



GREAT HOUSING STRATEGIES

ADDRESSING CURRENT AND FUTURE HOUSING NEEDS



Adopted by
Grand Rapids City Commission
December 8, 2015

Contents

ACKNOWLEDGEMENTS	3
FOREWARD.....	6
EXECUTIVE SUMMARY	7
THE PROCESS	10
GRAND RAPIDS – A CHANGING LANDSCAPE	13
GRAND RAPIDS HOUSING POTENTIAL.....	16
GREAT HOUSING STRATEGIES.....	19
Provide a Variety of Housing Choices	19
Encourage Mixed-Income Neighborhoods.....	27
Create and Preserve Affordable Housing	31
Support Low-Income and Vulnerable Populations	41
Support Employers and Workforce Development	44
Encourage Alternative Transportation and Parking Options.....	55
Change Public Perception of Affordable Housing	57
Advocate for Change to State and Federal Policies.....	59
GREAT HOUSING STRATEGIES ACTION PLAN	62
APPENDIX A MAPS	65
APPENDIX B CITY AND COMMUNITY PLANS.....	69
APPENDIX C GLOSSARY OF TERMS.....	72
APPENDIX D REFERENCES	76

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FOREWARD

Grand Rapids, Michigan is home to a thriving medical and manufacturing sector, a renowned research and development center, and thirteen colleges and universities. It has received national attention in metropolitan rankings ranging from *Best Cities for Finding Employment*, *Best Cities for Raising a Family*, and *Best Places to Invest*. This success and recognition has made Grand Rapids a highly desirable place to live. The increased demand for housing brings with it debate about how much and what type of housing is needed, how much it should cost, and what effect development has on surrounding neighborhoods.

Just as many cities across the country, Grand Rapids must grapple with balancing economic development and attracting young talent for our growing workforce, while ensuring older adults can stay in their homes as they age, families and students have affordable places to live, and that our most vulnerable populations are housed. To begin that journey, the *Great Housing Strategies* was created through a collaborative process which engaged the community in identifying strategies to promote a prosperous and equitable approach that meets current and future housing needs. Commissioner Ruth Kelly summed up the process well by stating, “We learned a lot about this complicated issue, but more importantly, we learned a lot about what we don’t know.”

This document identifies eight goals and thirty-five actions. In some cases, the identified actions will require more research and data collection, while many actions will require strong partnerships for implementation. It is intended to promote a framework for housing strategies within the broader context of market demand, planning, income and workforce development opportunities, transportation, and with consideration of low-income and vulnerable populations.

EXECUTIVE SUMMARY

In April 2015, more than 200 people convened for a day-long event to discuss housing issues. While many positive factors were identified such as a strong real estate market, high demand for housing, good quality housing stock and significant downtown investment, concern was expressed about availability of affordable housing, high housing demand driving rental rates upward, development causing displacement in neighborhoods, and wages not keeping up with the cost of living. Participants believed future housing development and redevelopment should focus on creating a variety of housing types at variety of price points; support diversity of race, ethnicity, and incomes; and be conveniently located near public transportation with access to good paying jobs.

Data showed increasing racial and ethnic diversity and continued income disparity among Grand Rapids residents. While the local economy is growing and many residents are prospering, a significant number of households struggle to maintain quality affordable housing due, in part, to a gap between income and housing expenses. According to the National Low Income Housing Coalition's 2014 Out of Reach report, renters need to earn \$14.23 per hour to afford a two-bedroom apartment in Kent County. The Housing Wage for a two-bedroom is \$6.08 more than the federal minimum wage of \$8.15, and \$2.53 more than the estimated average wage of \$11.28 earned by renters in Kent County. Subsequently, to afford a two-bedroom unit at Fair Market Rent, a renter earning minimum wage would need to work 71 hours per week or have 1.7 wage earners working 40 hours per week.

In addition to income, demographic trends were discussed that affect housing choices. Seniors represent a growing demographic group, and many of these households want to stay in their homes, or "age in place." For younger populations, who may be burdened with student debt or desire to be mobile for employment purposes, housing preference has somewhat shifted away from homeownership to rental. In Grand Rapids and across the country, both populations are expressing increasing interest in living in urban areas that are walkable and in close proximity to retail and services.

An Analysis of Residential Market Potential, prepared by Zimmerman/Volk, Associates, Inc. indicates a total of 5,705 – 7,615 new housing units could be absorbed in the central area of the city over the next five to seven years. These units comprise 4,130 – 5,535 market rate units and 1,575 – 2,080 affordable units. Study results and demographic trends emphasize the need for the city to continue to provide a variety of housing types affordable to a range of incomes. This potential market demand supports a mix of housing price points, with approximately 70 percent market rate and 30 percent affordable.

After a two-month process, four workgroups organized around the topics of Land Use and Zoning, Housing Finance, Economic and Workforce Development, and Low-Income and Vulnerable Populations, and formulated the following goals and actions as strategies to address current and future housing issues in Grand Rapids.

- 1) Provide a Variety of Housing Choices
 - Create explicit definitions of cooperative and co-housing in the Zoning Ordinance and incorporate as multifamily.
 - Make cooperative housing a Special Land Use with Planning Commission approval.
 - Remove the 12-month owner-occupancy requirement from the Accessory Dwelling Unit policy.
 - Reduce the average lot size requirement for two-unit dwellings.
 - Define and regulate micro-units in the Zoning Ordinance and set review procedures and standards for them.
 - Expand development of accessible housing through new construction and remodel.
 - Create an incentive to develop Type B (Adaptable) accessible units.
- 2) Encourage Mixed-Income Neighborhoods
 - Modify City economic development programs and affordable housing tools and policies to accomplish the goal of mixed-income neighborhoods.
 - Explore a policy or tool that encourages housing diversity (mix) based on income and housing types.
 - Educate the community about the benefits of balanced, mixed-income neighborhoods with a variety of housing choices.
 - Establish best practices and coordinate programs to make mixed-income projects more achievable.
- 3) Create and Preserve Affordable Housing
 - Form a funded housing trust fund initially supported with a \$10 million minimum investment.
 - Identify and use property use restriction tools to preserve housing affordability.
 - Ensure affordable housing for vulnerable households by obtaining data on those populations and defining a target number of units for development.
 - Explore a property tax exemption, income tax credits, or another program which would make housing more affordable for vulnerable populations.
 - Support existing programs and tools that create and preserve quality affordable housing.
 - Use the high number of vacant homes to increase the supply of affordable housing.
- 4) Support Low-Income and Vulnerable Populations
 - Address impediments to fair housing.
 - Support the Housing First philosophy.
 - Partner with local agencies working to ensure affordable housing for vulnerable populations including the need to provide options for aging in *place*.
 - Create a housing consumer's alliance, to include education strategies for consumers, landlords, and the general population.
 - Create a court eviction diversion pilot program.

- 5) Support Employers and Workforce Development
 - Implement incentives for employer-assisted housing.
 - Increase career opportunities such as internships, coaching, mentoring, and job shadowing for entry and incumbent workers, and ensure equitable access to those opportunities.
 - Create incentives for employers to locate near neighborhoods with high unemployment.
 - Educate employers on racial equity and inclusion.
 - Create live-work spaces in neighborhood business districts.
 - Develop and implement cooperative business models.

- 6) Encourage Alternative Transportation and Parking Options
 - Waive or reduce parking requirements as an incentive to promote affordable housing downtown (below 120 percent AMI).
 - Provide access to reliable public transportation that operates during all work shifts, and locate transportation near housing and workplaces, including concentrated industrial areas.

- 7) Change Public Perception of Affordable Housing
 - Develop an education campaign about the economic climate and need for affordable housing for all.

- 8) Advocate for Change to State and Federal Policies
 - Advocate change to the Qualified Allocation Plan (QAP) to support the Great Housing Strategies Plan.
 - Advocate for changes to state laws that impede the creation of affordable housing.
 - Advocate for preserving, increasing, and aligning state and federal housing resources including CDBG, HOME and ESG.
 - Advocate for designation of source of income as a protected class at the state and federal level.

THE PROCESS

Great Housing Strategies Launch Event

On April 22, 2015 City Commissioners Ruth Kelly, Senita Lenear, and Elias Lumpkins, Jr. spearheaded the Great Housing Strategies event that engaged over 200 people, representing nonprofit and for-profit housing developers, lenders, neighborhoods, educational institutions, local philanthropy, and local and state government officials, in a community conversation about Grand Rapids' housing. The event facilitated cross-sector dialogue, beginning with sharing individual perspectives on the current state of housing in Grand Rapids. The following presentations provided data and information that provided context for group discussions that were interspersed throughout the day.

PEOPLE AND PLACES: A CHANGING LANDSCAPE IN GRAND RAPIDS

Gustavo Rotondaro, local data expert and Director of Metric-a, presented on past and present population, housing, and socioeconomic data to highlight the changing landscape of our city and its neighborhoods. The presentation also provided interesting insight on trends in surrounding Kent County communities.

FUTURE HOUSING DEMAND: GRAND RAPIDS RESIDENTIAL TARGET MARKET ANALYSIS

Laurie Volk, Principal in Charge of Market Studies at Zimmerman/Volk Associates, Inc., presented the final report of a city-wide residential market analysis completed to determine market potential for new housing units over the next five years.

PUBLIC/PRIVATE PARTNERSHIPS: THE ART OF GREAT HOUSING DEVELOPMENT

Mark McDaniel, President and CEO of Great Lakes Capital Fund, shared his experience in housing and community and economic development, and discussed the “art” in creating great housing for all.

Participants were assigned seating to establish diversity in perspectives and to learn from one another. Table conversations occurred in a pre- and post-presentation format to determine if the day's information confirmed or changed perspectives on housing issues. Prior to the presentations, participants were asked what they believed was positive about housing in Grand Rapids today. Responses included the quality of housing stock, a strong real estate market, revitalization efforts, high demand, and adaptive repurposing of buildings. Participants attributed the positive housing market to the Medical Mile, ArtPrize, breweries, colleges and universities, code enforcement, and public-private partnerships. They also identified current challenges that included housing affordability, limited housing supply, increasing rents, displacement, segregation, and wage stagnation.

After hearing the presentations, participants expressed surprise over the data on generational preferences, the gap in housing costs and income, and the level of poverty in the city and surrounding suburbs. Participants discussed needing to respond to generational preferences, earning a living wage, creating an intentional and balanced approach to development, and connecting with transportation goals. A desired future state of housing would include diverse housing types and styles; mixed-incomes development projects; racially, ethnically, and income diverse neighborhoods; convenient access to transportation, jobs, and retail; and corporate involvement and strong community partnerships. There was great interest by many participants to delve deeper into these issues

Workgroup Process

On June 12, 2015, nearly 100 people met to debrief on the April 22, 2015 event and launch the Great Housing Strategies Workgroup process. The following guiding principles were adopted by the group to support their work.

PROMOTE THE LIVABILITY OF GRAND RAPIDS' NEIGHBORHOODS

New residential development and the preservation of existing housing stock will create strong, sustainable communities with a variety of transportation options and convenient access to jobs, schools, retail, green space, and other amenities that ensure a high quality of life. Neighborhood character and identity is valued.

STRENGTHEN THE CITY THROUGH HOUSING AFFORDABILITY

Greater economic growth, environmental sustainability, and equity are achieved when all people have access to housing options throughout Grand Rapids. Socioeconomic diversity is valued.

PROMOTE EQUITABLE GROWTH

People who live in Grand Rapids are able to afford to remain in their community as the city grows and prospers. Retention of existing residents, and racial and cultural diversity are valued.

STRENGTHEN PARTNERSHIPS

Strong public-private partnerships are established to address challenges and needs. Stakeholders are involved in the development process. Collaboration and public input is valued.

Meeting attendees self-selected the workgroup(s) in which they would participate. Workgroups were established around the topics of Land Use and Zoning, Housing Finance, Economic and Workforce Development, and Low-Income and Vulnerable Populations for the purpose of:

- Identifying desired housing outcomes and indicators
- Examining existing and potential housing policies, programs, and tools
- Developing recommendations and a plan of action to achieve desired housing outcomes

Eighty (80) people participated in the workgroups. Members represented for-profit and nonprofit housing developers, neighborhoods, community advocacy groups, foundations, non-profit organizations, human service agencies, college and lending institutions, government agencies, and businesses. These diverse backgrounds enhanced discussion of the complex issues surrounding housing.

Facilitated by Co-chairs, each workgroup met four times on a biweekly basis to formulate strategies specific to their area of focus. The following Workgroups were established around key topics that resulted from the April 22nd event.

LAND USE AND ZONING

The Land Use and Zoning Workgroup was charged with addressing opportunities and barriers to producing a broad range of housing types for a variety of households and incomes.

HOUSING FINANCE

The Housing Finance Workgroup focused on financing tools and development incentives that support the production of a broad range of housing types for all households and incomes.

ECONOMIC AND WORKFORCE DEVELOPMENT

The Economic and Workforce Development Workgroup focused on opportunities, resources, and tools to improve housing affordability and stability.

LOW-INCOME AND VULNERABLE POPULATIONS

The Low-Income and Vulnerable Populations Workgroup focused on opportunities and barriers to increasing and preserving affordable, accessible housing for low-income households, including the aging, disabled, and homeless.

The Great Housing Strategies process timeline is provided below.

Great Housing Strategies Timeline								
ACTIONS	April 2015	June 2015	July 2015	Aug 2015	Sept 2015	Oct 2015	Nov 2015	Dec 2015
Great Housing Strategies launch								
Kick off workgroup process								
Workgroups develop strategies								
Finalize draft strategies								
Present and circulate draft plan								
Public comment period								
City Commission adopts final plan								

GRAND RAPIDS – A CHANGING LANDSCAPE

The City of Grand Rapids has become an increasingly attractive place to live, and significant growth is expected over the next few years. Although the population as a whole has remained relatively stable, the city has seen demographic changes. Key trends include increasing racial and ethnic diversity, an aging population, and a rising rental market.

Population Trends. The city, county, and state all saw population growth between 1980 and 2000. However, from 2000 to 2010, Grand Rapids' population declined nearly five percent (5%). This is in line with statewide trends, which were widely attributed to lack of employment and out-migration during the recession and economic downturn. Since 2010, the population in Grand Rapids increased less than one percent (1%). However, Kent County has continued to see consistent growth since 1980.

POPULATION CHANGE						
	1980	1990	2000	2010	2013 Est.	% change 1980-2013
Grand Rapids	181,876	188,334	197,801	188,040	189,735	4.32%
Kent County	444,504	500,636	574,335	602,622	609,544	37.13%
Michigan	9,262,078	9,295,297	9,938,444	9,883,640	9,886,095	6.74%

Source: U.S. Census Bureau; U.S. Census Population Estimates Program; Michigan Department of Technology, Management & Budget; State 1980 data: Library of Michigan History, Arts and Libraries

Racial/Ethnic Trends. The region is becoming more diverse. While Grand Rapids' White population declined, minority groups have grown throughout the region. The two largest minority groups, African American and Hispanic, have grown dramatically since 1980.

GRAND RAPIDS POPULATION BY MAJOR RACIAL/ETHNIC GROUP						
Group	1980	1990	2000	2010	2009-2013 Est.	% Change 1980-2013
Grand Rapids						
White	147,332	144,464	133,116	110,890	131,575	-11%
Black/African American	28,474	35,073	40,373	37,890	39,285	38%
Hispanic/Latino	5,729	9,394	25,818	29,261	30,409	431%
Kent County						
White	403,517	444,112	477,421	457,769	502,079	24%
Black/African American	31,453	40,314	51,287	56,372	58,532	86%
Hispanic/Latino	8,738	14,684	40,183	58,437	59,721	583%

Source: GR Community Development Department Summary 12/04; U.S. Census Bureau, Census, Population Estimates Program; 2010 Census Summary File 1, Table P9; 2009-2013 5-Year American Community Survey Table DP05

Aging Trends. The Grand Rapids population is relatively young with about 68 percent of the population under age 45, up from 61 percent in 2000ⁱ. Notwithstanding this youthful trend, seniors represent a rapidly growing demographic group as the Baby Boomer generation reaches retirement age. The Michigan Association of United Ways' ALICE Project (standing for Asset Limited, Income Constrained, Employed) reports that Michigan is ahead of the national curve and will have a higher percentage of seniors before other states do (p. 4).ⁱⁱ Grand Valley State University's Community Research Institute suggests the number of elderly in Kent County will double before 2035.ⁱⁱⁱ This has important implications for housing as the aging population requires different housing types and services than are currently in place.

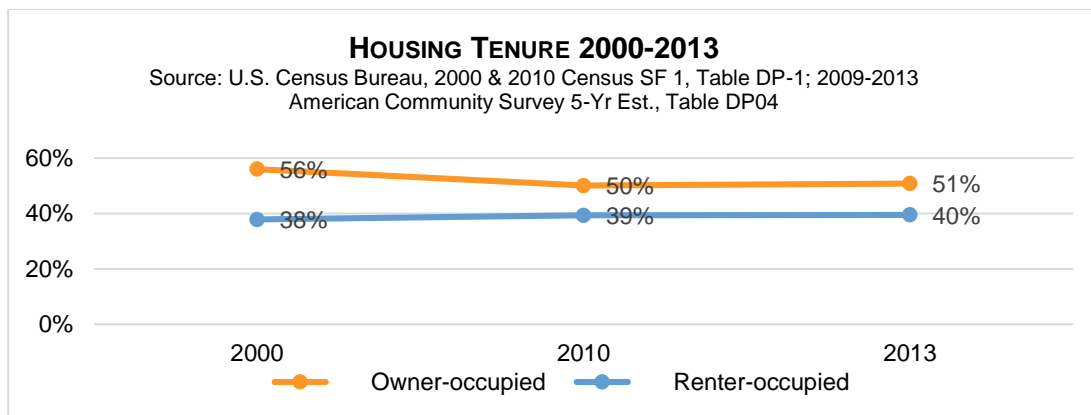
AGE IN GRAND RAPIDS			
Group	Age	Number	Percent
Children	0-19	54,181	29%
College-Age Young Adults	20-24	19,097	10%
Adults	25-65	95,179	50%
Elderly	65+	21,278	11%

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey Table DP05

ELDERLY POPULATION (65+ YRS)						
	1980	1990	2000	2010	2013 est.	% Change 1980-2013
Grand Rapids	24,435	24,597	22,958	20,801	21,278	-13%
Kent County	45,414	53,857	59,625	67,101	69,429	53%
Michigan	912,258	1,107,018	1,219,018	1,361,530	1,405,233	54%

Source: U.S. Census Bureau, Census 1980 STF 1; Census 1990 STF 3; Census 2000 Table QT-P1; Census 2010 Table DP-1; 2009-2013 5-Year American Community Survey Table DP05

Housing Trends. During the 1990s, occupancy of Grand Rapids' housing stock was fairly constant at about 56 percent owner-occupied and 38 percent renter. Between 2000 and 2013 these proportions shifted. Owner-occupied housing dropped to 51 percent and renter-occupied rose to 40 percent.^{iv} There was a 70 percent increase in the number of families living in single-family rental homes between 2006 and 2009.^v In 2009, 31 percent of rental properties were single-family homes, housing 43 percent of the city's tenant population.^{vi}



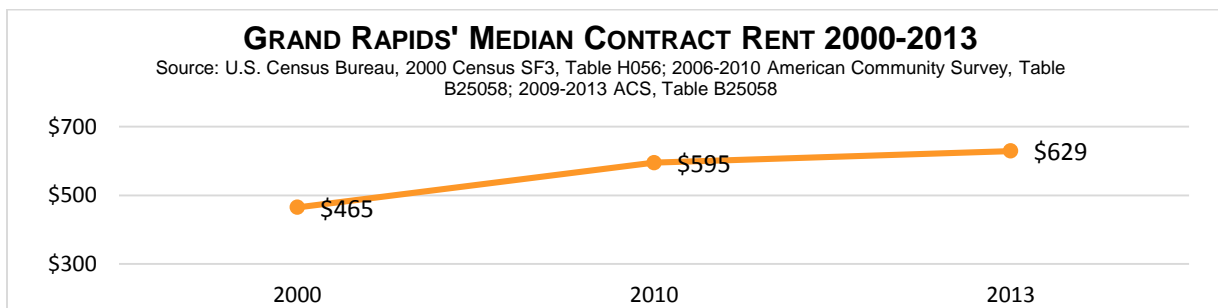
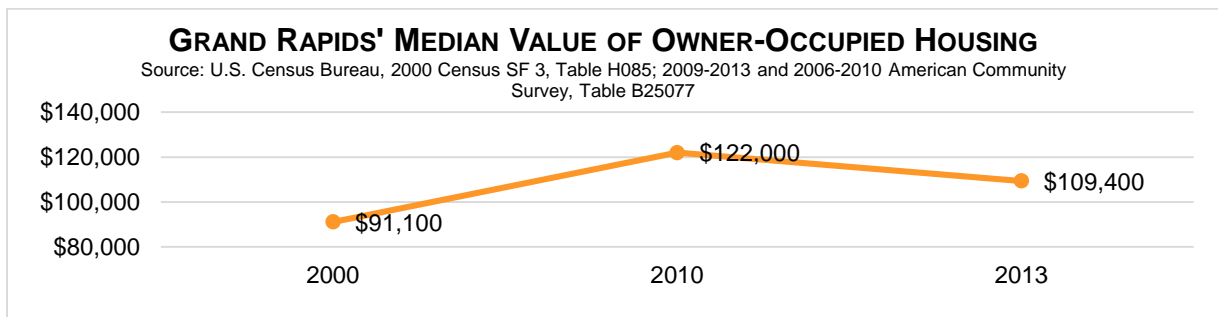
Vacancy rates and supply of housing affect the cost of housing. When the vacancy rate is high, the supply of housing has outpaced the demand. This can lead to a drop in housing values and increase the number of abandoned and blighted properties. When it is low, there may not be enough housing to meet the demand. This can lead to higher costs of land and construction, resulting in increased sale prices and rents and displacement of residents who can no longer afford to live the property or neighborhood.

During the 1990s, the vacancy rate (for owner and renter combined) was fairly constant at about six (6) percent. Between 2000 and 2013, the rate rose from six (6) to ten (10) percent.^{vii} Although Grand Rapids' overall vacancy rate rose, the city is currently experiencing a very low vacancy in the rental market.

According to a study released by Zillow in March 2015, Grand Rapids had the lowest rental vacancy rate in the nation at 1.6 percent, compared to the 75 largest metropolitan areas. The nationwide average was seven (7) percent.^{viii} This means the supply of rental units is very low, which can lead to higher rents and displacement of residents if they cannot afford the new costs. This low rental vacancy rate has been attributed to a number of factors, including:

- The inability to purchase homes due to severely damaged credit from the aftermath of the foreclosure crisis;
- The high level of student and other debt limiting ability to purchase homes;
- An overall slow economy limiting growth in wages and financial standing;
- An increasing number of college students and limited campus housing; and
- A growing interest of persons of all ages to reside in urban areas.

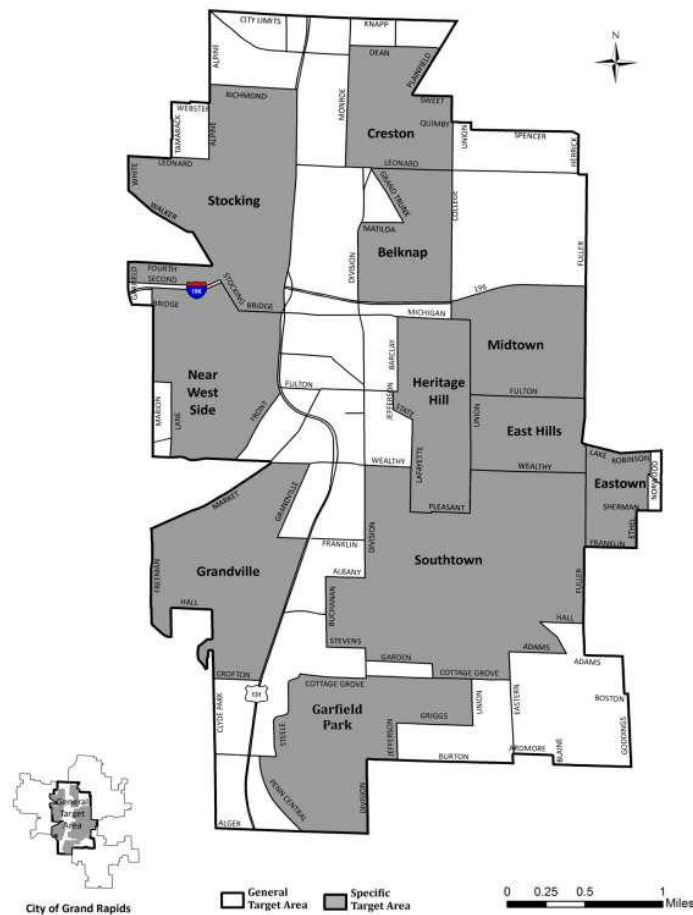
At the same time, an increase in market rate development has drawn attention to rising prices for both ownership and rental units. The soft housing market in the first decade of the 21st century, made especially difficult by the high number of foreclosures, is in recovery with increasing numbers of sales and prices.^{ix} Since 2000, the median value of owner-occupied homes in the city has risen by 20% and rents have risen 35%.^x



GRAND RAPIDS HOUSING POTENTIAL

The 2015 *Analysis of Residential Market Potential* prepared by Zimmerman/Volk Associates, Inc., provides an analysis of the annual market potential for new housing units in Grand Rapids, created through adaptive re-use of non-residential buildings, rehabilitation of single-family detached houses, and new construction. It takes into consideration migration and moving patterns, lifestyle preferences, and unit type preferences. The study examined two geographies: the City of Grand Rapids and a Target Market Study Area (TMSA).

The TMSA is consistent with Neighborhood Stabilization Program boundaries and the boundaries of the Community Development General Target Area. Generally, this area comprises the central portion of the city.



Market Potential. An average of 22,875 households may be looking for new and existing housing units within the city each year over the next five years. These households are known as the “draw area households.” Thirty-seven percent (37%), or 8,500 households, may be looking for housing in the TMSA. Just under half, or 10,682 households, would be moving from outside the city.

Just over half, or 12,192 households, would be relocating within the city. More than a quarter would be moving from outside Grand Rapids but still within Kent County. Overall, 20% live outside Kent County. Notably, the TMSA attracts a higher percentage from outside the region than does the city as a whole.

ANNUAL MARKET POTENTIAL BY DRAW AREA		
Draw Area	Citywide	TMSA
City of Grand Rapids	53%	48%
Balance of Kent County	27%	24%
Regional Counties	6%	4%
Balance of United States	14%	24%

Source: Zimmerman/Volk Associates, Inc. (2015) An Analysis of Residential Market Potential, p. 25, 31.

The financial capabilities of the draw area households are summarized below. Forty-seven percent (47%) of households citywide, and 34% within the TMSA, have incomes at or below 80% the area median income (AMI). Conversely, 38% of households citywide and 50% within the TMSA have incomes above 100% AMI.

HOUSEHOLD INCOME				
<i>Annual Average Market Potential for New and Existing Housing Units</i>				
Income	Citywide		TMSA	
	Number	Percent	Number	Percent
Below 30% AMI	4,410	19%	870	10%
30-50% AMI	2,530	11%	920	11%
50-80% AMI	3,895	17%	1,105	13%
80-100% AMI	3,395	15%	1,375	16%
Above 100% AMI	8,645	38%	4,230	50%

Source: Zimmerman/Volk Associates, Inc. (2015) An Analysis of Residential Market Potential, p. 28, 32.

Propensity. Propensity is a combination of preference and financial capability that can guide planning for future housing needs. According to the Zimmerman/Volk report, the greatest preference is for multi-family rental units, followed by ownership in single-family detached homes, then single-family townhouses, and finally multi-family condo-style homes. These trends are the same for both the city and the TMSA, and for affordable and market rate housing.

TENURE/HOUSING TYPE PROPENSITIES						
<i>Annual Average Market Potential for New and Existing Housing Units</i>						
Tenure	Type	Example	Citywide		TMSA	
			Number	Percent	Number	Percent
Rental	Multi-family	Lofts/Apartments	11,505	50%	4,355	51%
		<80% AMI	6,155	27%	1,705	7%
		>80% AMI	5,350	23%	2,650	12%
Owner	Multi-family	Lofts/Apartments/Condo	2,155	9%	1,125	13%
		<80% AMI	880	4%	300	1%
		>80% AMI	1,275	6%	825	4%
Owner	Single-family	Townhouses	2,910	13%	1,320	16%
		<80% AMI	1,280	6%	420	2%
		>80% AMI	1,630	7%	900	4%
Owner	Single-family	Detached Houses	6,305	28%	1,700	20%
		<80% AMI	2,520	11%	470	2%
		>80% AMI	3,785	17%	1,230	5%

Source: Zimmerman/Volk Associates, Inc. (2015) An Analysis of Residential Market Potential, p. 30, 34.

Target Markets. The general market segments organized by life stage and household type include: 1) Traditional and non-traditional family households, including traditional heads of households, single parents, adults caring for younger siblings, and grandparents raising grandchildren; 2) Younger singles and childless couples, including young professionals and students; and 3) Empty nesters and retirees, including those living on social security, those with pensions, savings and investments, and those still working. The city as a whole is a strong draw for traditional and non-traditional families, while the TMSA is expected to attract high rates of younger singles and childless couples.

ANNUAL MARKET POTENTIAL BY LIFE STAGE/HOUSEHOLD TYPE				
Life Stage/Household Type	Citywide		TMSA	
	Current	Potential	Current	Potential
Traditional and non-traditional families	53%	49%	71%	11%
Younger singles and childless couples	32%	37%	12%	65%
Empty nesters and retirees	15%	14%	17%	24%

Source: Zimmerman/Volk Associates, Inc. (2015) An Analysis of Residential Market Potential, p. 39, 46; and attachment.

TMSA Capture. According to the Zimmerman/Volk report, the TMSA could absorb between 5,705 and 7,615 new housing units in the next five years (p. 5). This represents between 4,130 and 5,535 new market rate units and between 1,575 and 2,080 new affordable/workforce units. Over a five-year period, this breaks down to about 72% market rate and 28% affordable units.

ANNUAL CAPTURE OF MARKET POTENTIAL Target Market Study Area		
Housing Type	Market Rate Units	Affordable Units (30-80% AMI)
Rental Lofts/Apartments	530 – 663	224 – 280
For-Sale Lofts/Apartments/Condos	83 - 124	24 – 36
For-Sale Townhouses	90 - 135	35 – 52
For-Sale Detached Houses	123 - 185	32 – 48
Total	826 - 1,107	315 - 416

Source: Zimmerman/Volk Associates, Inc. (2015) An Analysis of Residential Market Potential, Executive Summary p. 8-9.

GREAT HOUSING STRATEGIES

Grand Rapids has a strong, vibrant downtown and thirty-two neighborhoods with unique characteristics. As demand for housing downtown and in neighborhoods continues to increase, we must ensure quality housing and housing choice is available for everyone choosing to live in the city. The following goals and actions were developed by the four Workgroups after review of housing policies, practices and tools used throughout the country. This information was compiled and summarized in the *Great Housing Strategies Toolkit* prepared by Community Development staff for this process.

In some cases, implementation of these actions will require additional research and data collection, including establishing specific goals and performance metrics. In all cases, these actions will require a strong commitment by the City and community to make housing a high priority and to assemble adequate resources to meet the need. While the City plays a key role in this work, strong public/private partnerships and creativity will be essential in accomplishing these goals.

GOAL

PROVIDE A VARIETY OF HOUSING CHOICES

To maintain a diverse and livable city, residents must have access to a variety of housing types affordable to a range of incomes.

A community's housing market should reflect the needs and preferences of various people. In particular, people in various stages of life, with various abilities, and at various incomes. Diversity of housing preference is important when planning for future housing construction and redevelopment.

In 2013, the estimated number of households in Grand Rapids was 72,760. Of these, 31 percent had at least one child under 18, and 20% had at least one senior over 65. There were 23,812 people living alone, with 29% of them being seniors over age 65. The average household size was 2.5. There were 41,534 families in the city, and just under 50 percent were families with children under age 18. Of these families with children, 53% were married couples and 47% were single parents. The average family size was 3.21. (2009 - 2013 American Community Survey.)

Unfortunately, housing discrimination still occurs. In fact, 2014 data provided by the Fair Housing Center of West Michigan indicates that familial status continues to be the area of highest volume for complaints it receives closely followed by disability status and race. Policies that put limits on occupancy that are not tied to health and safety and/or the city's building code as well as how properties are marketed can limit housing choice for families. It is essential that families with children are not denied housing, or held to higher or stricter standards, to ensure all people have fair and equal access to housing in our city.

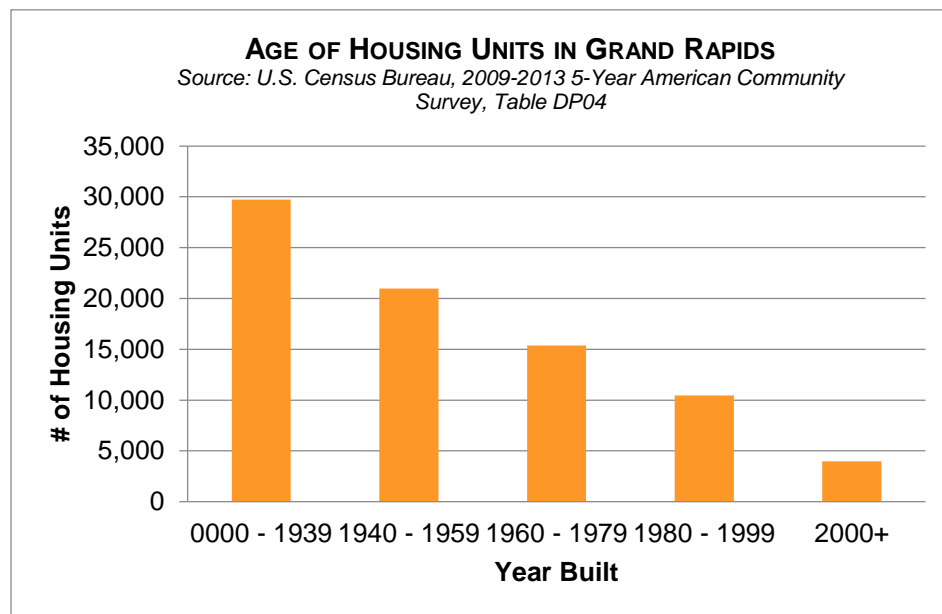
In addition to addressing housing for people in various life stages, the city needs accessible housing options for people with disabilities. In 2013, an estimated 11 percent (20,127) of Grand Rapids' non-institutionalized residents had a hearing, vision, or ambulatory disability. Contrary to some perceptions, disability is not limited to elderly people. There are more people with disabilities aged 18 to 64 than in the disabled senior population. This suggests a need for accessible housing sized for families.

However, the growing senior population will also require accessible housing options. The United Way's ALICE report found that Michigan's aging population is ahead of the national curve and the state will have a higher percentage of seniors before other states. Grand Valley State University's Community Research Institute (CRI) suggests the number of elderly individuals in Kent County will double before 2035, supporting the need for more accessible housing for seniors.^{xi}

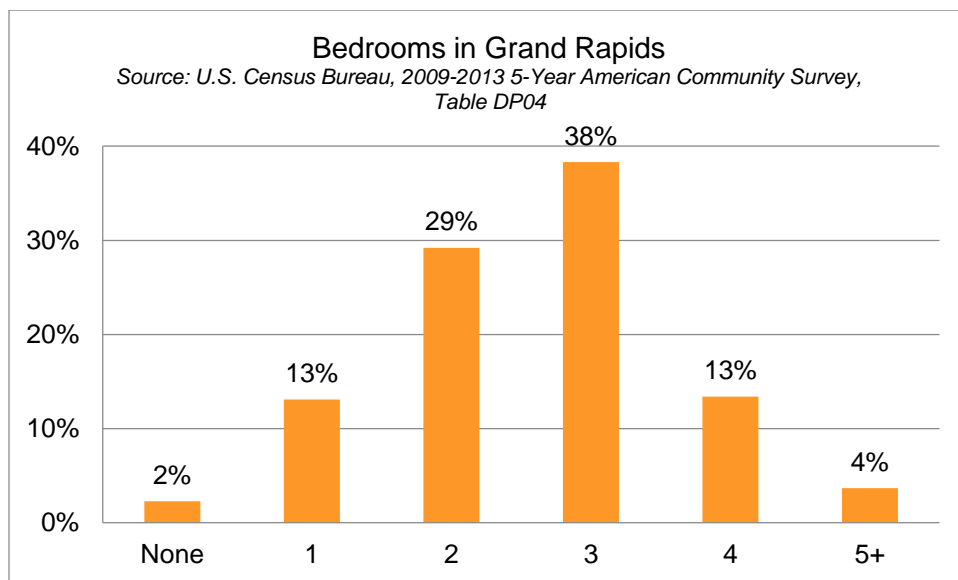
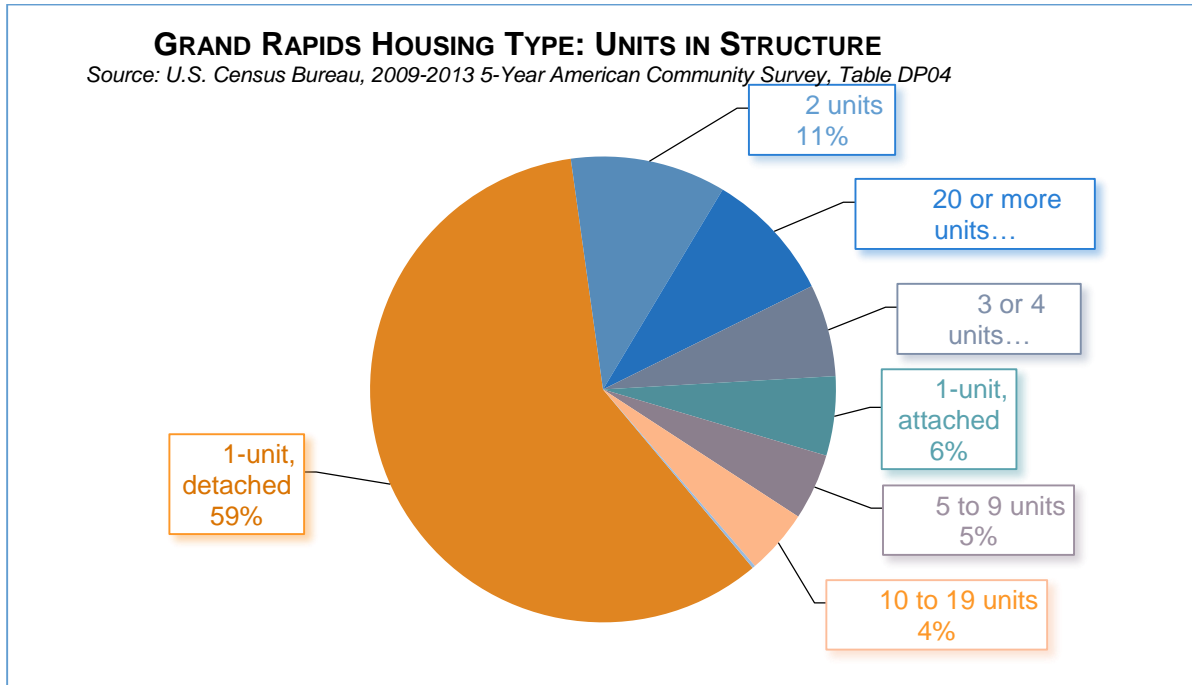
PEOPLE WITH DISABILITIES IN GRAND RAPIDS (Hearing, Vision, Ambulatory)			
	Under 18	18 to 64	65 and over
Number	772	10,464	8,891
% of Total Population	0%	6%	5%
% of Age Group	2%	9%	45%
% of Population with Disabilities	4%	52%	44%

Source: U.S. Census Bureau, 2009-2013 American Community Survey, Table S1810

Housing stock in the city is relatively old, with 82% of homes built before 1980. These older style homes often have design elements that make it difficult for the elderly or disabled to visit or live in the home. Older housing is also more likely to need maintenance and can be financially burdensome for some. Between July 1, 2014 and June 30, 2015 in the City of Grand Rapids' Community Development General Target Area alone, there were 5,968 housing code violation cases.^{xii}



In the past, an owner-occupied, single-family detached home with three bedrooms seems to have been the most desirable housing option in the city, or at least the most common. The majority (59 percent) of homes are detached, single family units, and 38 percent have three bedrooms.^{xiii} However, the tight rental market, changing demographics, and Zimmerman/Volk's market analysis would suggest that Grand Rapids may be ready for a wider variety of housing types. These trends highlight the need to reevaluate the community's current housing stock, and ensure residents have access to a diverse range of housing options regardless of life stage, household type, ability, income, or neighborhood.



The “Great Neighborhoods” section of the City’s Master Plan promotes a broad range of housing option. The Master Plan calls for a range of housing types within neighborhoods to accommodate all residents regardless of income, special need or place in life cycle (e.g. single, married, with children, empty nest, retired). The Zoning Ordinance is the regulatory device that implements the Master Plan. Key provisions include permitting live-work units, allowing accessory dwelling units in single-family neighborhoods, encouraging mixed-use buildings (with housing on the upper floors) in commercial districts, and promoting infill development by permitting small homes on narrow lots. Enabling these housing options provides for less expensive types of housing to be built in the city. Additionally, the Zoning Ordinance provides a density bonus for mixed-income housing projects. The Ordinance also establishes staff review and approval standards, rather than Planning Commission approval, for many types of development projects to expedite the process and reduce costs. Although the Zoning Ordinance allows for a range of housing options, the following actions should be implemented to provide additional alternatives.

ACTION

Create explicit definitions of cooperative and co-housing in the Zoning Ordinance and incorporate as multifamily.

Grand Rapids residents should have access to a variety of types of housing and housing ownership models that support vibrant and diverse communities. Housing cooperatives for seniors are increasing in popularity. In these cooperatives, seniors are able to maintain financial benefits of homeownership while reaping the benefits of community living. Cooperatives may become a compelling option for seniors as they become a demographically larger population. Cooperatives are also garnering attention for their cost-sharing capacity and focus on sustainability.

It is important to note that cooperative and co-housing units are a form of ownership. There are many different models of cooperative and co-housing, but most include shared facilities, shared management, and consensus-based decision making. Cooperative and co-housing models are not currently defined in the Zoning Ordinance, which sends a message they are either unknown or unwanted. These should be defined and incorporated into existing policies and standards.

A local example of co-housing is Newberry Place located in the Belknap Lookout neighborhood. Residents own private homes and share ownership of a common house and playground. Residents use consensus-based decision making regarding common facilities and resident management.

ACTION

Make cooperative housing a Special Land Use with Planning Commission approval.

Designating cooperative housing a Special Land Use means each proposed project would be reviewed and approved by the Planning Commission. This would require opportunity for public comment to ensure the use is consistent with the character of the neighborhood. However, since cooperative housing is not a land use in and of itself, but rather an ownership and management structure, designating the use as such may be challenging. While the Special Land Use designation creates a potential barrier to the creation of this housing type, as well as administrative costs that could inhibit short term affordability, there is a desire to ensure the Zoning Ordinance does not create loopholes and allow for housing types that could disturb neighborhood character and interests.

It is important to acknowledge cases in which the cooperative housing model could result in changes to neighborhood character, especially in college/university settings where students tend to live in large, concentrated developments, including fraternities and sororities. Such uses do not necessarily meet the goals of providing affordable housing, nor a diversity of housing types for long-term residents.

ACTION

Remove the 12-month owner-occupancy requirement from the Accessory Dwelling Unit policy.

Accessory Dwelling Units (ADUs) are secondary units located within a residence or on the same property. Sometimes referred to as “in-law suites” or “granny flats,” ADUs have traditionally been associated with live-in family members. It should be noted, however, these units can be leased to unrelated individuals depending on local ordinance provisions.

Regulations for ADUs can be found in Section 5.9.03. of the Zoning Ordinance. The Ordinance stipulates that one (1) ADU may be contained within a detached single-family dwelling (primary dwelling unit), included within an accessory structure, or separate from, but located on the same lot as, a detached single-family dwelling. Current regulations, which may be individually waived by the Planning Commission through Special Land Use procedures, include:

- A minimum lot size of 5,000 square feet;
- A minimum ADU size of 400 square feet and a maximum of 850 square feet;
- Owner-occupancy of one of the dwelling units for at least 12 months;
- Maximum of two bedrooms and two residents;
- No more than 11 different rental parties in a calendar year and a minimum tenancy of 30 days; and
- The ADU is not counted toward maximum residential density requirements.

The 12-month owner occupancy requirement is considered to be somewhat onerous, and is recommended for deletion. A homebuyer may purchase a home with the immediate intent of using an accessory structure as a dwelling unit. For some homebuyers, the ability to use an ADU upon purchase may make homeownership achievable. The relaxing of other standards in regards to ADUs, such as allowing them by right or with administrative approval, rather than via the Special Land Use approval. While this path can result in additional time and expense, it is not recommended as the Special Land Use approval guarantees public notice of the project and a public hearing, which are important to neighborhood residents.

ACTION

Reduce the average lot size requirement for two-unit dwellings.

The Zoning Ordinance currently requires the minimum lot area for two-family dwellings to be 50 percent greater than the median lot area of single-family lots on the same block. However, the City’s Board of Zoning Appeals was found to have approved dimensional variances from 2013 to 2015 allowing an average minimum lot area for two-family dwellings of just 12.5 percent greater than the median average. Out of eleven dimensional variance appeals, nine were granted. Given this information, it is recommended the lot size requirement for two-unit dwellings be reduced. This would only apply to the development of new structures, and not to the conversion of existing, single-family homes.

ACTION

Define and regulate micro-units in the Zoning Ordinance and set review procedures and standards for them.

Micro-units are generally smaller units within multi-unit complexes, such as “efficiency units” or “studio apartments”. Micro-units can be differentiated from small homes or tiny houses by their location in a larger, multi-family development, instead of being a standalone single-family residence. The current residential code allows a dwelling unit as small as 220 square feet (not including bathroom and/or kitchen facilities) for two (2) occupants, and up to three (3) occupants are allowed within an efficiency unit.

The Zoning Ordinance requires a detached single-family dwelling to have a minimum dimension of 18 feet in any horizontal dimension and a minimum gross floor area of 750 square feet. Since the Zoning Ordinance does not include a formal definition for a micro-unit, it is recommended such a definition be added to allow micro-units in various zone districts while ensuring no conflict with existing residential and building codes.

Additionally, options for regulating this unit type and encouraging them in mixed-use commercial zone districts was discussed. In most commercial districts, there is a minimum lot area per unit requirement that could be waived for micro-units under certain conditions. These conditions might include the following:

1. Unit has a gross floor area of less than 475 sq. ft.;
2. Primary exterior entrance is located within 200 feet of a permanent transit station or stop;
3. Building containing the micro-unit is located on a major or regional street, as defined by the City’s *Street Classification Policy*;
4. Parking requirement is reduced to .5 parking spaces per unit, while one (1) bicycle space is required per unit, and;
5. No more than two (2) unrelated individuals can occupy unit.

It is important to note this density bonus would be available for micro-units located in multi-unit, upper floor settings above commercial uses in mixed-use commercial zone districts. Options for allowing standalone houses with dimensions less than those required by the Ordinance was considered. It was decided the mixed-use approach is more appropriate, due to concerns about neighborhood compatibility and the potential for unanticipated adverse impacts.

ACTION

Expand development of accessible housing through new construction and remodel.

Accessible housing is designed for persons with limited mobility, which may include people using wheelchairs or those with vision or hearing impairments. The number of individuals requiring accessible housing is increasing as the Baby Boomer generation ages. It is important to consider accessibility as a potential improvement to all housing stock, not just for those individuals who require it. Accessibility features add value to all housing types. Examples of accessibility considerations include accessible entrances and exits, handicap parking, wheelchair accessible doors and pathways, room to maneuver, and wall supports for grab bars.

More importantly, the federal Fair Housing Act prohibits disability-based discrimination via the failure to design and construct covered multi-family dwellings with certain features of accessible

design. The Act's design and construction requirements apply to all multi-family housing of 4 units or greater designed and constructed for first occupancy after March 13, 1991. It includes accessible routes, entrances, public and common-use areas as well as accessible routes into and through the housing unit; usable doors, kitchens, and bathrooms; reinforced walls in bathrooms; and accessible light switches, outlets and other environmental controls. Any housing, including single-family homes, constructed by local, state, or federal government entities or constructed using any local, state, or federal funds may also be subject to accessibility requirements under laws other than the Fair Housing Act. These laws, in particular Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act, and the Architectural Barriers Act, have requirements for accessibility that exceed those contained in the Fair Housing Act.

Michigan Residential Code governs new construction in one- to two-unit buildings, and does not require accessible units. The Michigan Building Code governs construction in larger developments. It requires Type B (adaptable) levels of accessibility in developments of four to twenty units and Type A (a higher standard) in housing projects over 20 units (however, only 2% of units are required to meet that higher standard). Per State law, municipalities cannot add to or delete requirements to either the Residential or Building Code. However, the City should encourage universal design elements (i.e. elements usable by all people to the greatest extent possible without the need for adaptation or specialized design) in redevelopment and new construction because the city has few accessible housing units. Eighty percent (80%) of Grand Rapids housing units were built before 1978 and these older designs need modifications to become accessible.

The City currently provides Disability Advocates of Kent County (DAKC) access to information about building permit applications, allowing DAKC to review project plans and provide comment to city staff on accessibility considerations. This should continue, along with the City's partnership with organizations such as DAKC and Home Repair Services of Kent County to provide access assessments and modifications. Additionally, through its Development Center, the City should make educational materials available to design professionals, builders, and developers regarding universal design during new construction and major rehabilitation projects, as well as information about Fair Housing laws.

ACTION

Create an incentive to develop Type B (Adaptable) accessible units.

Housing accessibility is of great importance and should be encouraged and incentivized where possible. There are currently several density and height bonuses in the Zoning Ordinance that can be granted in return for providing items such as a mix of affordable and market-rate units, upper-floor residential uses, ground-floor retail uses, urban open space, and a transit station. Similar bonuses should be provided for Type B (Adaptable) units.

Incentivizing Type C (Visitable) units through density bonuses and/or streamlining the approval process was discussed; however, the more rigorous Type B (Adaptable) standard is preferred. Potential methods for incentivizing accessible units follow.

Density bonus: In low- or mixed-density residential zone districts, the minimum lot area/dwelling unit may be reduced by up to 500 square feet per unit when at least 25 percent of the units are designed and constructed to meet the Type B requirements of the ANSI A117.1 standard.

Expedited two-family review bonus: A two-unit house may be permitted by right in a low-density zone district when at least one unit is designed and constructed to meet the Type B requirements of the ANSI A117.1 standard.

In regard to the expedited review bonus for two-unit buildings, it is important to note such uses are currently subject to Special Land Use requirements and procedures. This requires public notice and a public hearing in low-density residential zone districts. The proposed incentive would change that requirement by removing Planning Commission review and allowing administrative review instead. While this approach is recommended, it is desired that the administrative review process carefully consider neighborhood character and impact.

Goal

ENCOURAGE MIXED-INCOME NEIGHBORHOODS

The health and vitality of a neighborhood is contingent upon its ability to embrace a diversity of residents. All Grand Rapids residents should be able to live in the neighborhood of their choice, regardless of income.

The importance of mixed-income neighborhoods was identified as a priority throughout the Great Housing Strategies process. While reinvestment and development are positive, a concentration of either market-rate or rent-assisted development may have negative effects on a neighborhood. An intentional balance is necessary for the health and success of all city neighborhoods.

Mixed-income neighborhoods are more stable and sustainable than neighborhoods that lack income diversity. Areas concentrated with low-income residents benefit by increasing the overall amount of income concentrated in a geographic area (called income density). When income density increases, neighborhoods may see additional amenities such as grocery stores, residential, commercial, educational, and other private investment. Displacement of low-income residents can be a significant concern when neighborhood demographics change. Maintaining a mix of housing options with a range of prices, allows residents of all incomes to live in a neighborhood and minimizes displacement.

The “missing middle” is a term used in different contexts to identify unbalanced housing environments. It is used to refer to a housing type, as well as an income level. The Michigan State Housing Development Authority (MSHDA) uses the term in their programs to target development of smaller, multi-family developments. Locally, especially in economic development discussions, the term is used to describe households with incomes over 80% and up to 130% of the area median income (AMI).

Affordable housing program eligibility generally restricts income based on the AMI. Developments financed with the Low Income Housing Tax Credits (LIHTC) program serve low-income tenants with incomes at 60% AMI or below. Many homeownership programs restrict buyer incomes to 80% AMI and below. In Grand Rapids, as in many other cities, there are many residents who do not qualify for these income-restricted units but cannot afford market-rate units either.

The Fair Housing Act not only prohibits housing discrimination, but also imposes a duty on federal agencies and grantees, including the City, to affirmatively further fair housing (AFFH). According to the U.S. Department of Housing and Urban Development, AFFH means “taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.” HUD will soon provide a new tool to conduct an Assessment of Fair Housing that looks at patterns of integration and segregation; racially and ethnically concentrated areas of poverty; disparities in access to opportunity; and disproportionate housing needs. The tool will help the City identify barriers and allow for proactive steps to overcome segregated living patterns, promote integrated communities, and end concentration of poverty.

ACTION

Modify City economic development programs and affordable housing tools and policies to accomplish the goal of mixed-income neighborhoods.

The City currently offers incentives to companies or developers making housing investments in Grand Rapids. Historically, the City has supported using incentives when recipients create employment for city residents and when the City receives a return on its investment due to new property and income taxes generated and paid.

The majority of economic development incentives for developers are in the form of tax abatements or tax increment financing using the following programs:

PA 147 of 1992 – Neighborhood Enterprise Zone Tax Abatement. A Neighborhood Enterprise Zone (NEZ) is a tax abatement program. A zone can be created over a broad geographic area or applied to a single building. The incentive applies to both new construction and rehabilitation projects that meet certain criteria. The exemption can have a duration of between six (6) and 15 years, with the last three (3) years being a phase out of the benefit received. For a building-specific NEZ (rather than a geographic area), a building must be mixed-use, contain apartments (as opposed to condominiums), and be located on a street that is zoned and primarily utilized for business. New construction projects are taxed at 50 percent of the statewide average millage rate. Rehabilitation projects have their property value frozen at the pre-rehabilitation value.

PA 146 of 2000 – Obsolete Property Rehabilitation Exemptions. An Obsolete Property Rehabilitation Exemption (OPRA) is also a tax abatement program. The existing incentive applies only to rehabilitation projects that involve an investment of at least \$30/square foot, qualify as “functionally obsolete” as determined by the City Assessor, and propose commercial uses (including multi-family housing). The exemption can have a duration of one (1) to 12 years. The City has adopted the practice of approving Obsolete Property Rehabilitation Exemptions (OPRAs) for a period of ten (10) years. Rehabilitation projects have their pre-improvement taxable value frozen and are taxed at a significantly reduced rate on the value created by the improvement.

PA 381 – Brownfield Redevelopment Tax Increment Financing. Projects addressing properties that are contaminated, blighted, or obsolete may be eligible to receive reimbursement for activities that increase the cost of the project due to the nature and characteristics of the property, or that contribute to improvements of public infrastructure. Historically, the Brownfield Redevelopment Authority and the City of Grand Rapids have approved reimbursement of the full amount of actual eligible costs incurred. Eligible activities include environment investigation and assessment, environmental cleanup and remediation, demolition, site preparation, public infrastructure, urban stormwater management, ramped or underground parking services. The reimbursement can occur for up to 25 years.

For tax increment financing programs including Brownfield projects, the City has discretion in the term and duration of the reimbursement, the amount of the reimbursement, and the activities that qualify. For the NEZ and OPRA programs, the length of the exemption is at the discretion of the City but the benefit cannot be modified because it is calculated based on the taxable value of the property. These programs/policies should be reviewed and modified to develop criteria for evaluating and incentivizing housing projects that further the goal of supporting mixed-income neighborhoods. Additionally, traditional affordable housing tools should be reviewed to consider opportunities for adding market-rate housing in affordable projects.

ACTION

Explore a policy or tool that encourages housing diversity (mix) based on income and housing types.

The Zoning Ordinance currently provides an incentive to develop mixed-income housing in Mixed Density Residential (MDR) Zone Districts. The minimum lot area can be reduced if a project meets certain requirements including the distance from transit, number of units, and percentage of affordable units. While this allowance has been available since late 2008, it is rarely utilized, in part because of relatively few opportunities (such as a scarcity of MDR zone districts), and in part because other mechanisms were available by which needed densities could be reached. Such an incentive is still appropriate to offer to developers, but in concert with other new incentives.

The goal of income diversity within a given area is not necessarily best served by simply adding housing that is priced for populations of only one certain income level (for example, 80 percent of AMI). Provision of too much housing priced at a specific level can result in deeper problems than those intended to be solved. Instead, it is desired to introduce a mix of incomes into an area.

Potential policies and tools designed to meet the goal of income diversity in a neighborhood or census tract were considered. One such tool would be to incentivize new housing priced inversely to the pattern of existing income levels in a particular census tract. For example, if a tract has a shortage of housing priced for higher-income residents and an abundance of housing priced for lower-income residents, such a policy would incentivize the construction of new housing priced for higher income residents or vice versa.

Other potential tools would incentivize housing density. These tools include a density exchange mechanism, which would take inspiration from farmland preservation tools employed in rural settings. Such an exchange would transfer maximum density as allowed by the Zoning Ordinance in one district, to another district with a lower maximum density, allowing a mix of densities and incomes. A city-wide density overlay map was briefly discussed, which would allow the relaxation of specific zoning regulations in return for greater density in certain areas, thereby creating opportunities for different housing types or income ranges in areas that might otherwise not contain such opportunities. However, careful consideration should be given to ensure that market forces do not result in a narrow strategy of maximizing density in low-income neighborhoods at the expense of more equitable strategies.

Further exploration of strategies and tools to achieve mixed-income neighborhoods is encouraged, along with exploration of approaches to address issues of equity. For example, learning more about “high opportunity neighborhoods” and use of an Opportunity Mapping tool, developed by Ohio State University’s Kirwin Institute for the Study of Race and Ethnicity, which assesses socioeconomic and other issues that create neighborhoods of opportunity.

Another approach may be use of Community Benefit Agreements (CBAs), where agreements are made between businesses and local governments or community coalitions to collaborate on specific projects to ensure public subsidies are producing tangible community benefits. Examples of benefits include requiring local hiring, a livable wage, affordable housing, and publicly accessible green space. For example, Baltimore’s Red Line Project is a CBA created in partnership with the state and local government to ensure positive community outcomes in a transit-oriented development. The work led to the creation of the Red Line Community Compact signed by 70 agencies and organizations including the Maryland Transit Administration and the City of Baltimore. The Compact is not legally binding; however, it fostered communication and

established mutually agreed-upon goals including job creation and training, community revitalization, environmental protection, and engagement of local residents. The City should do further research on the impact of Michigan Public Act 105 of 2015 on local governments' ability to negotiate community benefits packages with businesses that receive tax credits.^{xiv}

ACTION

Educate the community about the benefits of balanced, mixed-income neighborhoods with a variety of housing choices.

Grand Rapids should be a community that welcomes a diversity of housing types at various price points throughout the city. While strong neighborhood identity is an asset, it can also create an atmosphere that is resistant to change. All neighborhoods in Grand Rapids should embrace diversity and be inclusive of existing and future residents. Access to housing in every area of the city should be equitable. The City of Grand Rapids, in partnership with other stakeholders, should educate the community and developers about the benefits of balanced, mixed-income neighborhoods with a variety of housing choices. Information about fair housing laws should also be incorporated in education materials.

ACTION

Establish best practices and coordinate programs to make mixed-income projects more achievable.

The incentive structure of programs like the Low-Income Housing Tax Credit (LIHTC) to develop affordable housing projects are significantly different than the incentive structures of economic development programs like NEZs, OPRAs, and Brownfield Redevelopment. Subsidy layering is complicated and requires financing expertise on project development teams. In some cases, laws and regulations of programs may conflict making a mixed-income project difficult or infeasible.

There are, however, some nonprofit and for-profit developers in Grand Rapids and other communities in Michigan who are developing mixed-income projects. Research should be done on how these developers are successfully implementing their projects. This research should be conducted with partners within offices of the Michigan Department of Talent and Economic Development (TED) such as the Michigan State Housing Development Authority and Michigan Economic Development Corporation; developers; and tax credit syndicators like Cinnaire (formerly the Great Lakes Capital Fund) to identify and document best practices for mixed-income development.

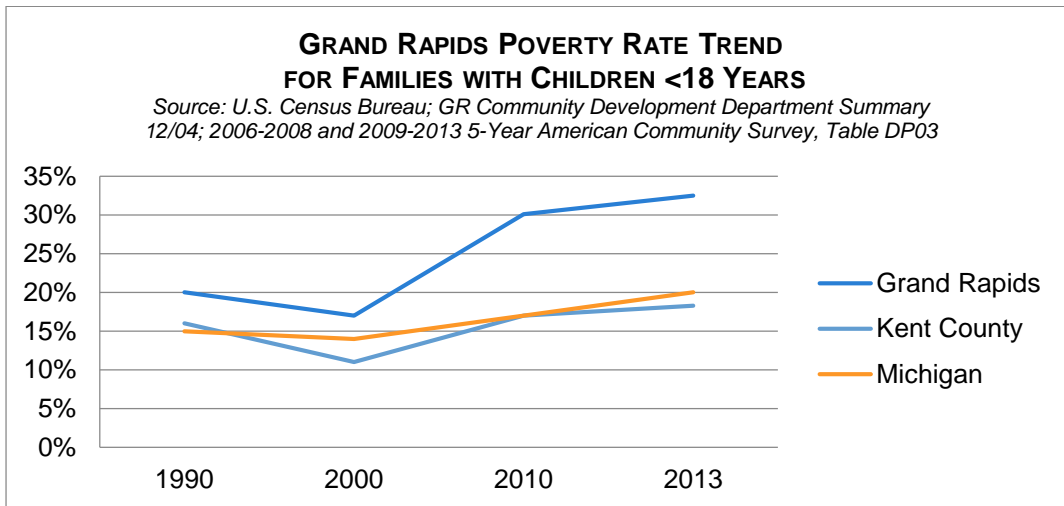
Goal

CREATE AND PRESERVE AFFORDABLE HOUSING

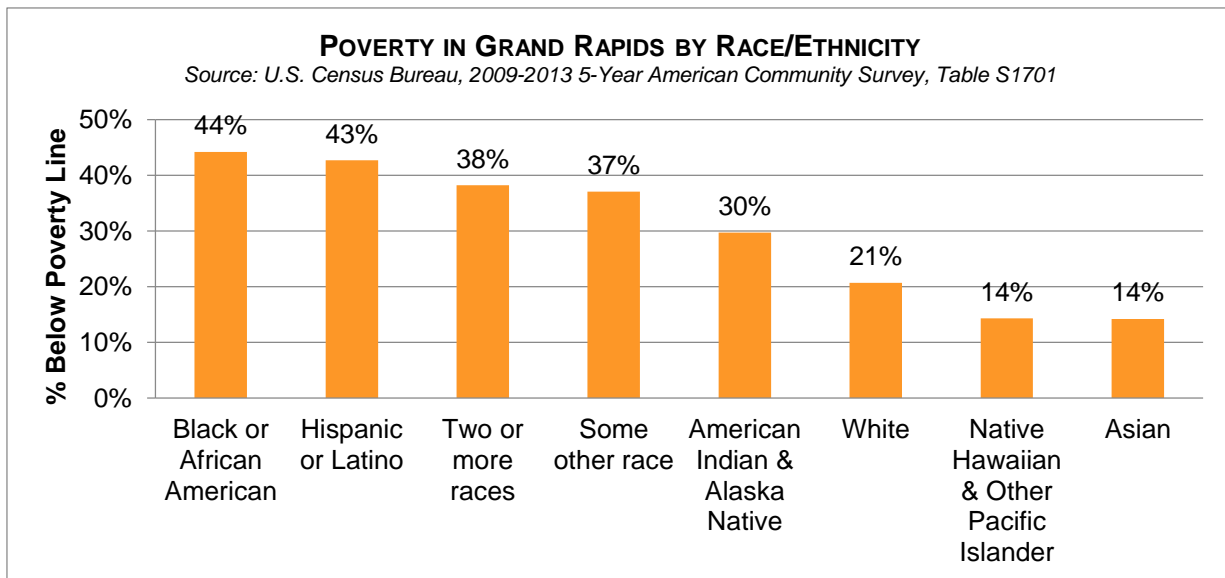
To meet the needs of current and future residents, new affordable housing units must be developed and existing units preserved.

Poverty rates for families in the city fell during the 1990s but rose during the first thirteen years of the new century, correlating with the recession and rise in unemployment. People in poverty live closer to the edge of homelessness than those with greater financial security. They have less income, often have lower credit scores, and may depend upon various forms of public assistance—ultimately, resulting in fewer housing choices.

By 2013, 27 percent of all residents and 39 percent of all children lived in poverty in Grand Rapids.^{xv} Fifty-five percent (55%) of single mothers raising children were estimated to be in poverty, compared to 14 percent of married couples with children. Black/African Americans had the highest proportion of people living in poverty. Lack of educational attainment was more serious for women than men, resulting in much higher levels of poverty, until women held bachelors degrees.

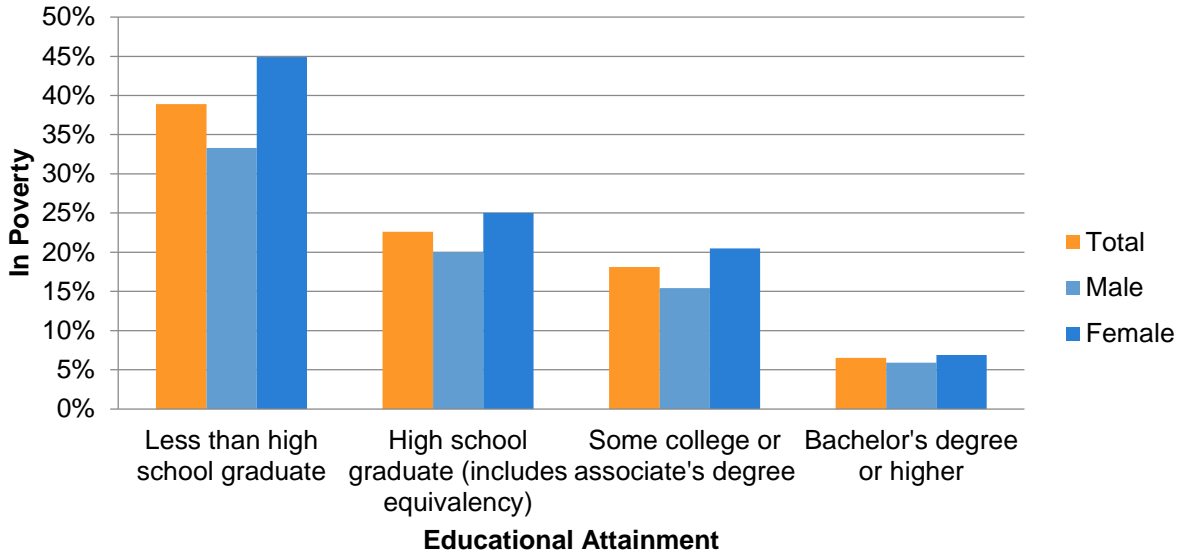


POVERTY RATES IN GRAND RAPIDS	
Family Type	Percent in Poverty
<i>All families</i>	20%
Families with related children under 18 years	33%
With related children under 5 years	26%
<i>Married couple families</i>	8%
With related children under 18 years	14%
With related children under 5 years	10%
<i>Single mothers</i>	44%
With related children under 18 years	55%
With related children under 5 years	56%
Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey, DP03	

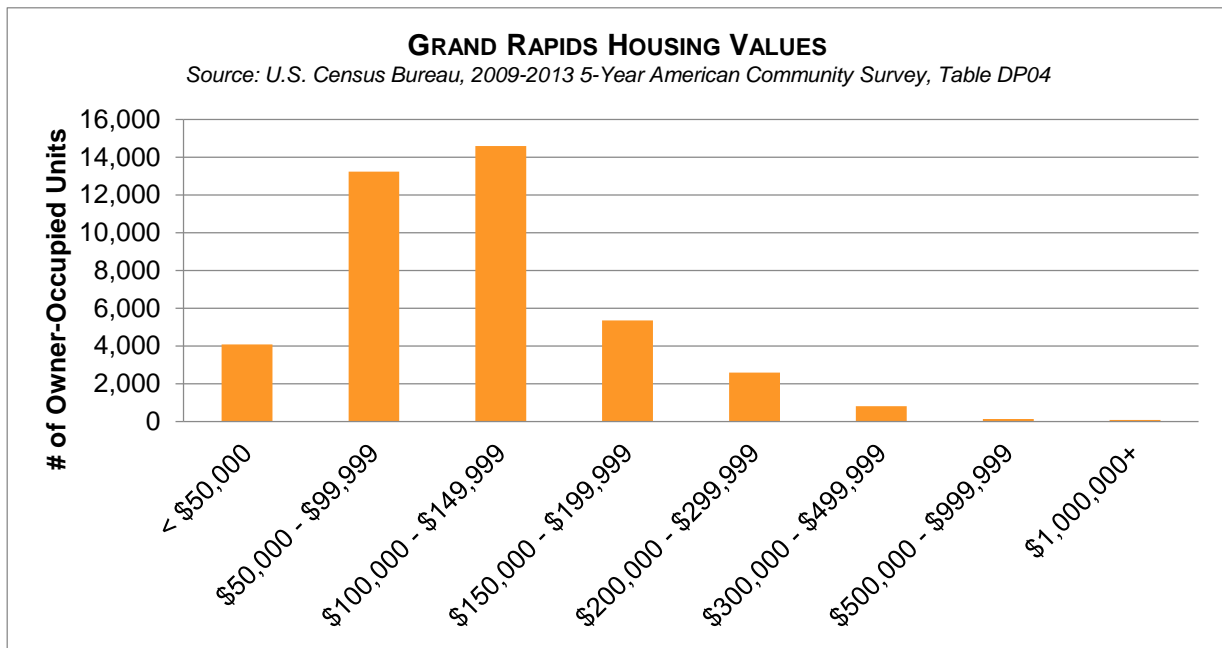


**EFFECT OF EDUCATION ON POVERTY IN GRAND RAPIDS
(25+ YEARS OLD)**

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey, Table S1501



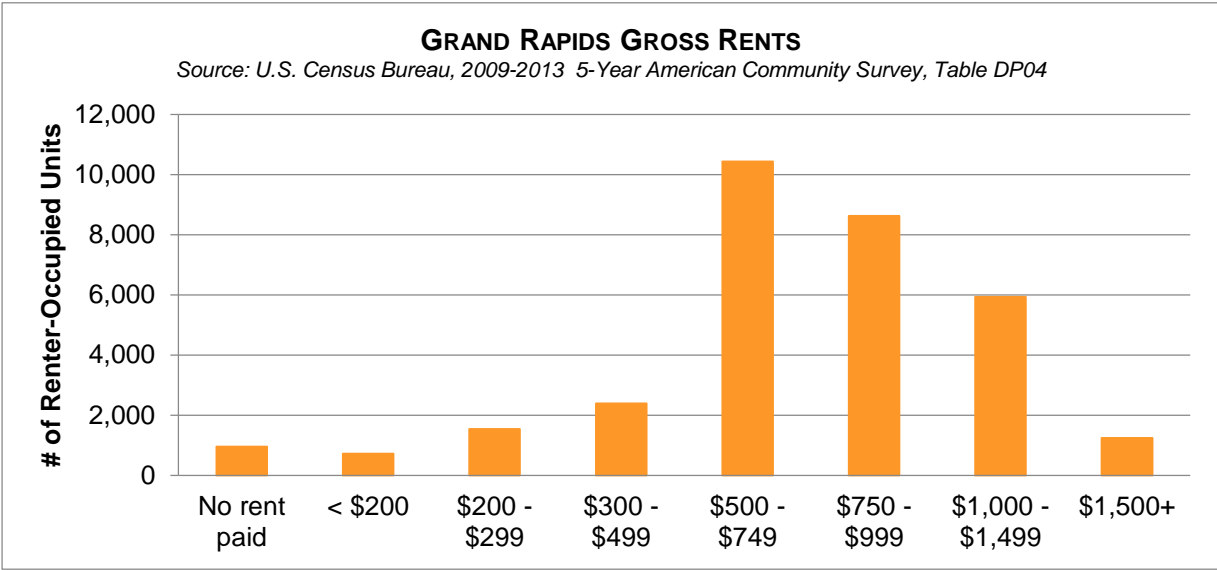
Housing costs are generally the largest expense of most households and are, therefore, an important factor in housing choice throughout a region. During the first decade of the 21st century, a combination of population loss, increasing number of housing units, and higher vacancies created a very soft housing market, which was made especially difficult by the rising numbers of foreclosures. Presently, the housing market is in a recovery with increasing numbers of sales and prices.^{xvi} In 2013, the average sales price in the greater Grand Rapids area was \$151,373, up 41 percent since the low in 2009.^{xvii} (The greater Grand Rapids area includes Kent County, Ionia County, Georgetown and Jamestown Townships in southeastern Ottawa County, the six (6) townships in northeastern Allegan County, and the northern half of Barry County including all of Gun Lake). In 2013, the city of Grand Rapids' estimated median home value was \$109,400, up 20 percent since 2000.^{xviii}



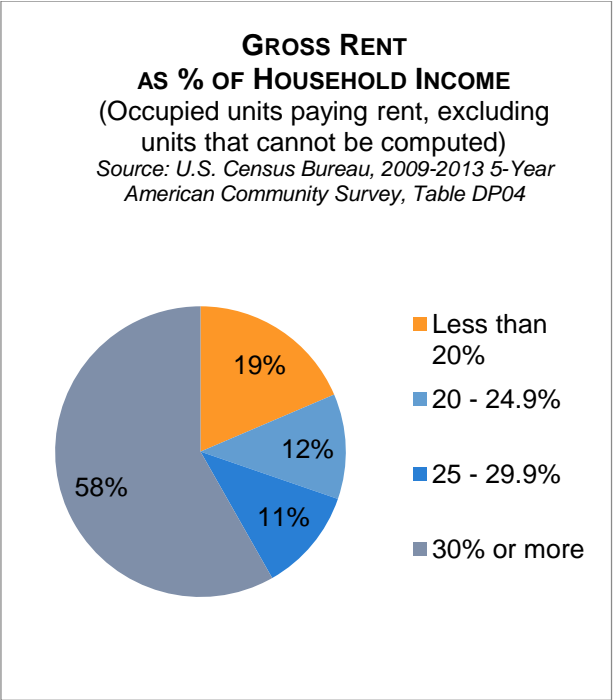
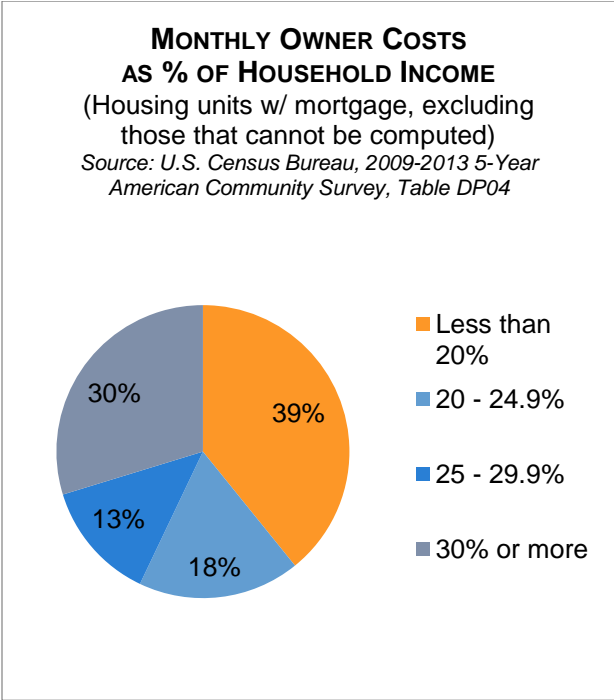
In 2013, the estimated median gross rent inclusive of utilities was \$758, up 43 percent since 2000.^{xix} In March 2015, Zillow reported that Grand Rapids had the lowest rental vacancy rate in the nation at 1.6 percent, compared to the 75 largest metropolitan areas. The nationwide average was seven (7) percent.^{xx} This means the supply of rental units is very low, which can lead to higher rents and displacement of residents if they cannot afford the new costs. The Fair Housing Center of West Michigan also has noted that as vacancy rates decrease, housing discrimination complaints tend to increase, particularly claims of discrimination based on source of income.

The low rental vacancy rate (subsequently leading to increasing monthly rent payments) has been attributed to a number of factors, including:

- Would-be buyers who cannot purchase homes due to severely damaged credit in the aftermath of residential foreclosures;
- The high level of student and other debt limiting ability to save for down payments;
- An overall slow economy limiting growth in wages and financial standing;
- A growing number of higher education students and limited campus or university-village style housing; and
- A growing interest in urban living creating demand for housing in the city.



According to HUD, families paying more than 30 percent of their income for housing are considered “cost burdened” and may have difficulty affording other necessities such as food, clothing, transportation and medical care. Although the Grand Rapids-Wyoming MSA has long been considered an affordable place to buy a home for median income earners,^{xxi} a significant number of low-income people in Grand Rapids are cost burdened. The following two charts demonstrate that renters are more severely affected by high housing costs than owners. Specifically, 58 percent of renters and 30 percent of home owners are cost burdened. (Gross rent means monthly payment plus utilities.)



While housing is generally considered affordable for a household if that household spends less than 30 percent of income on housing costs (including utilities), an important addition to this standard has been adopted that considers locational affordability. Locational affordability is determined by the percentage of a household's income spent on all housing costs in addition to transportation costs. Under this standard, affordability is defined as spending no more than 45 percent of household income on housing and transportation. The pairing of these costs emphasizes the role transportation alternatives can play in making housing more affordable.

According to the National Low Income Housing Coalition's 2014 Out of Reach report, renters need to earn \$14.23 per hour to afford a two-bedroom apartment in Kent County. The Housing Wage for a two-bedroom is \$6.08 more than the federal minimum wage of \$8.15, and \$2.53 more than the estimated average wage of \$11.28 earned by renters in Kent County. A renter earning the federal minimum wage would need to work 71 hours per week to afford a two-bedroom unit at Fair Market Rent, or have 1.7 wage earners working 40 hours per week.

RENTAL AFFORDABILITY IN KENT COUNTY			
	Housing Wage	Average Renter Wage	Minimum Wage
Affordable Rent	\$737	\$616	\$424
Hourly Rate	\$14.17	\$11.85	\$8.15
Monthly Income	\$2,456	\$2,054	\$1,413
Annual Income	\$29,474	\$24,648	\$16,952
Number of Wage Earners to Support Rent	1 wage earner 40/hrs. – 52 weeks	1.2 wage earner 40/hrs. – 52 weeks	1.7 wage earner 40/hrs. – 52 weeks

Source: National Low Income Housing Coalition, 2015 Out of Reach Report

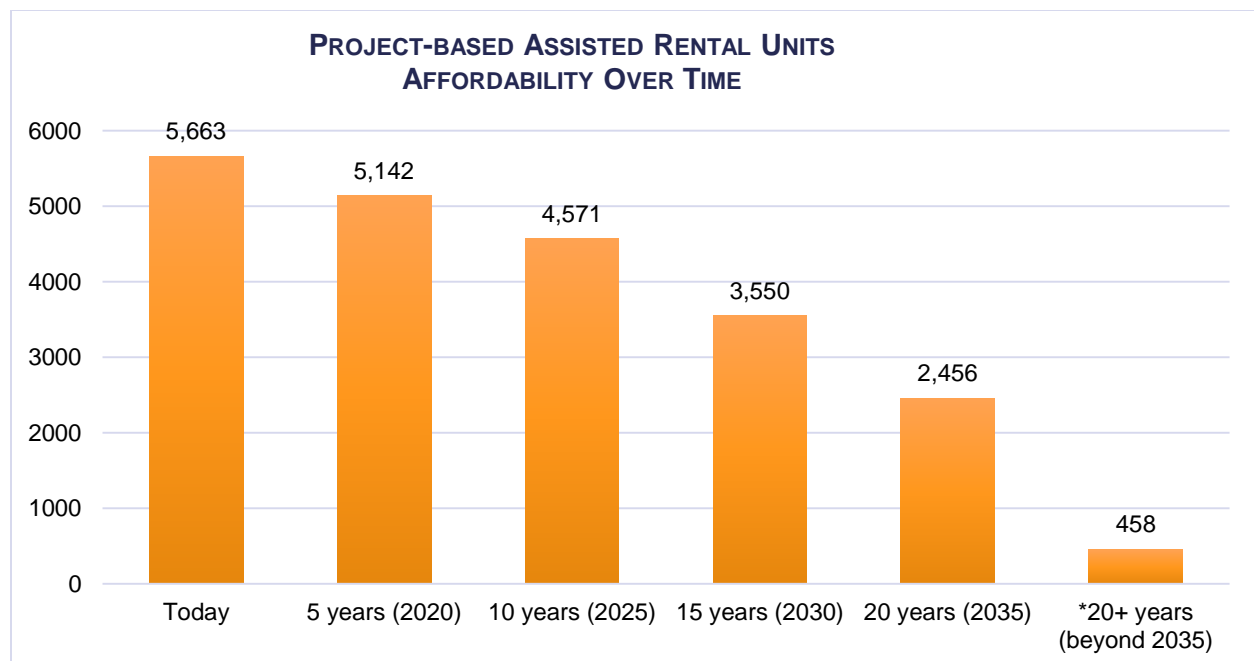
As of September 2015, there are more than 5,590 tenant-based assisted housing units in the Grand Rapids metropolitan area and 5,663 project-based units within the city of Grand Rapids. Housing Choice Vouchers (tenant-based) and project-based assisted rental units are used by extremely low- and low-income families, the elderly, and persons with disabilities.

GRAND RAPIDS METROPOLITAN AREA ASSISTED RENTAL UNITS September 2015	
Tenant-based Housing Vouchers (Section 8) – Metro Area	
Grand Rapids Housing Commission	2,767
Wyoming Housing Commission	1,122
Kent County Housing Commission	508
Rockford Housing Commission	63
Michigan State Housing Development Authority	1,130
Total	5,590
Project-based Assisted Rental Units – City of Grand Rapids	
Total	5,663
<i>Note: Because tenant-based vouchers can be used anywhere, metro data is provided. Project-based units are located in the City of Grand Rapids.</i>	
Source: Housing Commissions of Grand Rapids, Wyoming, Kent County, and Rockford, and the Michigan State Housing Development Authority.	

Rapidly increasing rents have resulted in an acute scarcity of units affordable to low-income households. Although median rents have risen substantially in the last two years, HUD fair market rents (FMRs) have remained between \$730 and \$750/month for a 2-bedroom unit since 2010, and are currently at \$737.^{xxii} Since the FMR effectively sets the rent limit a landlord accepting HUD rent assistance through a Housing Choice Voucher can charge, units are very scarce for households receiving rental assistance. Local housing services providers indicate that many people find it difficult to secure housing in this rental market even if they have some type of housing subsidy. The fact that HUD FMR is not aligned with market rents in the city has made it challenging for individuals to secure a unit, and even hard for some of them to make use of federal subsidized housing benefits that are available but tied to FMR. They often must accept units farther from work, public transit, family supports and community amenities.

Project-based assisted housing units are able to remain affordable with support from various funding sources such as Low-Income Housing Tax Credits (LIHTC), Michigan State Housing Development Authority (MSHDA) Direct Loan products including 80/20 and 70/30 programs, Neighborhood Stabilization Program (NSP), HOME Investment Partnerships (HOME) program, Section 8, Section 202, and other U.S. Department of Housing and Urban Development (HUD) programs. These programs provide funding to ensure long-term affordability, along with programs like the City's Payment Payment in Lieu of Taxes (PILOT) that provide a tax abatement in the form of a service charge in lieu of the ad valorem tax amount.

Project-based units administered by the Grand Rapids Housing Commission do not have an expiration date. Most other assisted housing projects are required to impose tenant income restrictions for a designated period of time. These restrictions are enforced through various legal mechanisms (e.g. mortgage, regulatory agreement, covenant running with the land). At the end of the affordability period, the project can be refinanced and remain affordable, or it may be converted to market-rate. The chart below shows the decline in assisted rental units over time if existing projects are not restructured to remain affordable upon expiration of the period of affordability. These numbers do not include owner-occupied homes or portable tenant-based vouchers. It should be noted that as the project-based units expire, there is no guarantee the tenant will receive a Housing Choice Voucher (portable tenant-based voucher).



ACTION

Form a funded housing trust fund initially supported with a \$10 million minimum investment.

Traditional public resources to support housing development continue to shrink. Federal and state agencies are sending the message that housing issues, particularly in regard to affordable housing development, will increasingly become a local problem. Consequently, Grand Rapids must position itself to respond to housing issues and ensure quality housing is available for everyone choosing to live in the city.

One approach used across the country is a Housing Trust Fund (HTF). HTFs provide a stable and effective way to ensure long-term financing for affordable housing construction and other related purposes. HTFs are funded through dedicated revenue streams like transfer taxes, document recording fees, millages, and other sources. This dedicated revenue ensures consistent funding for the long term, rather than being dependent on budget appropriations that can be affected by economic conditions and political processes. There are more than 700 HTFs in cities, counties and states across the country.

A successful HTF in Grand Rapids will require more research on best practices used for establishing and operating such funds. Dedicated revenue tools as identified above should be explored for long-term sustainability. Additionally, a financial commitment from the City of Grand Rapids should be used as leverage to develop local partnerships to initially create a HTF. Such partnerships could include other governmental institutions, financial institutions, corporate and philanthropic partners, healthcare institutions, and others.

ACTION

Identify and use property use restriction tools to preserve housing affordability.

There are a number property use restriction tools that can be used to preserve housing affordability. For example, a Community Land Trust (CLT) is a non-profit corporation that acquires and holds land to secure access to affordable land and housing within a community; and has the authority to designate permanently affordable or deed-restricted housing to prevent resale prices from rising significantly. CLTs achieve permanent affordability by removing the cost of land from the price of housing and separating ownership of the two.

CLTs are used around the country. The Amherst Community Land Trust in Massachusetts has been buying single-family properties and providing them to year-long residents for affordable prices in order to combat the encroachment of student rentals on traditionally single-family neighborhoods.^{xxiii} Boston's Chinatown neighborhood formed a CLT to prevent gentrification in the neighborhood and maintain housing affordability for recent immigrants and working families.^{xxiv}

The City, in partnership with developers and other stakeholders, should explore and encourage use of tools such as community land trusts, deed restrictions, and declarations of trust. Further analysis of neighborhood demographics and housing value trends should occur to determine areas in the City where this approach would be most effective. Additionally, a partnership with MSHDA should be developed to support CLT use in coordination with the the Low Income Housing Tax Credit Program.

ACTION

Ensure affordable housing for vulnerable households by obtaining data on those populations and defining a target number of units for development.

As a community, it is important that quality housing is available for all people. In particular, available for vulnerable populations, including individuals, families, children, and seniors who are living in poverty; who may be disabled; or who may even be homeless.

Additional data is needed to more fully understand the housing needs of vulnerable households. In partnership with permanent supportive housing providers, social services agencies and other stakeholders, the City should analyze the gap between the housing needs and housing supply for vulnerable populations. Once analysis is complete, further work should occur to establish specific goals and strategies to address identified housing barriers and needs.

ACTION

Explore a property tax exemption, income tax credits, or another program which would make housing more affordable for vulnerable populations.

State law (Section 7u of the General Property Tax Act, MCL 211.7u) allows a property tax exemption for the homestead of persons who, in the judgment of the Board of Review, by reason of poverty, are unable to contribute toward their property tax bill. City Commission Policy 700-07 provides guidelines for such a program in Grand Rapids.

The Board of Review uses adopted poverty exemption income guidelines and an asset level test to approve the exemption annually. The homestead poverty exemption is a partial or complete discharge, or “forgiveness,” from property taxes for households that meet the necessary requirements. The exemption especially helps people who might be at risk for losing their home because of property tax burdens.

The City should explore and implement other property tax exemptions, income tax credits, or other programs that would make housing more affordable for vulnerable populations. For example, Jersey City has established zones for tax abatement and incentives that vary depending on the type of housing or development that already exists.

ACTION

Support existing programs and tools that create and preserve quality affordable housing.

Much emphasis has been placed on rental units and underrepresented housing types (such as co-housing) to increase affordable housing in the city. However, efforts must continue to support affordable homeownership opportunities. This is particularly important in ensuring housing opportunities for families.

Grand Rapids currently has 22,559 households with children. The Zimmerman/Volk housing market analysis identified families as the largest group (49%) looking for housing in Grand Rapids in the next five years. In September 2015, Bloomberg Business reported Grand Rapids was the sixth hottest market for first-time homebuyers where millennials made up the highest share of people using a mortgage to buy a home. Families and young professionals desiring to live within cities or near city centers want neighborhoods with access to transportation lines, safe parks and playgrounds, and good schools.

The City of Grand Rapids currently operates an Acquisition and Development for Resale program in partnership with nonprofit developers to redevelop homes (often in poor condition) and resell them to low- or moderate-income households. Also, buyers are often eligible to participate in the City's Homeownership Assistance Fund (HAF) Program that provides downpayment assistance to income eligible buyers. These programs should be continued as they have been important in successfully preserving neighborhood housing stock and supporting homeownership opportunities.

According to the American Community Survey, 80% of Grand Rapids homes were built before 1978.^{xxxiv} These homes may have older mechanicals and little to no insulation, making the home less comfortable to live in and more expensive to maintain. They also may have lead-based paint hazards that put children at risk of lead poisoning. In response, the City should continue its partnerships and programs that preserve this aging housing stock, improve long-term affordability, and ensure health and safety.

Specifically, there should be continued support of existing programs such as the City's Property Maintenance Code compliance program to ensure homes remain safe, as well as City housing rehabilitation programs (for renter and homeowner occupied units) that assist with home repair, addressing lead hazards and code violations, and energy efficiency improvements. Furthermore, partnerships should be maintained with nonprofit partners that assist with minor home repairs, access modifications, and housing related health issues.

ACTION

Use the high number of vacant homes to increase the supply of affordable housing.

The Grand Rapids Property Maintenance Code (Chapter 140 of Title VIII of the Code of the City of Grand Rapids) requires abandoned or vacant homes to be registered with the City. By definition, these homes have not been occupied for more than 30 days and meet any of the following criteria:

- Is a location for loitering, vagrancy, unauthorized entry or other criminal activity;
- Has one or more broken or boarded windows or unsecured point of entry;
- Has taxes in arrears for a period of time exceeding 365 days;
- Has utilities disconnected or not in use;
- Is not maintained in compliance with the City's Property Maintenance Code; or
- Is subject to foreclosure.

There are more than 1,000 vacant or abandoned homes registered with the City of Grand Rapids. These properties can and should be used as an asset to increase the housing supply, and drive neighborhood improvement in distressed areas. As such, the City must continue its efforts to work in partnership with the Kent County Land Bank Authority and housing developers to take advantage of this existing housing supply. While the City currently monitors blighted vacant properties (and imposes fees when not addressed), other enforcement tools should be investigated to ensure properties are maintained and to prevent the holding of property in non-productive use for long periods of time.

Goal

SUPPORT LOW-INCOME AND VULNERABLE POPULATIONS

All residents regardless of income and other factors should have access to quality affordable housing.

Not all residents have equal access to quality affordable housing. Some populations face barriers that affect their ability to afford housing and remain housed. The following populations were identified as being vulnerable to housing obstacles:

- Developmentally disabled
- Disabled
- Displaced
- Elderly
- Families with children
- Fixed-income
- Homeless
- Housing cost burdened
- Immigrants
- LGBTQ
- Low-income
- Mentally ill
- Non-English speakers
- Persons discharged from publicly funded institutions and systems of care (health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions)
- Persons with alcohol or other drug addictions
- Persons with HIV/AIDS
- Racial and ethnic minorities
- Survivors of domestic violence
- Veterans

There may be populations who face barriers to housing that are not included in this list. The City of Grand Rapids must proactively identify and address the needs of the populations listed above in addition to any other groups struggling to gain access to housing.

ACTION

Address impediments to fair housing.

Illegal housing discrimination is an obstacle to accessing housing. The federal Fair Housing Act prohibits discrimination in any housing related transaction based upon race, color, religion, national origin, gender, disability status or familial status. State fair housing laws add marital status and age as protected classes. In addition to the federal and state protections, the City of Grand Rapids adds legal and verifiable sources of income as well as sexual orientation as protected classes. Despite these laws meant to ensure housing choice, housing discrimination still happens in our community. In fact, over the last ten years, the Fair Housing Center of West Michigan has opened an average of 75 cases of housing discrimination in Grand Rapids annually.

Housing discrimination must be addressed through education, enforcement, and strategies to overcome identified barriers. The City and community should continue to work with the Fair Housing Center of West Michigan and other stakeholders to investigate fair housing complaints and enforce fair housing laws, while educating the community about fair housing laws.

ACTION

Support the Housing First philosophy.

Housing First is an approach that offers permanent, affordable housing as quickly as possible for individuals and families experiencing homelessness, and then provides the supportive services and connections to the community-based supports people need to remain in their home. Key features of the Housing First approach include: few programmatic prerequisites, low barrier admission policies, rapid and streamlined entry into permanent housing, voluntary supportive services, and a focus on housing stability.

Work to end homelessness, coordinated by the Grand Rapids Area Coalition to End Homelessness, is done through the framework of the Housing First philosophy. Emphasis is placed on moving households to safe, secure, and permanent housing as quickly as possible, with no pre-conditions set as readiness for housing. The Grand Rapids Area Coalition to End Homelessness' 2015-2017 Strategic Plan identifies a number of ways the Housing First approach is being implemented locally. The City should continue to support this approach.

ACTION

Partner with local agencies working to ensure affordable housing for vulnerable populations including the need to provide options for aging in place.

Partnerships with existing agencies and service providers will be integral in eliminating barriers to affordable housing for vulnerable populations. There are numerous agencies already involved in locating and providing housing for Grand Rapids residents. Continued systemic coordination of these efforts is essential to maximize community resources and support those who are most vulnerable.

The City's median age is 31 years old. According to the 2013 American Community Survey, the population of Grand Rapids was relatively young with about 68 percent of the population under age 45, up from 61 percent in 2000. Notwithstanding this youthful trend, the U.S. population is aging. Grand Valley State University's Community Research Institute (CRI) suggests the number of elderly in Kent County will double before 2035.^{xxv}

The need for options to age in place was an important theme identified throughout the process. Grand Rapids residents are aging and will need a variety of creative housing solutions. The population of older adults is increasing and will continue to increase. We must ensure there are quality affordable housing options for them. Partnerships with local organizations will be imperative to solve this challenge.

ACTION

Create a housing consumer's alliance, to include education strategies for consumers, landlords, and the general population.

To ensure permanent, quality housing for all city residents, the City should work in partnership with other organizations to create a housing consumer's alliance. The alliance would provide education and supports to renters, homeowners, homebuyers, landlords, and the general population. Work would focus on range of issues such as fair housing, eligibility for subsidized housing, credit repair, tenant's rights and responsibilities, improving renter-landlord relations, and homebuyer education.

ACTION

Create a court eviction diversion pilot program.

The Court system can play an important role in ensuring stability in the lives of residents who struggle to find housing stability. For example, the Community Outreach Court is a partnership between the 61st District Court, Mel Trotter, Degage, Heartside Ministries, and Heartside Neighborhood Collaboration to provide an avenue for precariously housed and homeless families to clear up criminal matters they have in the court system. While this program helps vulnerable populations recover from crippling court costs and maintain housing, the Community Outreach Court does not specifically address landlord and tenant disputes and evictions.

Several communities in Michigan have piloted Court Eviction Diversion Programs to reduce homelessness and mitigate the effects of evictions on housing stability. Kentwood 62 B District Court has an eviction diversion program that connects resources from the Kent County Department of Human Services, the Salvation Army Housing Assessment Program, Thomas M. Cooley Law School, and Community Legal Services of West Michigan. The program specializes in providing low- and moderate-income families with eviction prevention assistance. To be eligible, tenants must have enough income to pay next month's rent and be eligible to receive Department of Human Service assistance.

A similar program has been piloted in the 86th District Court which serves Grand Traverse, Leelanau, and Antrim counties. This Eviction Diversion program has had challenges with a low diversion rate due to the amount of debt accrued by tenants before seeking assistance through the program. Sympathetic landlords have allowed tenants to remain in housing past their ability to pay rent, especially in winter months. Ultimately, this results in the accruing of debt that tenants are unable to pay back and the program's participating agencies cannot contribute enough funds to address. This Eviction Diversion program is supported in part by Michigan State Housing Development Authority Emergency Solutions Grant funds. The key to improving the program would be to encourage tenants and landlords to seek assistance before the debt builds up.

Further review of successful court diversion programs should occur to determine best practices. Once identified, state and local partnerships should be developed to determine feasible approaches to implementation.

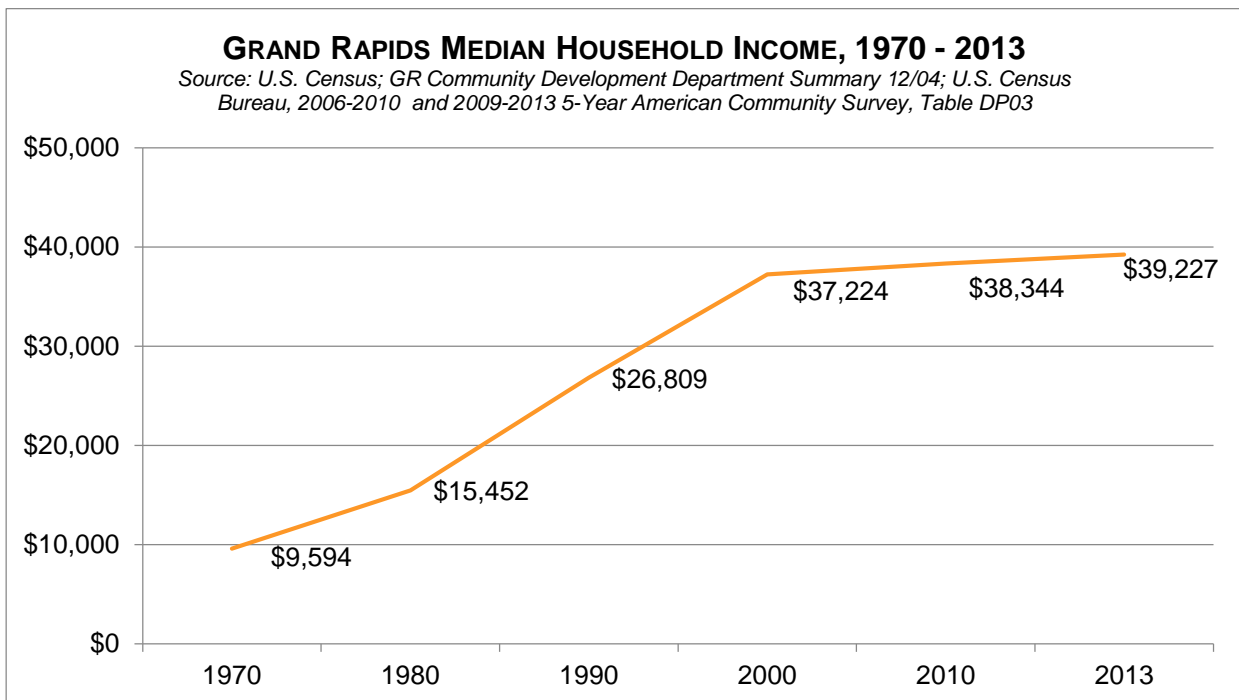
Goal

SUPPORT EMPLOYERS AND WORKFORCE DEVELOPMENT

Households must be able to generate sufficient income to support their housing needs. Employers are crucial partners in creating innovative approaches that result in housing stability and opportunity.

Personal finances directly affect residents' ability to obtain housing, whether rental or homeownership. Both educational attainment and the job market are factors that influence financial security. When considering the data below, employers and local businesses can and should play a significant role in making Grand Rapids a livable city for all residents. Higher wages, more benefits, and more career opportunities and mobility all contribute to the ability to sustain quality housing.

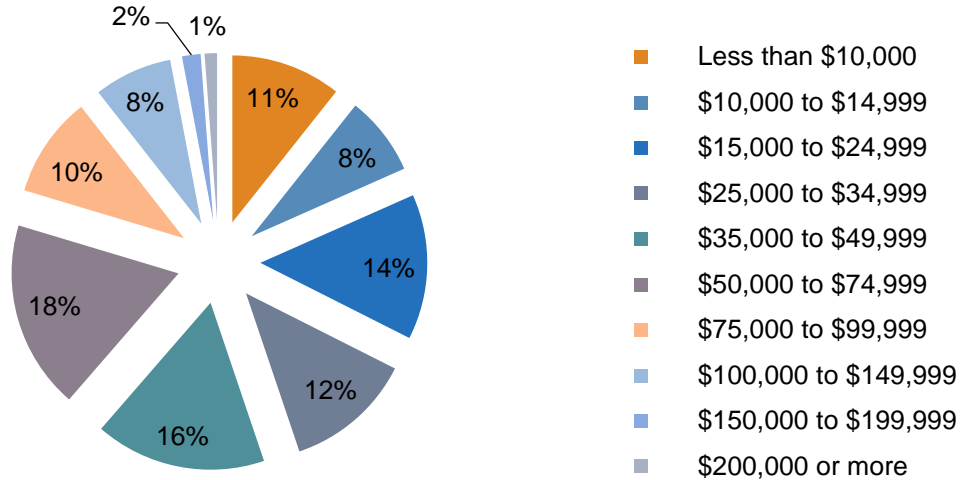
Income. Between 1970 and 2013, Grand Rapids' median household income increased 309 percent.



Eighty percent (80%) of Grand Rapids households earn less than \$75,000. Throughout the process, the topic of living wages was discussed frequently, because low wages are significant barrier to accessing and maintaining affordable housing is income. If a household is unable to attain a living wage, securing and retaining quality housing is a challenge. Some households in Grand Rapids are significantly cost-burdened, meaning they expend more than 30 percent of their household income on housing costs, or 45 percent on a combination of housing and transportation costs. This results in choosing each month between housing, food, or medical expenses. Whites have the highest median income, followed by Asians; Black/African Americans have the lowest.^{xxvi}

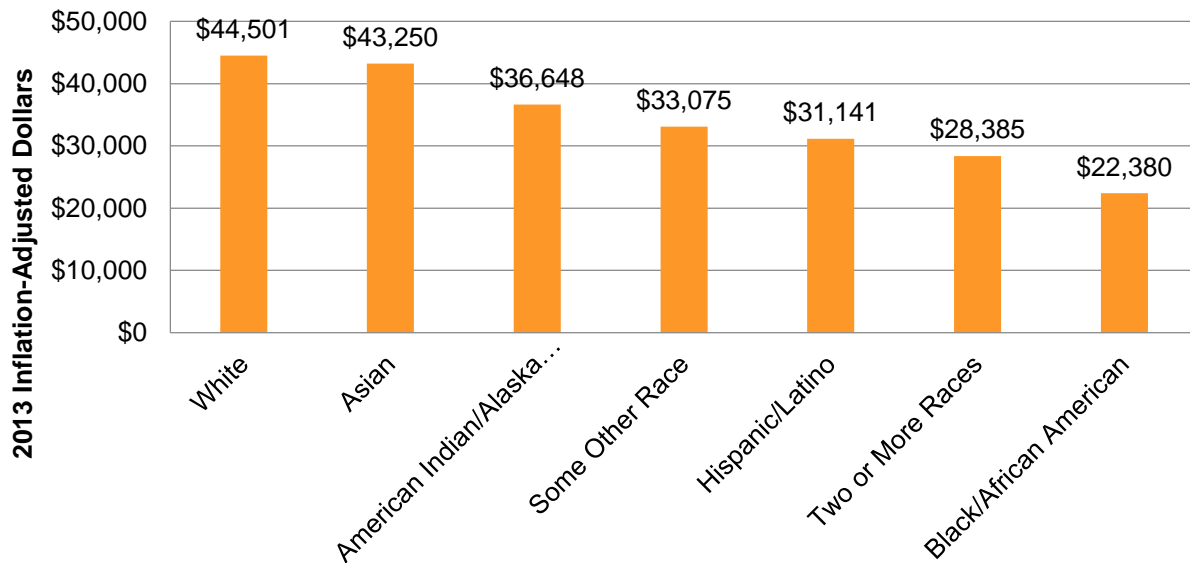
**HOUSEHOLD INCOME & BENEFITS IN GRAND RAPIDS
(2013 INFLATION-ADJUSTED DOLLARS)**

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey, Table DP03



GRAND RAPIDS MEDIAN HOUSEHOLD INCOME BY RACE/ETHNICITY

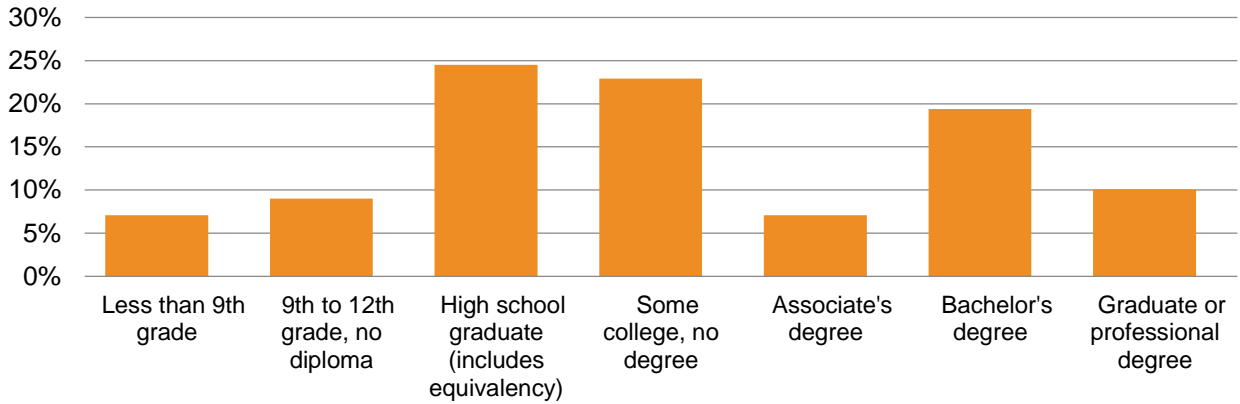
Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey, Table B19013



Education. Educational attainment directly affects household finances. In 2013, an estimated 116,457 people were 25 years and over. Nearly 30 percent had a bachelor's degree or higher. More Asians and Whites attained the highest levels of education than other races/ethnicities. Regardless of educational attainment, men earned higher median incomes than women.

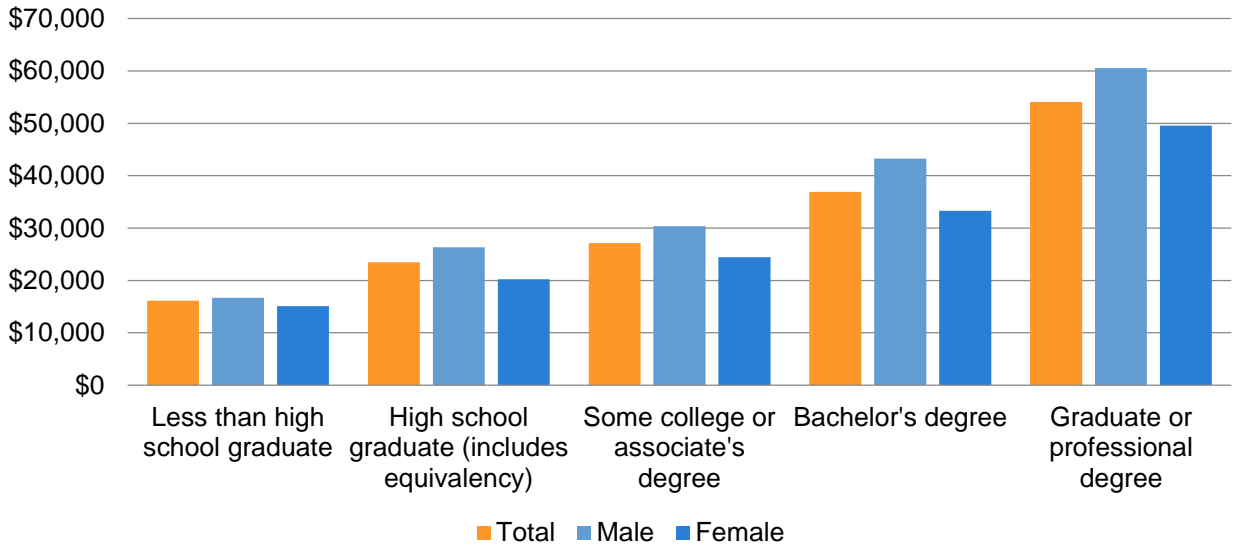
EDUCATIONAL ATTAINMENT IN GRAND RAPIDS

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey



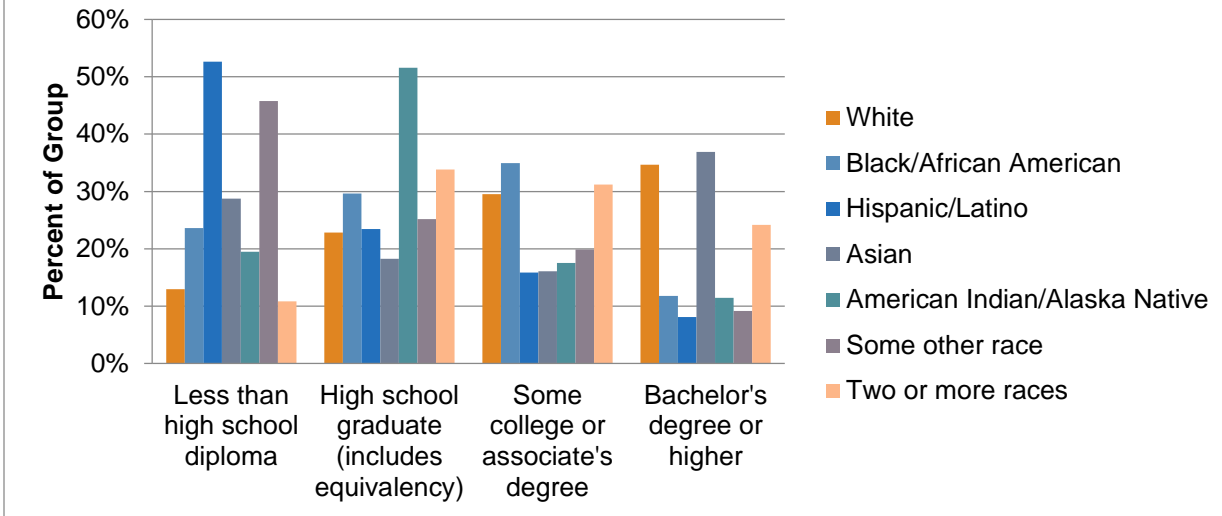
EFFECT OF EDUCATION ON GRAND RAPIDS' MEDIAN EARNINGS (25+ YEARS OLD, 2013 INFLATION-ADJUSTED DOLLARS)

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey, Table B20004



**GRAND RAPIDS EDUCATIONAL ATTAINMENT AMONG RACIAL/ETHNIC GROUPS
(25+ YEARS)**

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey



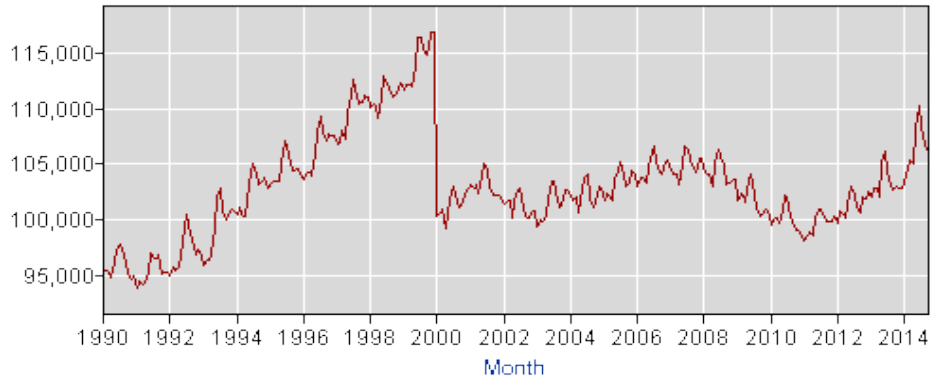
Labor Force. In 2013, an estimated 33 percent of the Grand Rapids population 16 years and older was not in the labor force.^{xxvii} Some people do not participate in the labor force for reasons including full-time school enrollment, not working in order to care for families, or being unable to find work. These people would not be included in the labor force counts because they are not looking for work.

The labor force is defined as those people who are working or looking for work. In 2013, the city of Grand Rapids had 103,363 people in the labor force (not seasonally adjusted).^{xxviii} That is nearly a 10 percent drop since 1999. Factors contributing to this decline include population loss through out-migration due to lack of jobs, and people who are not counted in the labor force because they could not find jobs and have given up looking.

GRAND RAPIDS LABOR FORCE TREND

Source: U.S. Department of Labor, Bureau of Labor Statistics

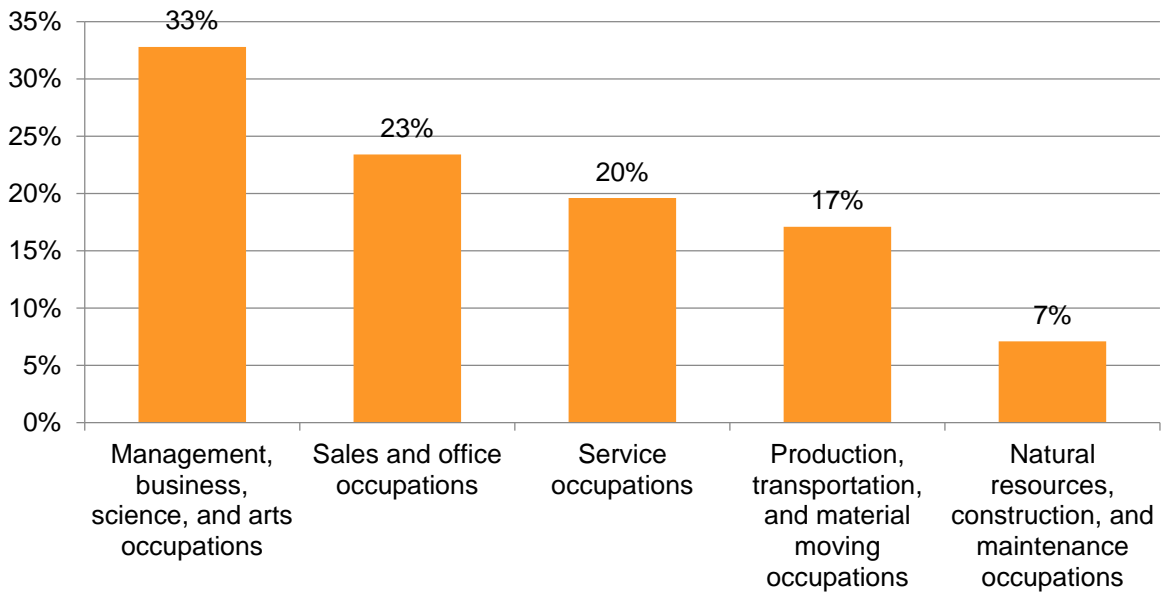
Labor Force



Industry. Private wage/salary workers make up the majority in the city at 87 percent. The remaining workers are in government positions (8 percent) and self-employed (5 percent).^{xxix} Many people continue to be employed in manufacturing; however, the region is investing in a knowledge-based economy. In recent years, Grand Rapids has worked to diversify its economy by increasing jobs in health care and education, many of which require college education.

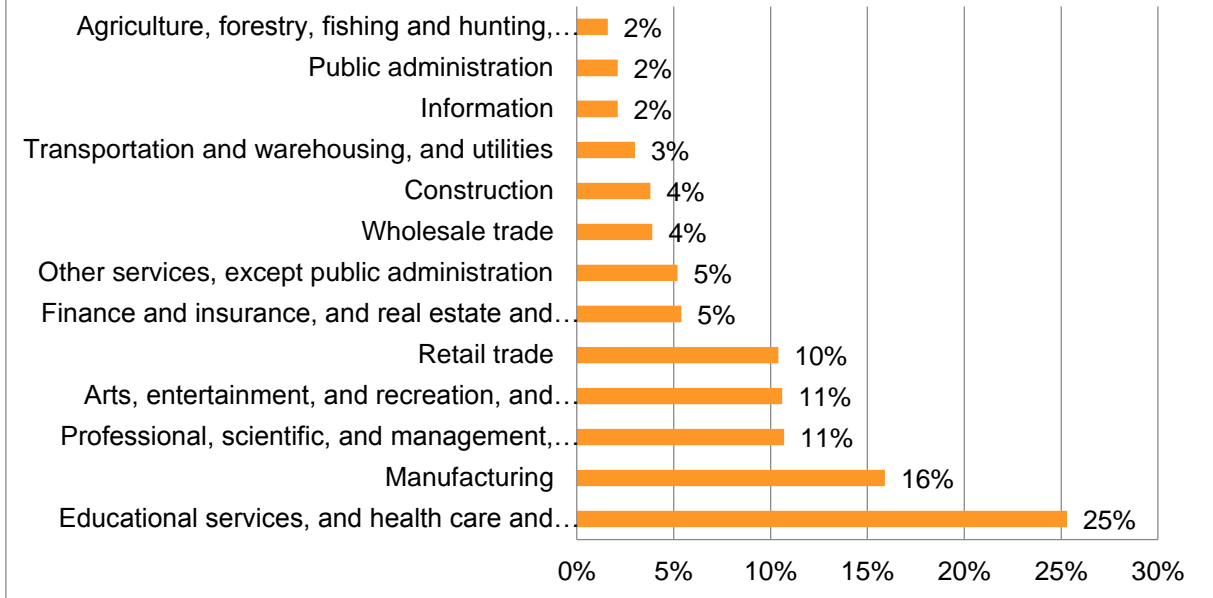
OCCUPATIONAL EMPLOYMENT IN GRAND RAPIDS

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey



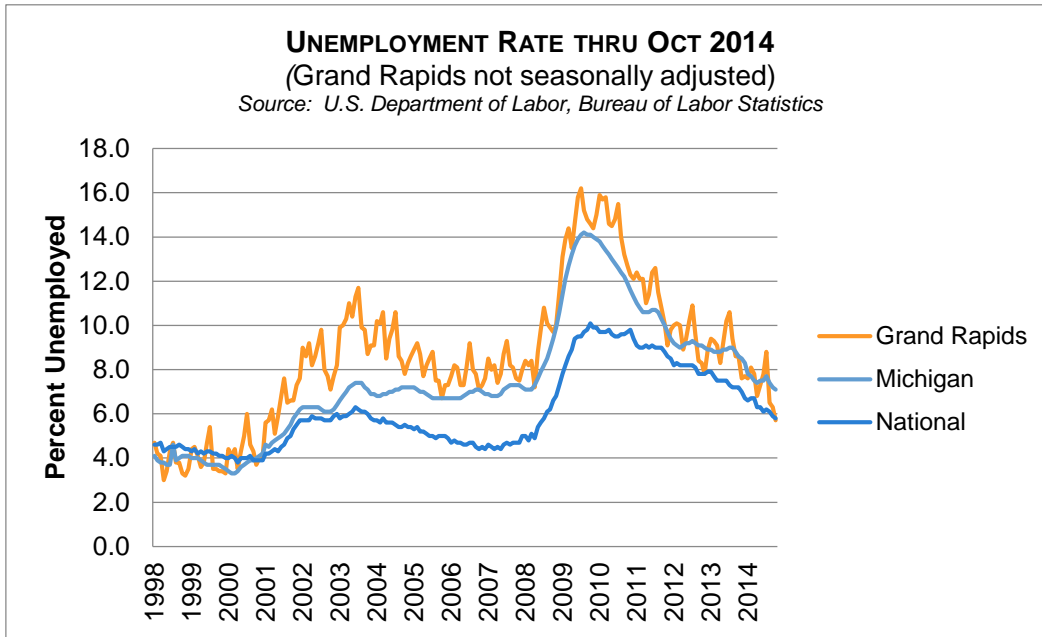
CIVILIAN EMPLOYMENT BY INDUSTRY IN GRAND RAPIDS

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey

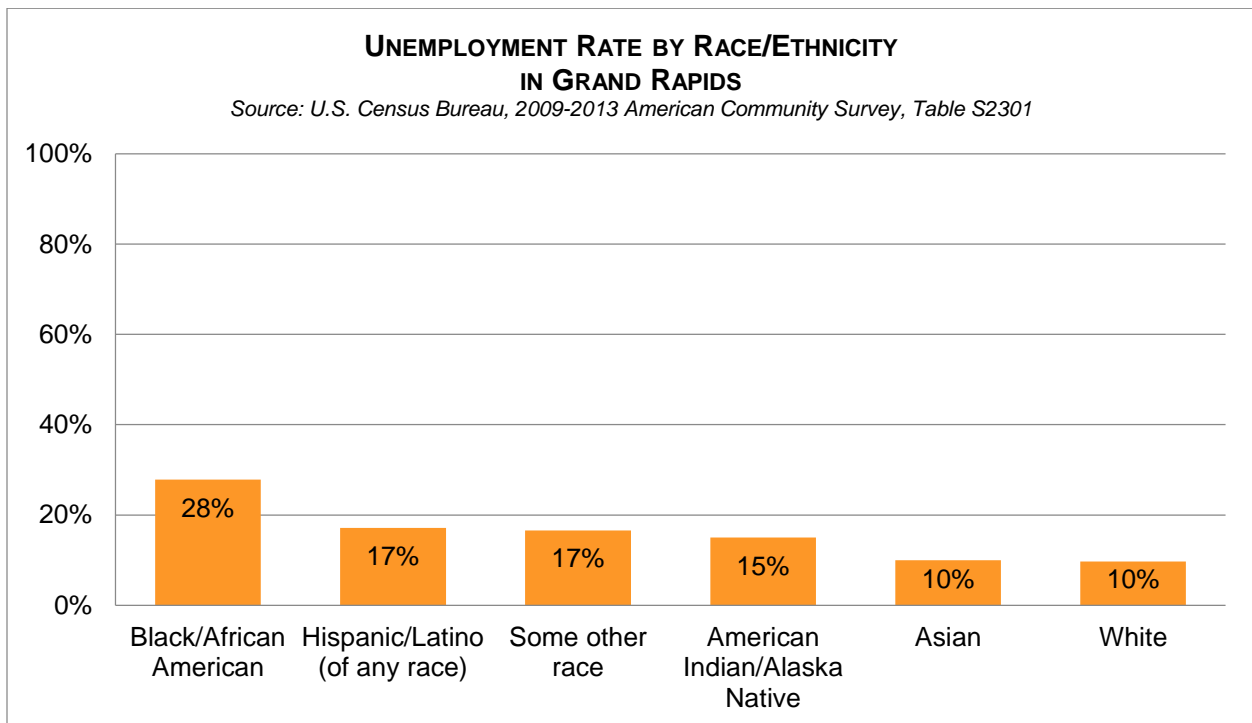


The largest employer in West Michigan is Spectrum Health, the largest health care system in West Michigan. Second largest is Axios, an employment placement agency. Third is Meijer, a regional grocery and general merchandise store headquartered a few miles from Grand Rapids. Fourth is Mercy Health Saint Mary's, an integrated health care network and general medical and surgical hospital. Fifth is Johnson Controls, an automotive seating and interior trim manufacturer.

Unemployment. People are classified as unemployed if they do not have jobs, they have actively looked for work in the last four weeks, and they are currently available for work. Michigan did not fully recover from the 2001 recession and endured a decade of economic hardship. The state's seasonally adjusted monthly unemployment rate consistently exceeded the national rate beginning in September 2000, with a wide distancing starting in 2003. Michigan was the only state in the nation to lose population in the 2010 Census. This is widely attributed to the loss of jobs and out-migration.



In 2013, the city’s unemployment rate was 9 percent. Fully 9,304 people in Grand Rapids were unemployed, which represented a 105 percent increase since 1999.^{xxx} With the exception of Asians, estimated unemployment rates are higher for minority groups than for Whites.



ACTION

Implement incentives for employer-assisted housing.

Low- and moderate-income families are integral to Grand Rapids' economy, and income diversity throughout the city and downtown ensures that all sectors of the economy will thrive. Employers have a vested interest in making sure their employees have safe, reliable, and affordable housing within a reasonable distance of their workplace. If families are unable to live near where they work, businesses may have a harder time attracting and retaining employees. Employers who support employee access to housing may experience less employee turnover and increased reliability.

The City of Grand Rapids has an employer-assisted housing program through which employees are given down payment and closing cost assistance to purchase homes within the City's Community Development General Target Area. Area employers are encouraged to establish similar homeowner or rental programs. Incentives should be available to all workers, not just as an effort to recruit upper level management.

ACTION

Increase career opportunities such as internships, coaching, mentoring, and job shadowing for entry and incumbent workers, and ensure equitable access to those opportunities.

Although good work is occurring in this area, more can be done to better support internship opportunities for low- and moderate-income and minority residents. It was recognized that internships are accessed by those with professional connections and resources. Not everyone can afford to work an unpaid internship and, in fact, there is research to suggest that unpaid internships do not help college students secure permanent jobs.^{xxxii} Paid internships would make it more feasible for those with heavier financial burdens to gain job experience, and the same research suggests they may lead to job offers and higher starting salaries.

Internships are often geared toward youth and young adults but there is a need for adults with families and full time jobs who go back to school in the evenings to gain entry level experience in their new field. Marketing to and recruitment of low- and moderate-income and minority residents should be an intentional goal of companies. The National Association of Colleges and Employers found that 77.6 percent of employers at a national level use their internship programs as a primary source of recruiting future talent and 64.8 percent of interns received full-time job offers. The Grand Rapids area has many initiatives underway to support cultivation of talent, including:

- The Michigan Internship Initiative (founded by Hello West Michigan and the Prima Civitas) - focused on connecting employers, educational institutions and workforce development, while providing employers with the resources necessary to build a successful internship program. They provide numerous resources, including an Employer Internship Toolkit and training sessions.
- Our Communities Children (OCC) – operates the *Mayor's 100* (recently expanded from *The Mayor's 50*), which is a campaign to identify 100 businesses to partner with the City of Grand Rapids to provide meaningful jobs for young people in high school and college. The City shares the cost 50/50 of employing a young person up to 150 or 240 hours. OCC also supports the Leadership and Employment, Achievement and Direction (LEAD) program that provides training in civic engagement, leadership and employability skills to

young people ages 15-24. Participants attend workshops in résumé and cover letter writing, interviewing, dressing for success, stress management, financial literacy, and field trips to local businesses and colleges.

- Emerge West Michigan offers the Mentor Connect program for entrepreneurs who are starting new businesses to help guide them through that process and connect them to available resources.

Besides internships, other opportunities that would provide professional development and/or exposure to different career choices within a field should also be promoted, such as coaching, mentorship, and job shadowing programs. An enhanced focus must occur on creating intentional relationships that advance learning and skill development for future career attainment.

ACTION

Create incentives for employers to locate near neighborhoods with high unemployment.

Physical access to jobs is an important factor in one's ability to get and keep quality housing. When employers locate their business in or near neighborhoods with high unemployment, they remove the barrier of transportation for neighborhood residents. Communities where employers choose to locate also benefit. In addition to jobs created, investment in real and personal property are likely to occur and can cause a chain reaction. Nearby businesses often make investment in aesthetic improvements that improve curb appeal and improve the surrounding area.

Retail businesses can fill a product gap in the community (e.g. a grocery store providing access to fresh, healthy produce in a food desert) and stimulate the local economy by getting people to spend their money in the neighborhood. Mixing business and residential uses in close proximity also creates safer neighborhoods because there are people around during the day for work and in the evenings at home.

It should not be assumed that unemployed individuals only have entry level job skills. Businesses offering higher wage positions – not just businesses with entry level positions – should be encouraged to locate in areas of high unemployment. Even if the majority of the unemployed population in a neighborhood has only entry level skills, businesses that require skilled workers should be committed to training their workforce. Having job opportunities that provide upward mobility will further lift up struggling neighborhoods, benefiting everyone by making Grand Rapids a more vibrant place.

ACTION

Educate employers on racial equity and inclusion.

The Business Case for Racial Equity in Michigan (May 2015), prepared by Altarum Institute and funded by the W.K. Kellogg Foundation, recognizes that “businesses with more diverse workforces have more customers, higher revenues and profits, greater market share, less absenteeism and turnover, and a higher level of commitment to their organization.” Their research found that “if the more than 70 percent of children of color (114,000) aged 0–3 years in Michigan who are estimated to be “at risk” achieved school readiness, the present value lifetime savings would be \$4.5 billion.” The report also identified a number of approaches to improving racial equity, such as policies to improve access to early childhood education, lower infant

mortality rates, reduce incarceration rates, and help for returning prisoners to transition into society, thereby reducing recidivism.

The Center for American Progress' analysis *Charting New Trends and Imagining an All-In Nation: Economic benefits of reducing racial and ethnic inequality: Michigan* (March 2015) concludes that if economic disparities were eliminated, the entire state economy would benefit by \$1.1 billion. The West Michigan Leadership Collaborative & Michigan Department of Civil Rights' *The High Cost of Disparities* (2015) report explores the costs of racial inequalities in community economic development, health, and education in West Michigan. The report recommends ongoing data collection and using the Equity Impact Review tool from King County Strategic Plan 2010-14 to evaluate policies for impact on equity and "to ensure that negative impacts are mitigated and positive impacts are enhanced."

Talent 2025 is another West Michigan organization working to educate employers about this important topic. Their report, *Comprehensive Analysis of the Current and Future Talent Needs for the TALENT 2025 Region* (June 2013), highlights the impact of the economic gap on an emerging diverse workforce and discusses the impact of poverty on the academic success of children. Likewise, the Grand Rapids Area Chamber of Commerce is committed to creating a more diverse and inclusive workforce and offers a two-day "Facing Racism" seminar through its Institute for Healing Racism program.

The City has a role to play in disseminating this information in conversations with businesses. Business leaders should know that the City does not tolerate discrimination and actively promotes the inclusion and equitable treatment of all those who live and work in Grand Rapids.

ACTION

Create live-work spaces in neighborhood business districts.

A live-work unit combines commercial and residential use within a single unit that is used as the primarily dwelling of the occupant. With this housing model, household expenses may be reduced as there are less commuting costs; business overhead and operating costs can also be less.

Live-work units developed locally, particularly along the South Division Business Corridor, provide an example for other area development. The City of Grand Rapids should work with neighborhood business corridors and developer to encourage creation of additional live-work units. As additional live work units are planned, attention should be paid to ensure active commercial uses within the business district.

ACTION

Develop and implement cooperative business models.

According to the United States Small Business Administration, "a cooperative is a business or organization owned by and operated for the benefit of those using its services. Profits and earnings generated by the cooperative are distributed among the members, also known as user-owners." Some of the advantages of this type of business structure include 1) less taxation - cooperatives that are incorporated normally are not taxed on surplus earnings refunded to members; 2) funding opportunities - there are a variety of grants available to start cooperatives; 3) perpetual existence - a cooperative structure brings less disruption and more continuity to the business; and 4) democratic organization - the democratic structure of a cooperative ensures that it serves its members' needs. "Cooperatives are often formed in

response to a problem in the market, usually due to an imbalance of power between a supplier of goods and the customer. By pooling members' purchasing power, a cooperative may serve as a force to lower prices or raise the quality of service, or influence the market in other significant ways" (Defining the Value of the Cooperative Business Model: An Introduction, CHS Center for Cooperative Growth, 2013).

This alternative way of doing business has been gaining in popularity as evidenced by Shane Hughes TEDx talk "The Unstoppable Rise of a Collaborative Economy." Even so, this type of business structure is not common in the City of Grand Rapids. The cooperative business structure should be supported by the City, especially within the neighborhood business districts. The City should continue its partnerships with a number of entrepreneurial support organizations (ESO) that could work with prospective cooperatives. These ESOs include Emerge West Michigan, Neighborhood Ventures, and Pure Michigan's Micro Lending Initiative administered by Grand Rapids Opportunities for Women (GROW), LINC Community Revitalization, and Small Business Development Corporation (SBDC).

Goal

ENCOURAGE ALTERNATIVE TRANSPORTATION AND PARKING OPTIONS

Transportation is a key factor in housing stability and affordability. The role transportation plays in a household's cost of living must be considered to create and maintain vibrant neighborhoods and communities.

According to the U.S. Department of Housing and Urban Development (HUD), a livable community is one with multiple modes of transportation, different types of housing, and destinations located within an easy distance of homes. An easy distance is defined as 20 minutes by transit, 15 minutes by bike or foot, and 10 minutes by car.^{xxxii} The livability of Grand Rapids' neighborhoods is defined by the location of and access to transportation and amenities.

A relatively new standard that includes consideration of transportation costs has been applied to commonly held measurements of affordability. Housing is generally considered affordable for a household if that household spends less than 30 percent of income on housing costs (including utilities). An important addition to this standard has been adopted by housing professionals to acknowledge the role transportation plays. Locational affordability is determined by the percentage of a household's income spent on all housing costs in addition to transportation costs. Under this standard, affordability is defined as spending no more than 45 percent of household income on housing and transportation. The pairing of these costs emphasizes the role transportation alternatives can play in making housing more affordable.

ACTION

Waive or reduce parking requirements as an incentive to promote affordable housing downtown (below 120 percent AMI).

Parking requirements play a significant role in maintaining neighborhood character and should not be eliminated altogether in neighborhoods. However, the potential relationship between incentivizing affordable and mixed-income housing and parking requirement waivers for developments downtown and in areas with available alternative transportation options was noted. For projects located near transportation, a parking requirement waiver could help to reduce developments costs and make a project more financially feasible.

There are currently mechanisms in the Zoning Ordinance for reducing or waiving parking requirements, largely including transportation-related reductions such as proximity to transit, bicycle, or alternative vehicle parking (electric, car-share, commuter, etc.), shared or mixed-use parking arrangements, or deferral or payment in lieu of parking. An additional provision is recommended allowing the reduction of parking requirements when affordable and/or middle income housing is proposed.

Parking requirements can be leveraged to promote certain housing goals without disturbing neighborhood character if the City prioritizes finding a balance between housing goals and access to convenient transportation options. Indeed, the two cannot exist exclusive of one another. Quality housing development depends on access to transportation, and the transportation system cannot function effectively without people residing in quality housing in close proximity.

ACTION

Provide access to reliable public transportation that operates during all work shifts, and locate transportation near housing and workplaces, including concentrated industrial areas.

Public transportation has an important role in a vibrant and sustainable city. While acknowledging the work that is already being done in the city, there is still an observable gap between the existing public transportation system and the needs of residents to access jobs. Current hours of operation for The Rapid cover only the first shift in its entirety. Many jobs require attendance outside of these hours, making it difficult for residents who rely on public transit to fill these positions. Efforts must be made to better support resident access to employment through public transportation and other transportation options (e.g. car-share, van pool, light rail, etc.).

Public transportation should be intentionally located near workplaces and industrial areas. Connecting transportation between housing and workplaces is a priority. Development of new workplaces and industry should be incentivized around existing transportation so new jobs are connected with existing residents. The Rapid's mission and vision states, in part, that "employers choose our community because it provides multiple solutions for getting employees to work" and "public transportation supports sustainability and economic development." The City has a role to play in facilitating conversations that bring together the needs of workers and employers with public transportation to find feasible, long-term solutions.

The City passed a complete streets resolution (Proceeding No. 80209) on March 22, 2011. This resolution stated that "Complete Streets support economic growth and community stability by providing accessible and efficient connections between home, school, work, recreation, and retail destinations by improving pedestrian and vehicular environments throughout communities" and committed the City to "design and construct Complete Streets wherever feasible." City of Grand Rapids voters passed a "vital streets" millage in May 2014, after which, the City established the Vital Streets Oversight Commission (VSOC) to monitor the use of revenue from that millage. Much of the work around designing and constructing Complete Streets has been done informally by staff. Finally, in an effort to formalize the complete streets principals, the Vital Streets Oversight Commission issued a request for proposals (RFP) from consultants to create a "Vital Streets Plan and Design Manual" in spring 2015. The RFP defines vital streets as complete streets plus green infrastructure and will establish five workgroups under the VSOC: pedestrian, bicycle transit and freight, transportation demand management, and green infrastructure.

Goal

CHANGE PUBLIC PERCEPTION OF AFFORDABLE HOUSING

Affordable housing contributes to family stability and overall community health. It is important for our community to understand the need for affordable housing and its benefits.

Public support of planning initiatives is important for project success, while lack of support can be a significant impediment to implementation. It is not uncommon for proposed affordable housing developments to face neighborhood opposition, referred to as “not in my backyard” or “NIMBYism,” because of stigma associated with affordable housing. However, the public perception of people who need affordable housing is often based on stereotypes.

While the language used to frame affordable housing has changed over the years, the culture has not. When public perceptions of low-income households became negative, the term “low-income housing” was replaced with “affordable housing.” Today, the term “affordable housing” is losing favor to “workforce housing.” Workforce housing elicits images of firefighters, police, nurses, and service industry workers who all require housing near their workplace. This addresses some negative perceptions related to low-income households, but does not tell the whole story. While low-income residents who require access to affordable housing can be nurses or firefighters, they can also be a grandparent living on a fixed income, or they could in fact be someone facing homelessness. The chart below demonstrates how much a family in Grand Rapids can earn and still qualify for many affordable housing programs.

INCOME LIMITS FOR VARIOUS AFFORDABLE HOUSING PROGRAMS						
Percent of Area Median Income	Wage	1-Person	2-Person	3-Person	4-Person	5-Person
80% AMI	Annual Wage Max	\$35,850	\$41,000	\$46,100	\$51,200	\$55,300
	Full-time Hourly	\$17.24	\$19.71	\$22.16	\$24.62	\$26.59
	2-person FT Hourly	na	\$9.86	\$11.08	\$12.31	\$13.29
60% AMI	Annual Wage Max	\$26,880	\$30,270	\$34,560	\$38,400	\$41,520
	Full-time Hourly	\$12.92	\$14.55	\$16.62	\$18.46	\$19.96
	2-person FT Hourly	na	< Min Wg	\$8.31	\$9.23	\$9.98
50% AMI	Annual Wage Max	\$22,400	\$25,600	\$28,800	\$32,000	\$34,600
	Full-time Hourly	\$10.77	\$12.31	\$13.85	\$15.38	\$16.63
	2-person FT Hourly	na	Less than Minimum Wage			\$8.32
30% AMI	Annual Wage Max	\$13,450	\$15,930	\$20,090	\$24,250	\$28,410
	Full-time Hourly	< Min Wg	< Min Wg	\$9.66	\$11.66	\$13.66
	2-person FT Hourly	na	Less than Minimum Wage			

Most everyone, regardless of their income level, wants affordable housing. The definition of “affordable” varies by income, family size and other circumstances and is different for every household. More terms are not needed. Instead, Grand Rapids needs to address the culture that has led to the progression of terms, and help the community understand that every person needs affordable housing, that a variety of housing types and price points leads to a vibrant community, and that “affordable housing” is a means to a prosperous community.

ACTION

Develop an education campaign about the economic climate and need for affordable housing for all.

An education campaign about the economic climate and need for affordable housing would encourage neighborhood diversity and inclusiveness. The initiative should be coordinated with MSHDA, HUD, housing providers, and other stakeholders.

A similar statewide initiative was implemented in Minnesota that communicated three elements: 1) people who need affordable housing have varied backgrounds and circumstances, 2) housing is fundamental to people becoming successful community members, and 3) the availability of housing in various configurations and price levels is important to strong communities. Based on these elements, three images were developed for messaging: 1) a teacher who cannot afford to live in the community in which she works, 2) a senior on a fixed income facing a rent increase, and 3) a child forced to constantly change schools as his family moves from apartment to apartment.

Goal

ADVOCATE FOR CHANGE TO STATE AND FEDERAL POLICIES

State and federal policies that support innovative approaches are critical in creating mixed-income development and preserving affordable housing.

The state and federal role in housing policy can affect local government's ability to establish effective policies. If state or federal law prohibits a particular action, the action cannot legally be pursued by the City of Grand Rapids. Where appropriate, the City, in coordination with other governmental institutions and stakeholders, should advocate for changes to state and federal policies where they inhibit action thought to be locally beneficial.

Likewise, the availability of financial resources provided by the state and federal government can affect local project implementation. Diminishing resources, particularly at the federal level, are of significant concern for neighborhood revitalization efforts. Project selection criteria used to allocate various state resources are not in line with local needs. Advocacy is needed to secure project funding for important local projects.

ACTION

Advocate change to the Qualified Allocation Plan (QAP) to support the Great Housing Strategies Plan.

Established as part of the Tax Reform Act of 1986, the Low-Income Housing Tax Credit (LIHTC) is the largest funding source nationally for the creation and preservation of affordable housing. Developers receiving tax credits construct or rehabilitate low-income rental housing developments in which at least 20 percent of units are occupied by tenants with incomes of less than 50 percent of area median income (AMI) or at least 40 percent of units are occupied by households with incomes of less than 60 percent of AMI. These requirements must be met for a minimum of 30 years. Although the rules allow for mixed-income developments, the overwhelming majority of LIHTC developments contain only low-income, rent-restricted units.^{xxxiii}

Our state housing finance agency, the Michigan State Housing Development Authority (MSHDA), administers LIHTC funds and has discretion in setting priorities for the allocation of credits. MSHDA's Qualified Allocation Plan (QAP) sets program requirements. While some criteria is dictated by the federal government, such as setting aside at least ten (10) percent of credits for nonprofit developers and using the minimum amount of tax credit financing feasible, the State has discretion to establish other criteria. The current QAP considers the walkability of a proposed project's location. This can be a barrier to the development of local affordable housing because there is not an emphasis placed on access to transit generally. Long-term coordinated advocacy with local developers and other stakeholders is encouraged to revise the QAP to better support the *Great Housing Strategies Plan*.

ACTION

Advocate for changes to state laws that impede the creation of affordable housing.

Research conducted thus far indicates many cities across the nation have access to a variety of tools related to housing and affordable housing that simply are not available to Grand Rapids, or other Michigan cities, due to state regulations. Inclusionary zoning in particular, seems to be most effective when implemented regionally.

Inclusionary zoning generally refers to a policy requiring new developments within a particular zone to designate a certain percentage of units as affordable in terms of Area Median Income (AMI). These policies are used to promote mixed-income housing and reduce or prevent income-segregated communities.

While inclusionary zoning was discussed as a tool worth considering in depth, current State laws prohibit such a policy. MCL 123.411 states that a city cannot enforce an ordinance “that would have the effect of controlling the amount of rent charged for leasing private residential property.” Mandating that a development have a certain percentage of units at a certain and artificially reduced lease rate could directly violate this statute. Therefore, an inclusionary zoning ordinance would not be upheld. Local governments located in Wisconsin (City of Madison 2006) and Colorado (Town of Telluride 2000) have had similar state rent control statutes, and local inclusionary zoning provisions that were enacted were found to fail when tested against the rent control statute.

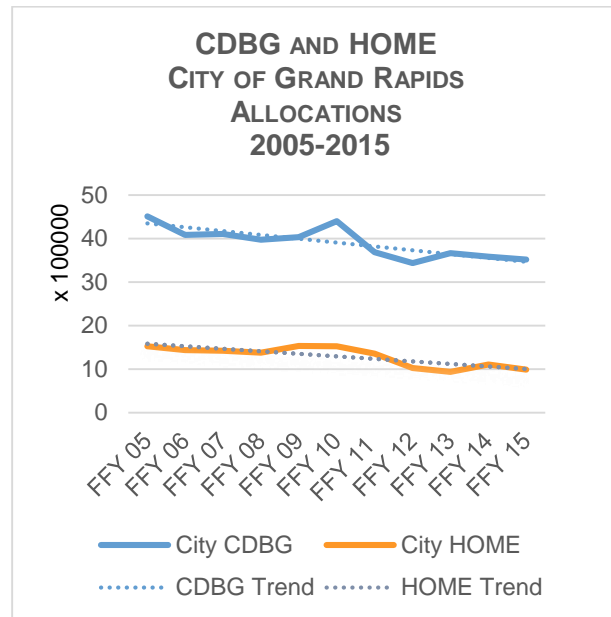
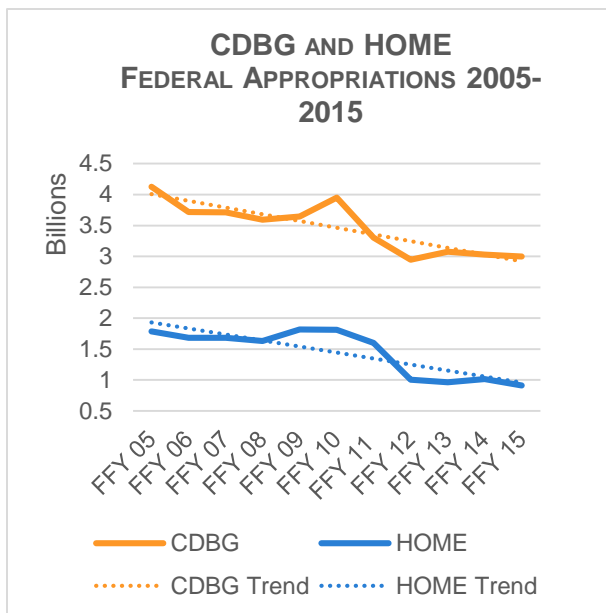
On the other hand, Michigan state senate bills have been proposed that would amend the State Zoning Enabling Act to include inclusionary zoning as an express power, although there have been no recent developments in that regard.

The City should carefully research possibilities for inclusionary zoning and what impacts such a policy could have for the community. It is appropriate to understand what state-level barriers exist, and to explore advocacy actions to remove those barriers where feasible. Forming regional partnerships will be important, both for implementation purposes and while advocating such policy. A place to start would be with the 2015 *Inclusionary Housing: Creating and Maintaining Equitable Communities* report by Rick Jacobus, published by the Lincoln Institute of Land Policy. The report reviews literature and case studies, and helps communities think through political, technical, legal, and practical considerations.

ACTION

Advocate for preserving, increasing, and aligning state and federal housing resources including CDBG, HOME and ESG.

Like many communities across the country, Grand Rapids relies on federal Community Development Block Grant (CDBG) funds to provide critical services for low-income residents, such as home repairs, legal assistance for housing matters, and neighborhood infrastructure improvements. CDBG remains the principal source of revenue for localities in devising flexible solutions to prevent physical, economic, and social deterioration in lower-income neighborhoods. Communities, including Grand Rapids, also rely on the HOME Investment Partnerships (HOME) program for affordable housing. HOME eligible activities include new construction and rehabilitation of rental and home buyer units, down payment assistance to qualified home buyers, and tenant-based rental assistance.



Between 2005 and 2015, federal CDBG and HOME appropriations were cut 27 percent and 49 percent respectively. Over this period, allocations to the City of Grand Rapids were reduced 22 percent for CDBG and 35 percent for HOME. The City’s Emergency Solutions Grants (ESG) program award, which supports homeless prevention and rapid re-housing assistance, has nearly doubled over the last six years. The City’s ESG award increased from \$177,125 in 2010 to \$319,602 in 2015.

The City, in coordination with the Michigan Community Development Association (MCDA), the National Community Development Association (NCDA) and other stakeholders, should advocate for the preservation and increase in these critical resources.

ACTION

Advocate for designation of source of income as a protected class at the state and federal level.

The Fair Housing Act prohibits housing discrimination on the basis of race, color, national origin, religion, sex, familial status, or disability. Michigan state law provides additional protection for age and marital status. Grand Rapids has local ordinances that expand coverage for sexual preference and legal and verifiable source of income.

Under Grand Rapids Code of Ordinances, Title IX, Chapter 160, Sec. 9.364, the City of Grand Rapids prohibits housing discrimination regardless of race, color, religion, ancestry or national origin, age, sex, marital status, familial status, handicapped status, source of lawful income or public assistance recipient status. Enforcement of this anti-discrimination ordinance as it pertains to source of income protection is challenging. The City, in coordination with the Fair Housing Center of West Michigan and other stakeholders, should seek alternate means to enforce the existing ordinance or explore other legal means to prohibit discrimination based on source of income, including advocating for designation of source of income as a protected class at the state and federal level.

GREAT HOUSING STRATEGIES ACTION PLAN

Actions addressing current and future housing needs are summarized in the table below. The type of action required for implementation and expected time frame for completion are listed. It is recognized that the City cannot undertake planned actions alone. Successful implementation will depend on the participation of a wide range of community stakeholders, partners, and collaborations.

Goal/Action	Type of Action Required				Timeframe*
	Policy or Program	Regulation	Advocacy	Partnership	
Provide a Variety of Housing Choices					
Create explicit definitions of cooperative and co-housing in the Zoning Ordinance and incorporate as multifamily.		X			Short-term
Make cooperative housing a Special Land Use with Planning Commission approval.		X			Short-term
Remove the 12-month owner-occupancy requirement from the Accessory Dwelling Unit policy.		X			Short-term
Reduce the average lot size requirement for two-unit dwellings.		X			Short-term
Define and regulate micro-units in the Zoning Ordinance and set review procedures and standards for them.		X			Short-term
Expand development of accessible housing through new construction and remodel.				X	Mid-term
Create an incentive to develop Type B (Adaptable) accessible units.		X			Short-term
Encourage Mixed-Income Neighborhoods					
Modify City economic development programs and affordable housing tools and policies to accomplish the goal of mixed-income neighborhoods.	X				Short-term
Explore a policy or tool that encourages housing diversity (mix) based on income and housing types.	X	X			Mid-term
Educate the community about the benefits of balanced, mixed-income neighborhoods with a variety of housing choices.			X	X	Mid-term
Establish best practices and coordinate programs to make mixed-income projects more achievable.	X				Mid-term

Goal/Action	Type of Action Required				Timeframe*
	Policy or Program	Regulation	Advocacy	Partnership	
Create and Preserve Affordable Housing					
Form a funded housing trust fund initially supported with a \$10 million minimum investment.	X			X	Mid-term
Identify and use property use restriction tools to preserve housing affordability.	X			X	Mid-term
Ensure affordable housing for vulnerable households by obtaining data on those populations and defining a target number of units for development.	X				Short-term
Explore a property tax exemption, income tax credits, or another program which would make housing more affordable for vulnerable populations.	X				Mid-term
Support existing programs and tools that create and preserve quality affordable housing.	X			X	On-going
Use the high number of vacant homes to increase the supply of affordable housing.	X		X	X	Mid-term
Support Low-Income and Vulnerable Populations					
Address impediments to fair housing.			X	X	On-going
Support the Housing First philosophy.			X	X	On-going
Partner with local agencies working to ensure affordable housing for vulnerable populations including the need to provide options for aging in place.			X	X	Mid-term
Create a housing consumer's alliance, to include education strategies for consumers, landlords, and the general population.			X	X	Mid-term
Create a court eviction diversion pilot program.	X			X	Mid-term
Support Employers and Workforce Development					
Implement incentives for employer-assisted housing.	X		X	X	Mid-term
Increase career opportunities such as internships, coaching, mentoring, and job shadowing for entry and incumbent workers, and ensure equitable access to those opportunities.	X		X	X	Mid-term
Create incentives for employers to locate near neighborhoods with high unemployment.	X				Mid-term
Educate employers on racial equity and inclusion.			X		Mid-term
Create live-work spaces in neighborhood business districts.				X	Mid-term
Develop and implement cooperative business models.	X			X	Mid-term

Goal/Action	Type of Action Required				Timeframe*
	Policy or Program	Regulation	Advocacy	Partnership	
Encourage Alternative Transportation and Parking Options					
Waive or reduce parking requirements as an incentive to promote affordable housing downtown (below 120 percent AMI).		X			Short-term
Provide access to reliable public transportation that operates during all work shifts, and locate transportation near housing and workplaces, including concentrated industrial areas.			X	X	Long-term
Change Public Perception of Affordable Housing					
Develop an education campaign about the economic climate and need for affordable housing for all.			X	X	Short-term
Advocate for Change to State and Federal Policies					
Advocate change to the Qualified Allocation Plan (QAP) to support the Great Housing Strategies Plan.			X	X	Long-term beginning 2017 QAP
Advocate for changes to state laws that impede the creation of affordable housing.			X		Mid-term
Advocate for preserving, increasing, and aligning state and federal housing resources including CDBG, HOME and ESG.			X		On-going
Advocate for designation of source of income as a protected class at the state and federal level.		X	X	X	Mid-term

***Timeframes**

On-going: Implementation is underway and will be continued.

Short-term: Implementation is expected within one year.

Mid-term: Implementation is expected to take 2-3 years.

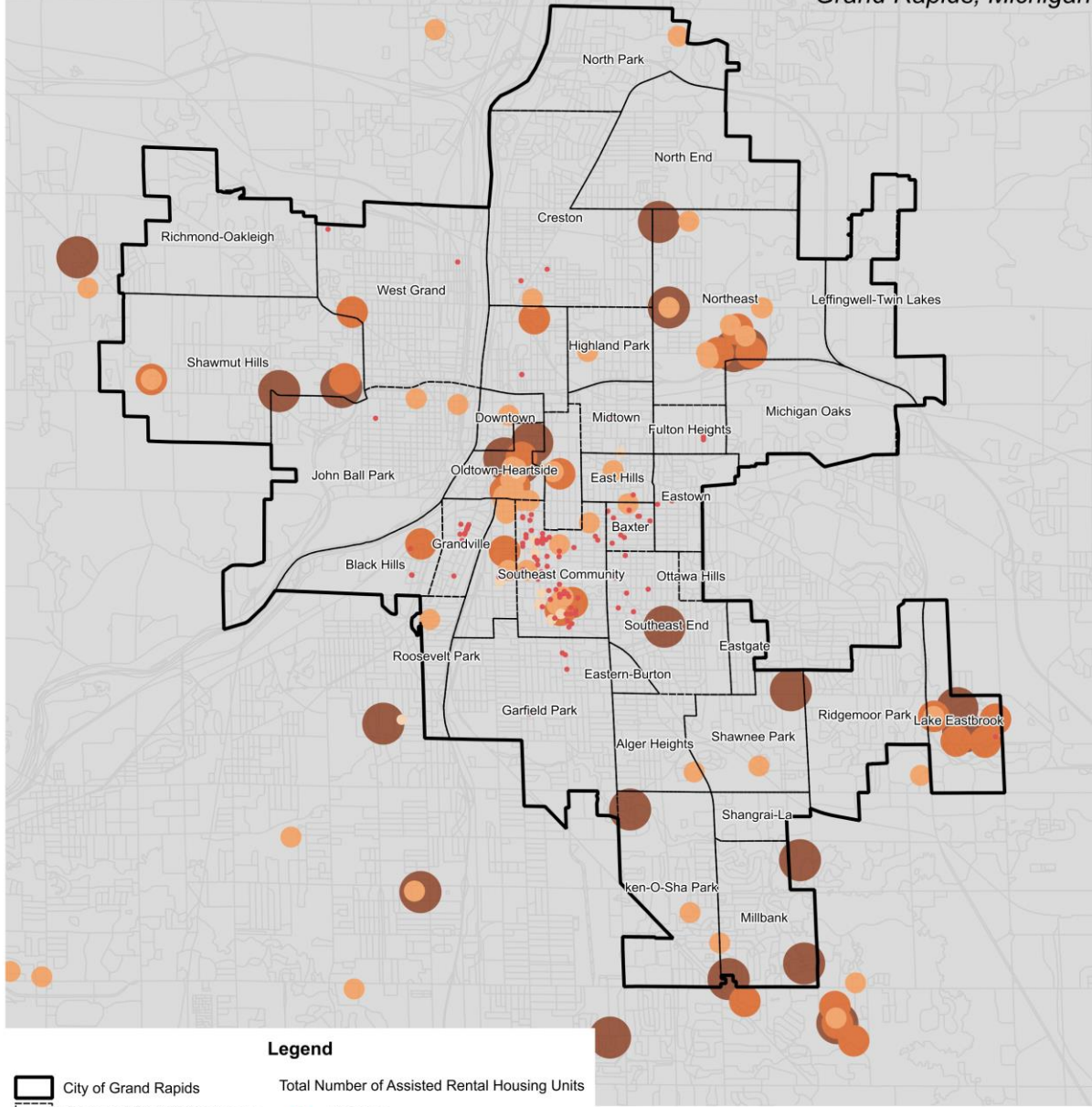
Long-term: Implementation is expected to take 4-5 years.

APPENDIX A

MAPS

Concentration of Assisted Rental Housing Units (2015)

Grand Rapids, Michigan



Legend

City of Grand Rapids

Grand Rapids Neighborhoods

Total Number of Assisted Rental Housing Units

- 5 or less
- 5 to 10
- 10 to 50
- 50 to 100
- 100 to 240

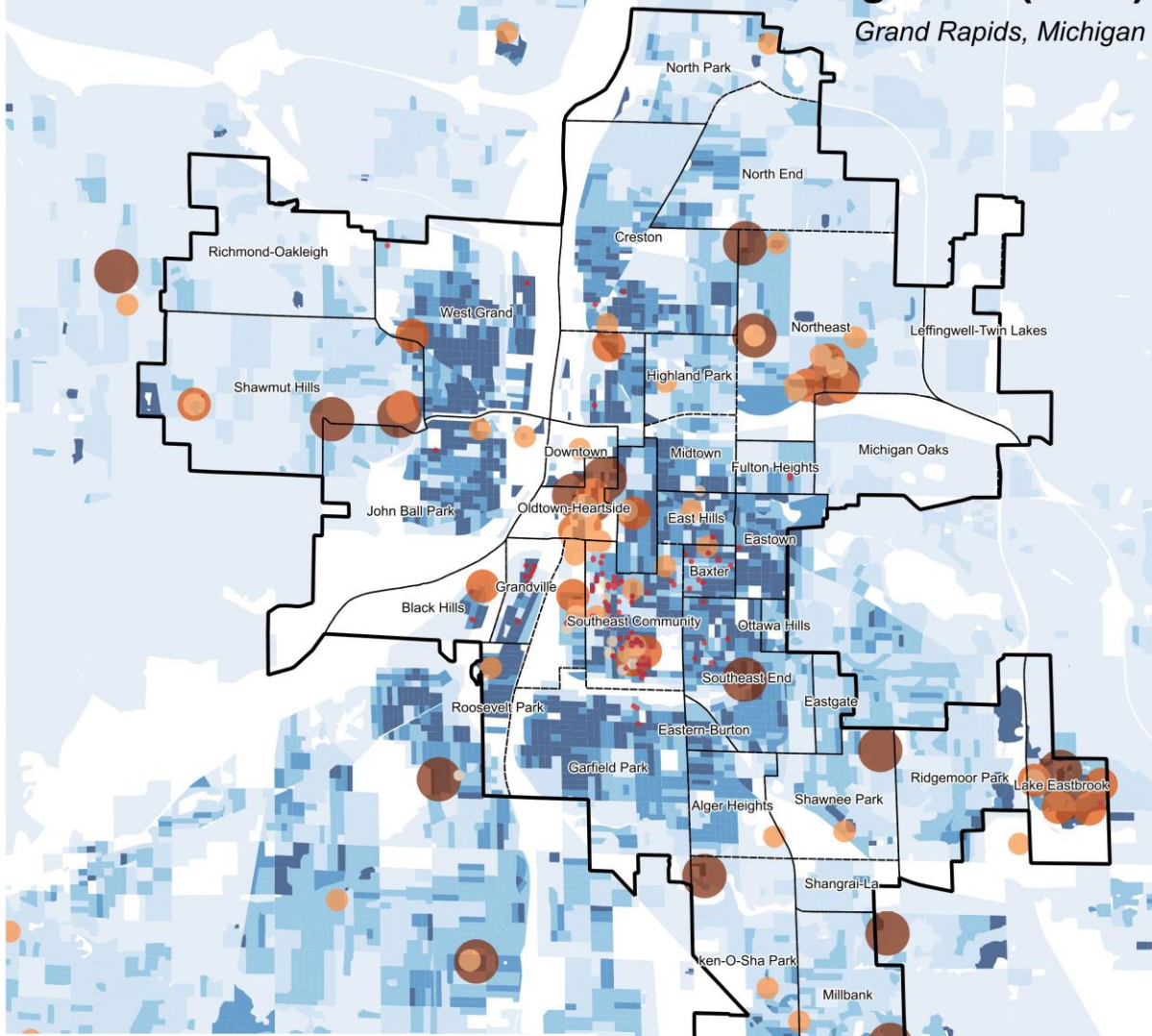
Sources:
2015 Assisted Rental Housing Units Inventory: City of Grand Rapids' Community Development Dept.

Map developed by: Métrica
Contact: gustavo@simplymetrica.com
Date: August, 2015



Population Density (2010) & Concentration of Assisted Rental Housing Units (2015)

Grand Rapids, Michigan



Legend

City of Grand Rapids

Grand Rapids Neighborhoods

Total Number of Assisted Rental Housing Units

- 5 or less
- 5 to 10
- 10 to 50
- 50 to 100
- 100 to 240

Population Density - 2010

- No Population
- Less than 2,500 per sqmi
- 2,500 to 4,999
- 5,000 to 7,499
- 7,500 to 9,999
- 10,000 or more per sqmi

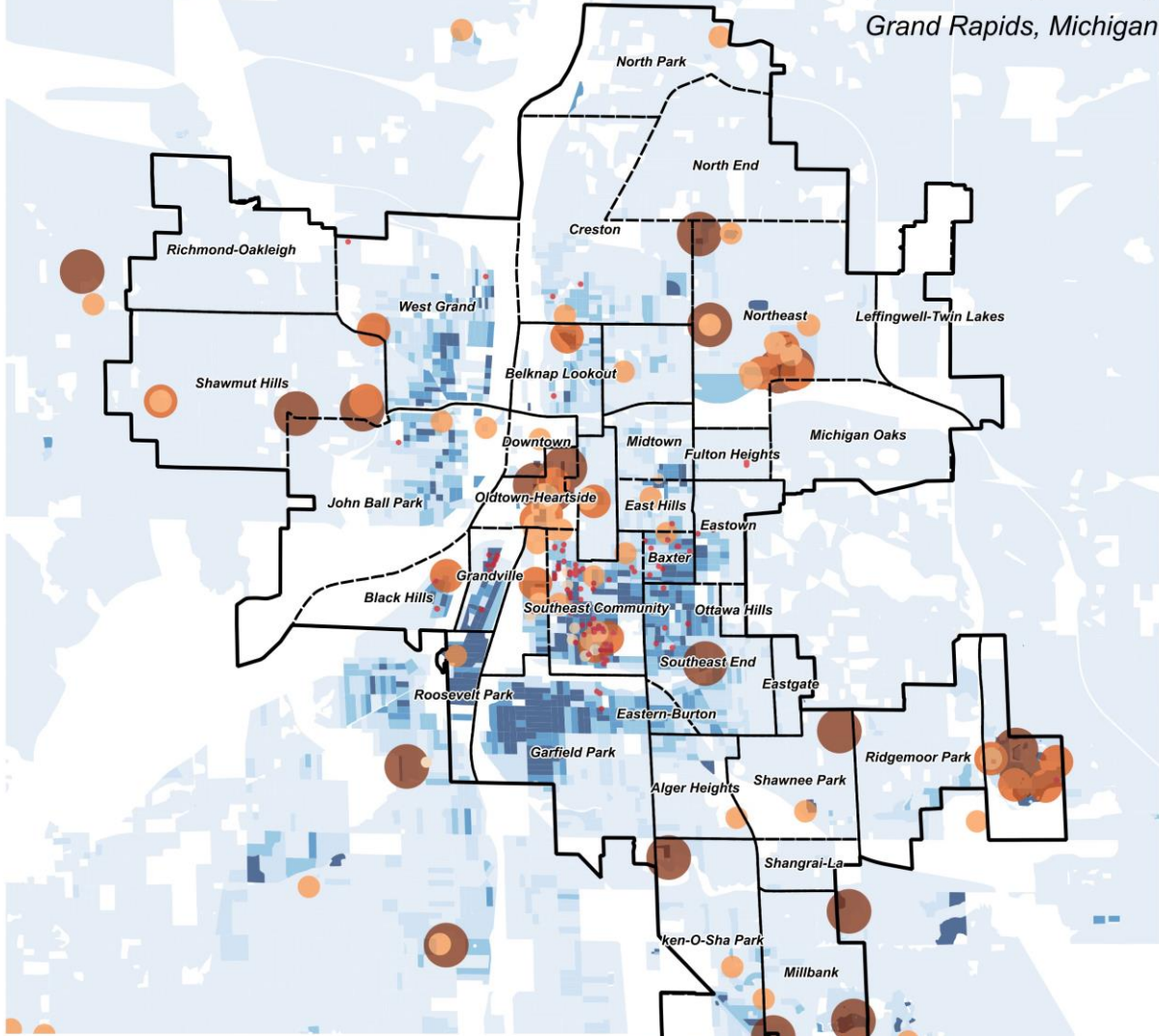
Sources:
 2015 Assisted Rental Housing Inventory: City of Grand Rapids' Community Development Dept.
 2010 U.S. Census Bureau - Decennial Census SF1

Map developed by: Métrica
 Contact: gustavo@simplymetrica.com
 Date: August, 2015
















Non-White Population Density (2010) & Concentration of Assisted Rental Housing Units (2015)

Grand Rapids, Michigan



Legend

- | | |
|--|--|
|  City of Grand Rapids | Total Number of Assisted Rental Housing Units |
|  Grand Rapids Neighborhoods |  5 or less |
| Non-White Population Density |  5 to 10 |
|  No Population |  10 to 50 |
|  Less than 2,500 per sqmi |  50 to 100 |
|  2,500 to 4,999 |  100 to 240 |
|  5,000 to 7,4999 | |
|  7,500 to 9,999 | |
|  10,000 or more per sqmi | |

Sources:
 2015 Assisted Rental Housing Inventory: City of Grand Rapids' Community Development Dept.
 2010 U.S. Census Bureau - Decennial Census SF1

Map developed by: Metrica
 Contact: gustavo@simplymetrica.com
 Date: August, 2015



APPENDIX B

CITY AND COMMUNITY PLANS

Throughout the Great Housing Strategies (GHS) process, a number of City and community plans were reviewed. The following is a brief summary of plans relevant to the GHS Plan. The GHS recommendations are in keeping with goals and strategies identified in these reports and plans. The order is alphabetical and is not intended to denote its relative importance to the GHS process.

2015 Analysis of Impediments to Fair Housing Choice

The Analysis of Impediments to Fair Housing (AI) is a review of impediments to fair housing choice in the public and private sector. Communities receiving federal housing and community development funds are required to conduct an AI every five years. The AI involves a comprehensive review of the City's laws, regulations, and administrative policies, procedures, and practices; an assessment of how those laws, etc. affect the location, availability, and accessibility of housing; an assessment of conditions, both public and private, affecting fair housing choice for all protected classes; and an assessment of the availability of affordable, accessible housing in a range of unit sizes. Existing data sources, focus groups, and a survey were used to compile the 2015 AI. (<http://grcity.us/community-development/Pages/Reports-and-Plans.aspx>)

FY 2012-2016 Consolidated Housing and Community Development Plan

The FY 2012-2016 Consolidated Housing and Community Development Plan is intended to guide the City of Grand Rapids in its actions and funding decisions related to the federal Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions/Shelter Grants (ESG) programs over five years. The Plan is also used to guide the Justice Assistance Grant (JAG) program from the U.S. Department of Justice. Public input on needs for the FY 2012- FY 2016 HCD Plan was provided through a public hearing held before the City Commission in August 2010 and through other venues. (<http://grcity.us/community-development/Pages/Reports-and-Plans.aspx>)

2015 – 2017 Continuum of Care Action Plan to End Homelessness

The 2015 – 2017 Continuum of Care Action Plan to End Homelessness identifies steps to achieve the goal of ending homelessness over the next three years. The Plan builds upon The Vision to End Homelessness, a 10-Year Plan to end homelessness created in 2004. In recent decades, national and local efforts to address homelessness placed substantial emphasis on emergency response to homelessness. The Vision to End Homelessness challenged the Grand Rapids area community to take a fresh look at the system of emergency services for people who are homeless and to purposefully move to a system focused on the provision of safe, affordable permanent housing. The Vision to End Homelessness provided a foundation that facilitated movement from managing homelessness to ending homelessness. The new Action Plan establishes updated goals that align with current research and best practices. (<http://endhomelessnesskent.org/wp-content/uploads/2015/12/CoC-Strategic-Plan-Final.pdf>)

GR Forward

GR Forward is a community plan and investment strategy that envisions the future of Downtown and the Grand River. All members of the community were welcomed participants in the GR

Forward planning process. The plan was facilitated by Downtown Grand Rapids Inc. (DGRI), the City of Grand Rapids, and Grand Rapids Public Schools. The plan focuses on Downtown, the Grand River, and improving public schools. GR Forward launched in April of 2014. Over 3,600 Grand Rapidians contributed concerns and ideas. (<http://downtowngr.org/our-work/projects/gr-forward>)

Grand Rapids Housing Commission (PHA) Plan

The local Public Housing Authority, the Grand Rapids Housing Commission (GRHC) is required by HUD to submit a 5-year plan and an annual plan. The most recent 5-year plan (and annual plan) became effective July 1, 2014. In developing its plan, the Housing Commission consulted with the City of Grand Rapids, community housing and service providers, and it's Resident Advisory Board. For a more detailed discussion of public housing and Section 8 programs, see the Grand Rapids Housing Commission section of this plan or go to www.grhousing.org to view the plan in its entirety. (<https://www.grhousing.org/phaplan.html>)

Grand Rapids Sustainability Plan

In 2010, the City of Grand Rapids developed a 5-year strategic plan based on the principles of sustainability designed "to meet the needs of the present without compromising the ability of future generations to meet their own needs." While the Sustainability Plan is intended to guide the City organization in meeting specific measurable targets through an outcomes framework under the headings of economic prosperity, social equity and environmental integrity, it also clearly identifies the values of the organization. Those values include accessible government, public engagement, accountability, children and families, collaboration and partnerships, diversity and inclusion, integrity and honesty, organizational excellence, quality customer service, and sustainability.

(<http://mygrcity.us/departments/enterpriseservices/serviceareas/es/public/Documents/FY11-FY15%20Sustainability%20Plan%20As%20Amended%20and%20Adopted%206.21.11.pdf>)

2010 Grand Rapids Youth Master Plan

The City, under the leadership of Our Communities Children office, conducted a two-year planning process to develop a Youth Master Plan. The planning process drew on the expertise of a 25-member Youth Commission and a 39-member Youth Master Plan Steering Committee, included a youth survey and focus groups, and sponsored a summit comprised of 115 community stakeholders. The Master Plan includes outcomes, or result statements, and indicators to measure achievement. (http://grcity.us/community-development/occ/documents/ocyf_youthmasterplan_finallr.pdf)

Green Grand Rapids

The Green Grand Rapids planning process began in 2008 as an update to the 2002 Master Plan. The focus was citywide green infrastructure, the quality of life, and the physical development of community infrastructure as it relates to greening, connectivity, natural systems, the Grand River, recreation and public health. Under the leadership of a Steering Committee, the process included extensive community involvement through three city-wide forums and a creative "game" to obtain resident input. The planning process also included the 2010 – 2015 Parks and Recreation Master Plan. (http://grcity.us/design-and-development-services/Planning-Department/Documents/GGR_REPORT_3_1_12_low%20rz.pdf)

Get the Lead Out!/Healthy Homes

This plan is a continuation of prior planning efforts to eliminate childhood lead poisoning in Grand Rapids. The plan is a strategic management tool for the Get the Lead Out! Collaborative

Body, Project Coordinator, and project partners, and calls for the continued leadership of the Healthy Homes Coalition Board of Directors.

2002 Master Plan

The Grand Rapids Master Plan was developed through an extensive community participation process spanning nearly two years, including over 120 outreach meetings, and involving 2,500 residents, business people, employers, property owners and institutional representatives. Subsequently, the Zoning Ordinance was rewritten to address the Master Plan recommendations. The result of the Master Plan was a clear community vision on how the City should be developed and redeveloped in the future. The themes of the Master Plan include Great Neighborhoods, Vital Business Districts, A Strong Economy, Balanced Transportation, A City That Enriches Our Lives, and A City in Balance with Nature. See [www.grcity.us/planning](http://grcity.us/planning) to view the Master Plan in its entirety. (<http://grcity.us/design-and-development-services/Planning-Department/Pages/Master-Plan---Preface.aspx>)

Michigan Street Corridor Plan

The Michigan Street Corridor Plan outlines policies and strategies to achieve a sustainable future in the Michigan Street Corridor Area. The plan discusses initiating desired land use changes, sequencing improvements to the transportation system, and framing important community conversations. The first community forum to identify important issues took place on October 12, 2011. In 2014, the plan draft was released for public review and comment. The plan amendment was officially adopted by the City Commission in 2015. (<http://grcity.us/design-and-development-services/Planning-Department/michiganstreetcorridor/Documents/MSCP%20August%202015%20optimized.pdf>)

SAFE Report

Beginning in May 2014, Mayor George Heartwell called for a taskforce to address the issues of violence, particularly gun violence in neighborhoods. The taskforce was charged with making recommendations to the City Commission regarding prevention strategies aimed at neighborhood violence in the city of Grand Rapids. The taskforce was composed of persons with specific knowledge and experience surrounding the issues of violence and the community. (<http://grcity.us/Documents/report-SAFE%203-24-15.pdf>)

Strengthening Neighborhoods Task Force

The Neighborhood Summit took place on March 13, 2015 to engage the community about what it takes to have strong neighborhoods. The daylong conference had more than 350 attendees and featured breakout workshops, keynote speakers, and a host of national experts. Three top themes surrounding the topics of affordable housing, support for neighborhood associations, and open doors of communication were identified at the event and presented to the City Commission. (<http://wcm.grand-rapids.mi.us/city-manager/Pages/Neighborhoods0119-9843.aspx>)

APPENDIX C

GLOSSARY OF TERMS

Accessible

The public or common areas of the building can be approached, entered, and used by individuals with physical disabilities. (HUD)

Affordable Housing

In general, housing for which the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs, including utilities. (HUD)

Blighted Structure

A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. (HUD)

Chronic Homelessness

An unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four episodes of homelessness in the past three years. (HUD)

Continuum of Care (Formerly Supportive Housing) Program

This program is authorized by title IV of the Stewart B. McKinney Homeless Assistance Act (the McKinney Act) (42 U.S.C. 11381–11389). The program is designed to promote the development of supportive housing and supportive services, including innovative approaches to assist homeless persons in the transition from homelessness, and to promote the provision of supportive housing to homeless persons to enable them to live as independently as possible. (HUD)

Cooperative

Housing owned by a nonprofit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing. (GRHC Section 8 Admin Plan)

Housing in which each member shares in the ownership of the whole project with the exclusive right to occupy a specific unit and to participate in project operations through the purchase of stock. (HUD)

(Housing) Cost Burden

Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. (HUD)

Emergency Shelter

Any facility, the primary purpose of which is to provide temporary or transitional shelter for the homeless in general or for specific populations of the homeless. (HUD)

Extremely low-income households

Those households with incomes below 30 percent of area median income. HUD adjusts based on household size. (HUD)

Fair market rent (FMR)

The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. (GRHC Section 8 Admin Plan)

Homeless

HUD's definition of homelessness includes four broad categories:

1. People who are living in a place not meant for human habitation, in an emergency shelter, in transitional housing, or are exiting an institution where they temporarily resided.
2. People who are losing their primary nighttime residence, which may include a motel or hotel or a doubled up situation, within 14 days and lack resources or support networks to remain in housing.
3. Families with children or unaccompanied youth who are unstably housed and likely to continue in that state. This category applies to families with children or unaccompanied youth who have not had a lease or ownership interest in a housing unit in the last 60 or more days, have had two or more moves in the last 60 days, and who are likely to continue to be unstably housed because of disability or multiple barriers to employment.
4. People who are fleeing or attempting to flee domestic violence, have no other residence, and lack the resources or support networks to obtain other permanent housing. (HUD)

Inadequate Housing

Housing with severe or moderate physical problems, as defined in the American Housing Survey since 1984. A unit is defined as having severe physical problems if it has severe problems in any of five areas: plumbing, heating, electrical system, upkeep, and hallways. It has moderate problems if it has problems in plumbing, heating upkeep, hallways, or kitchen, but no severe problems. (HUD)

Income Limit

Determines the eligibility of applicants for HUD's assisted housing programs. Major active housing programs are the Public Housing program, the Section 8 Housing Assistance Payments program, Section 202 housing for the elderly, and Section 811 housing for persons with disabilities. (HUD)

Livability

A measure of integration of the housing, transportation, environmental, and employment amenities accessible to residents. A livable community is one with multiple modes of transportation, different types of housing, and destinations located within an easy distance (20 minutes by transit, 15 minutes by bike or foot, 10 minutes by car) of homes. (HUD)

Location Affordability Index

A tool adopted by HUD and DOT to calculate a percentage of income that an average household spends on housing and transportation costs combined. The Center for Neighborhood Technology (CNT) defines affordability as spending no more than 45% of a household's income on transportation and housing.

Minority Neighborhood

Neighborhood in which the percentage of persons of a particular racial or ethnic minority is at least 20 points higher than that minority's percentage in the housing market as a whole; or in the case of a metropolitan area, the neighborhood's total percentage of minority persons exceeds 50 percent of its population. (HUD)

Overcrowding

More than one person per room in a residence. (HUD)

Per MSHDA's Housing Quality Standards Section 8-I.F., a dwelling unit must provide adequate space and security for the family and have at least one bedroom or living/sleeping room for each two persons. (MSHDA Housing Quality Standards and Rent Reasonableness Determinations)

Point in Time Counts

Unduplicated 1-night estimates of both sheltered and unsheltered homeless populations. The 1-night counts are conducted by Continuums of Care nationwide and occur during the last week in January of each year. (HUD)

Poor

Household income of less than the U.S. national poverty cutoff for that household size. (HUD)

Public Housing

Housing assisted under the provisions of the U.S. Housing Act of 1937 or under a state or local program having the same general purposes as the federal program. Distinguished from privately financed housing, regardless of whether federal subsidies or mortgage insurance are features of such housing development. (HUD)

Severe Rent Burden

A renter household that pays more than one-half of its income for gross rent (rent and utilities). (HUD)

Severely Inadequate Housing

Units having one or more serious physical problems related to heating, plumbing, and electrical systems or maintenance. (HUD)

Substandard Housing

Dwelling unit that is either dilapidated or unsafe, thus endangering the health and safety of the occupant, or that does not have adequate plumbing or heating facilities. (HUD)

Supportive Housing for the Elderly

Housing that is designed to meet the special physical needs of elderly persons and to accommodate the provision of supportive services that are expected to be needed, either initially or over the useful life of the housing, by the category or categories of elderly persons that the housing is intended to serve. (HUD)

Transitional Housing

A project that has as its purpose facilitating the movement of homeless individuals and families to permanent housing within a reasonable amount of time (usually 24 months). Transitional housing includes housing primarily designed to serve deinstitutionalized homeless individuals and other homeless individuals with mental or physical disabilities and homeless families with children. (HUD)

Transit-Oriented Development

Development of commercial space, housing services, and job opportunities close to public transportation, thereby reducing dependence on automobiles. TODs are typically designed to include a mix of land uses within a quarter-mile walking distance of transit stops or core commercial areas. (HUD)

Universal Design

A design concept that encourages the construction or rehabilitation of housing and elements of the living environment in a manner that makes them usable by all people, regardless of ability, without the need for adaptation or specialized design. (HUD)

Vacant or Abandoned Residential Structure

Abandoned or vacant residential structure shall be defined as a residential structure that has not been occupied by a human for a time exceeding 30 days and meets any of the following criteria:

- a) Is a location for loitering, vagrancy, unauthorized entry or other criminal activity;
- b) Has one or more broken or boarded windows or unsecured point of entry;
- c) Has taxes in arrears for a period of time exceeding 365 days;
- d) Has utilities disconnected or not in use;
- e) Is not maintained in compliance with this Code; and
- f) Is subject to foreclosure as defined herein.

(City of Grand Rapids Property Maintenance Code Amendments)

Vacant Unit

A dwelling unit that has been vacant for not less than nine consecutive months. (HUD)

APPENDIX D

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