HOLLAND, MI 48030  
PR-1  
Project # P12804  
Date: 06/20/19

Roughly 75% of the units will be reserved as affordable to households earning between 40% and 80% of area median income or less. The remaining units will be market rate. Development lead is Magnus Capital. Construction intended in 2020.



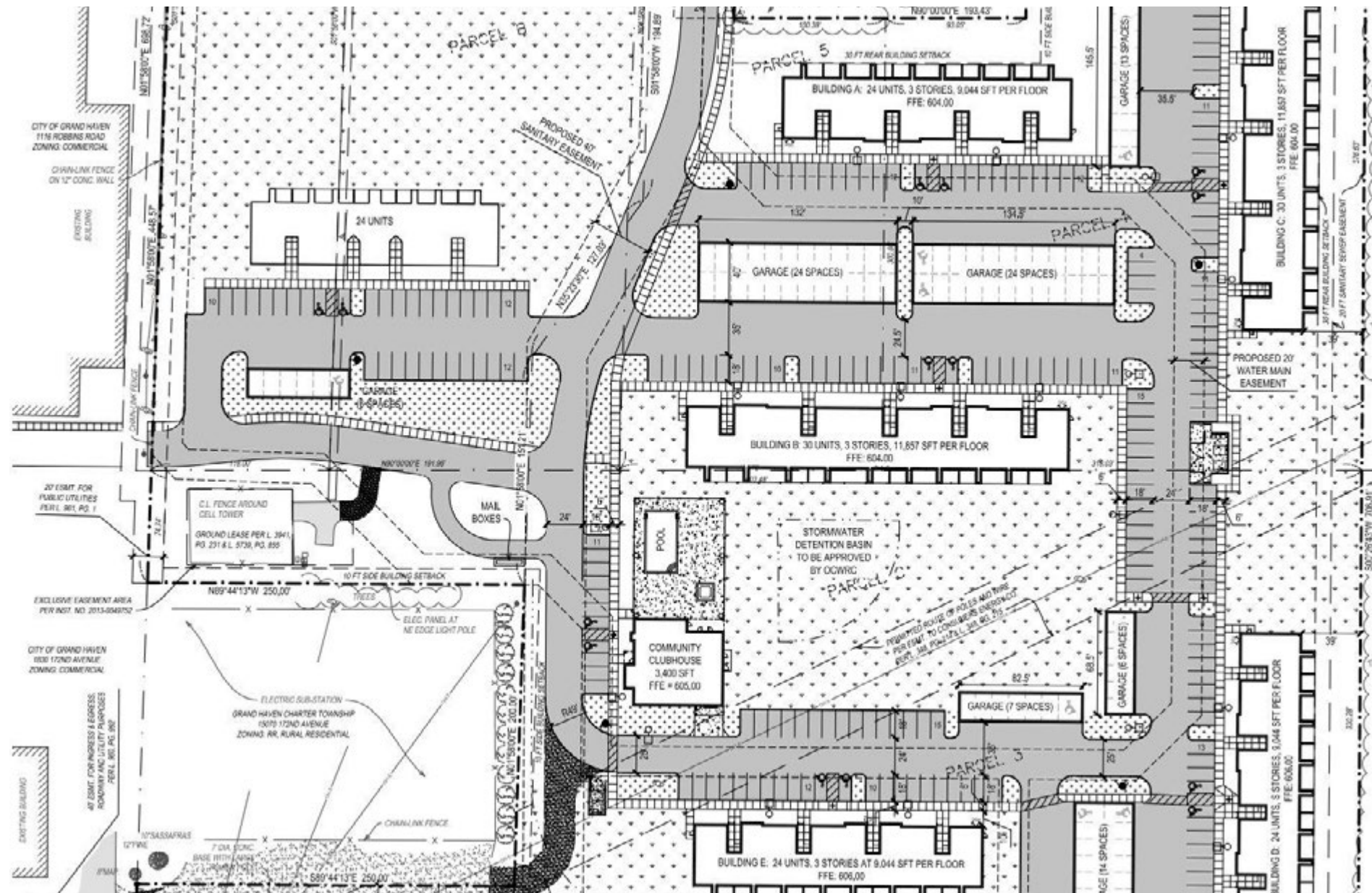
## APPROVED 216 UNIT DEVELOPMENT ON THE SOUTH SIDE OF THE CITY OF HOLLAND NEAR M-40



Secured brownfield tax increment financing to reimburse costs of infrastructure in exchange for a guarantee that at least 50% of the units would be reserved for households earning 80% of area median income or less for 10 years. Northern Capital Investments is the lead developer with support from Midwest Construction. Site work to begin in 2019.



## APPROVED 156 UNIT DEVELOPMENT ON THE NORTH SIDE OF GRAND HAVEN TOWNSHIP

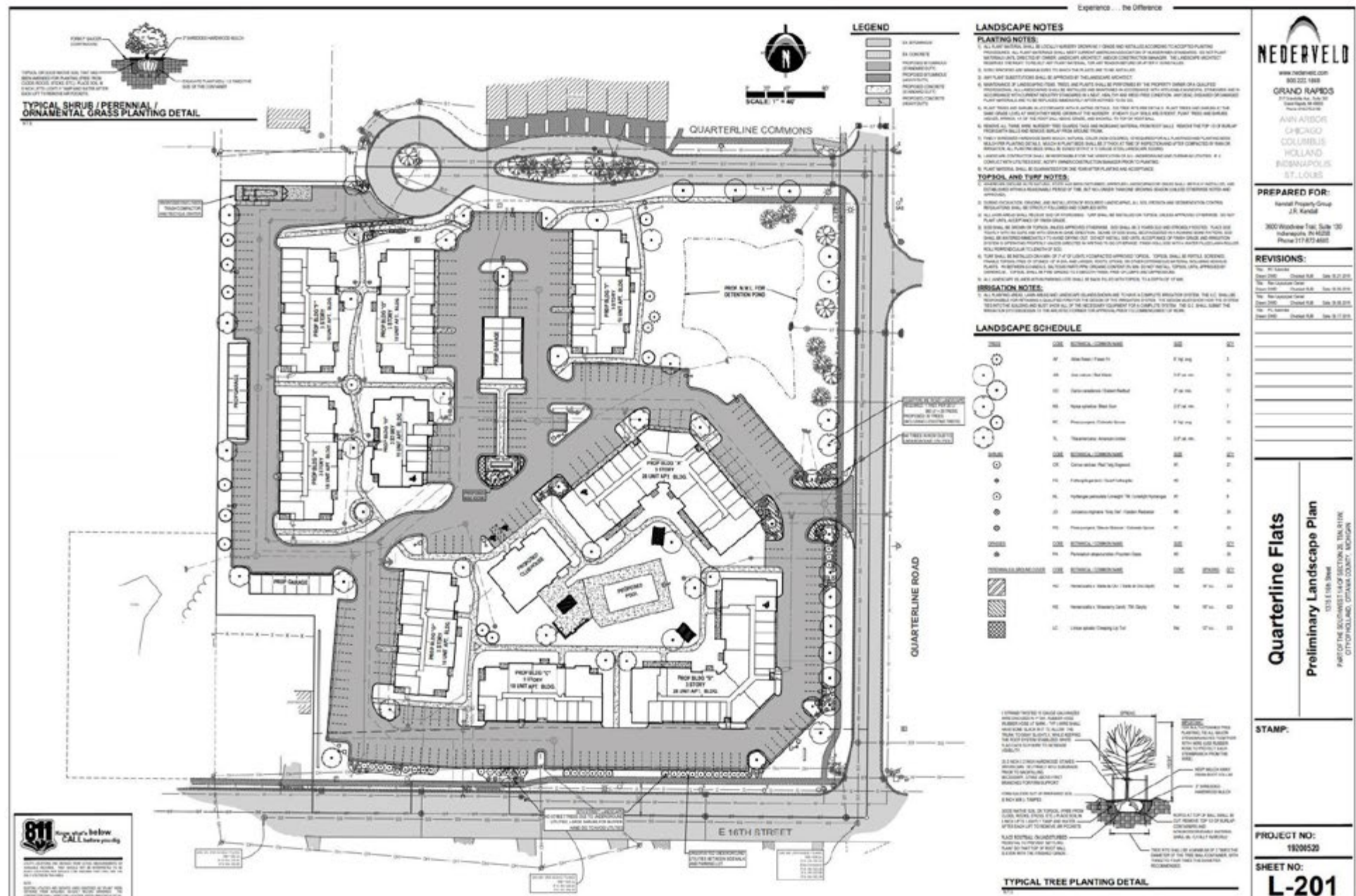


The project is not proposed to include income restrictions but has been designed with rental rates starting around \$600/mo (affordable for households earning approximately 40% of Area Median Income or more).

This project includes one 24-unit building that will be master leased by Gracious Grounds, a local non-profit organization devoted to providing safe and supportive housing for adults with special needs.

Construction began in early 2019 and development work is lead by Chad Bush and Main Street Development Group.

# APPROVED PLAN FOR 156 MARKET-RATE UNITS AT THE CORNER OF 16TH STREET AND COUNTRY CLUB IN THE CITY OF HOLLAND



This project is intended to be a higher-end, amenity rich community. The project did not request or require any local tax abatements or state or federal incentives. Construction is anticipated to begin in late 2019 or early 2020 and is led by the Kendall Group.