



WORKFORCE HOUSING: The big short in Northwest Michigan

It's no secret that Northwest Michigan is facing a housing crisis. More specifically, there is a lack of workforce housing that is financially attainable, quality-constructed, geographically accessible, comfortable and safe.

Yarrow Brown, director of Housing North, asserts that, "sustaining our regional economy hinges on having attainable housing options for everyone. Without it, we risk having enough workers to sustain our regional economy."

The need for workforce housing in our 10-county region is estimated to be 15,000 additional homes over the next three years.

In Benzie County, the Frankfort Area Community Land Trust projects the housing need to be 425 rental units for households with annual incomes between \$25,000 and \$60,000, and 278 homeownership units for households with incomes between \$70,000 and \$160,000.

Despite years of studies and some program implementation, the need for affordable housing continues to outpace supply. Unless we take major actions now, this imbalance is likely to continue.

Malcom Gladwell, author of the "Tipping Point," says when an airplane crashes, multiple factors go wrong simultaneously. It's not any one thing; it's the combination. This holds true when we consider why workforce housing in our region is not attainable for so many.

Some of these factors are: an abundance of short-term vacation rentals; the ability to work remotely - talent can live where they love to play while pursuing skilled and well-compensated work; the Silver Tsunami - a wave of retirees choosing to live here thanks to the quality of life; a new love affair with outdoor recreation; and in some cases, zoning restrictions. There's also a shortage of skilled trades and an escalat-

ing cost of materials which are driving up construction costs - up 84% over the last nine years.

Another impact is the increase in the median price of real estate. In Grand Traverse County, prices are up approximately 30% over the last three years. If this trend continues, we risk becoming the Aspen of the Midwest, where only the wealthy can afford to live.

In rural areas, there's an additional challenge - scale. Though land costs may be less, many rural villages and towns lack infrastructure, such as municipal water and sewer systems, with the capacity to add a significant number of new users on its systems. This makes it difficult to develop housing at the density needed to fill the void.

Denser residential development within community zones also helps to create more vibrant and prosperous places while preserving rural character, and it is more cost effective to construct and maintain.

In Benzie County, the only communities with sufficient sanitary sewer system capacity to support higher-density developments are Frankfort-Elberta and Crystal Mountain, with the village of Honor adding some capacity.

As this county's largest employer, Crystal is acutely aware of the challenges its employees face when trying to find affordable, high quality and safe housing. This is also an impediment when recruiting talent from outside the region.

From Crystal's perspective, the workforce housing issue falls into two buckets: the temporary housing for seasonal workers, and affordable housing for year-round employees and their families.

Crystal, like other regional businesses that employ seasonal workers, continues to invest in and expand its employee housing.

Jennifer King, Crystal's vice president of

Human Resources is a champion, promising that "if we build it, I'll fill it!"

Creating attainable housing for year-round residents from all sectors of the workforce is far more complex.

Northwestern Michigan College's recent NEXUS publication describes affordable workforce housing as a critical piece in our region's interlocking puzzle that is needed for a "stable, productive and engaged workforce and a resilient community."

We also know that there is no "one-size-fits-all" solution to increasing supply because each community is unique. But there are successful models to learn from and new tools to apply.

One such example is Whistler, British Columbia, a resort and second home destination that has long wrestled with the imbalance between real estate market values and attainable workforce housing.

Recognizing the threat it represents to the sustainability of their community, they created a separate rental and homeownership market for residents who work there year round. The goal was that 75% of Whistler's year-round earners could live there, thanks to a range of price-controlled rental and ownership housing. Today, 2,100 housing units are restricted to local income earners in perpetuity.

Their "tool box" includes partnering with private developers to sell a percent of units at under-market rates, encumbered with a restrictive covenant. They also develop some projects. Employee ownership housing appreciation is pegged to the consumer price index, and all resales must be approved by the municipality's housing authority.

In our region, Housing North is finding solutions by partnering with local communities to become "housing ready" for development of affordable housing at all

income levels.

One example is the Charlevoix County Housing Ready program. The county, Community Foundation and Frey Foundation are creating a voluntary deed restriction program available to year-round earners in the county. Their goal is 50% of Charlevoix's year-round workers reside in the county.

The Frankfort Area Community Land Trust's mission is to "secure attainable housing for the benefit of our existing working community." It is purchasing land in the city to develop deed restricted housing for local, year-round earners.

There is also pending state legislation to reduce barriers for smaller rural communities trying to develop affordable housing.

Brenda McClellan, director of investment for Traverse Connect, says, "...solutions require patience, collaboration and breaking down silos."

We have the tools and models for solutions enabling us to move the needle. Now let's apply them, using our diverse skillsets and strong public, private and nonprofit partnerships and leadership to overcome the barriers.

Chris MacInnes is president of Crystal Mountain. In 1985, she and her husband Jim moved from California to join this business and together have led its evolution. She is also active in state, local and industry organizations.

CORRECTION: The July article, "For What Ails You: Drip Therapy For Anti-Aging, Hangover And Stress Emerges," stated that Infusion Associates treats irritable bowel syndrome. It does not treat IBS; it treats inflammatory bowel disease. Also, Betsy Lipzinski & Dalen Dankert's last names were misspelled in the article. We apologize for the errors.

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