

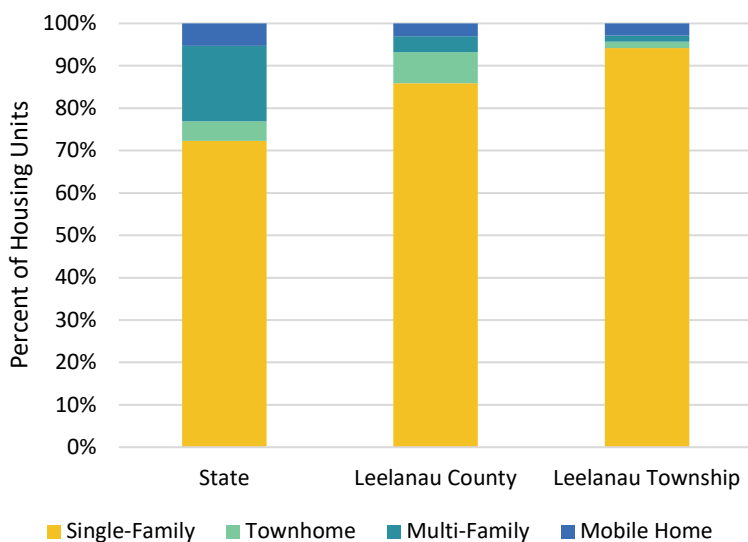
Housing

According to a study by the National Low Income Housing Coalition, in order to afford a 2-bedroom apartment in Leelanau County an individual would have to work 1.7 full-time minimum wage jobs, approximately 77 hours a week.¹ This shocking statistic highlights the challenges of the housing market in the area and how it impacts residents. The following chapter will inventory, analyze, and provide recommendations for housing conditions in Leelanau Township.

Housing Types

There are an estimated 2,113 housing units in Leelanau Township. Of these units approximately 91% are single-family dwelling units, an additional 3% were townhomes, 2% multi-family, and 4% mobile home.² Compared to the State, Leelanau Township has an extraordinarily high number of single-family homes, a characteristic of many rural communities. Even compared to the County which has an above State average number of single-family homes, Leelanau Township has a lack of diverse housing options. Homogenous housing stock can make it challenging to attract a wide array of residents who may prefer one type of housing units over the other. Additionally, without diverse housing options the competition between prospective buyers/renters increases which has a negative impact on housing affordability.

Figure XX: Housing Types



Source: 2019 ACS 5 Year Estimate DP04

Housing and Energy Consumption

Energy consumption varies based on housing type. Single-family homes consume, on average, 108 million British Thermal Units (BTUs) annually. The equivalent of driving a car back and from Los Angeles to Northport nine times. Comparatively, townhomes consume an average of 89 million BTUs annually and multi-family homes consume an average of 54 million BTUs annually.¹

¹ "Out of Reach – The High Cost of Housing", National Income Housing Coalition, 2021, https://nlihc.org/sites/default/files/oor/2021/Out-of-Reach_2021.pdf

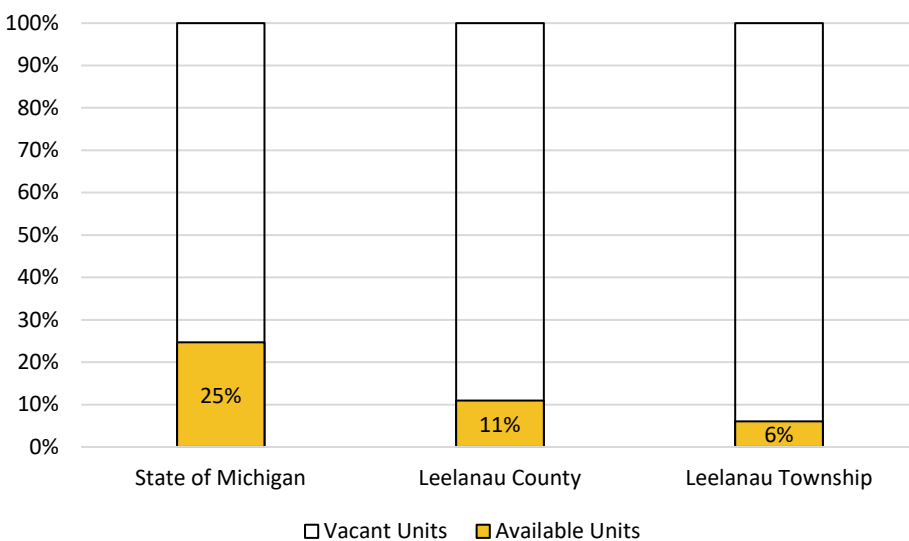
² United States Census Bureau, American Community Survey 2019 5 – Year Estimates, DP04

Tenure and Vacancy

Of the 938 occupied housing units in Leelanau Township, 89% are owner occupied which is higher than the State (71%) and County (88%).³ Interestingly, the average household size of owner-occupied units (2.08) is lower than the average household size of renter-occupied units (2.17).⁴ In both the State and County, the household size of owner-occupied units is higher than the household size of renter-occupied units indicating that families with elderly members or young children may be facing challenges when it comes to owning a home. Owning property and a home is essential for the future economic success of the current or future generations. Households that own a home continuously build financial equity through the value of their home, this equity can be leveraged to start a business, pay for advanced education, or upgrade to higher value property/homes, all things that contribute to generational wealth growth. Families that rent do not build the same equity and therefore it is much more challenging to growth wealth over generations making educational and financial attainment that more difficult.

The majority of the homes in Leelanau Township are vacant (55%) which is higher than the County (42%) and substantially higher than the State (14%).⁵ While this figure may create the appearance that there are a high number of available units in Leelanau County vacancy includes units that have recently sold and seasonally occupied. Therefore, it is important to calculate the number of available units, units that are currently for sale or for rent are considered available. In total, there are 60 available units in Leelanau Township, representing only 6% of all vacancies. In the State, 25% of vacant units are available and in the County 11% are available.⁶ This highlights the scarcity of available units to those who want to buy a home in the area. The lack of available housing units force residents to rent longer than they might want or force them to find housing elsewhere.

Figure XX: Percent of Vacant Units that are available



Source: 2018 ACS 5 Year Estimate B25004

³ Ibid.

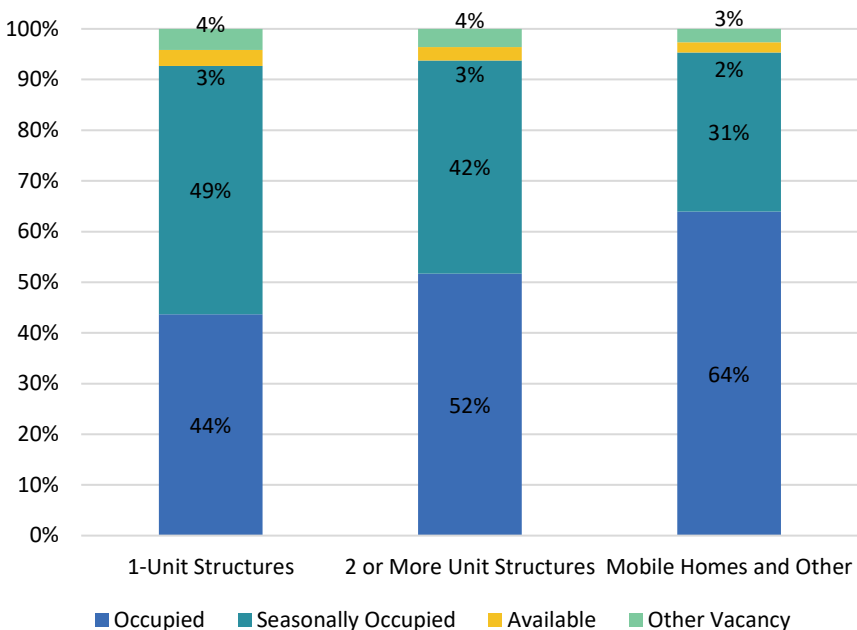
⁴ Ibid.

⁵ Ibid

⁶ United States Census Bureau, American Community Survey 2019 5 – Year Estimates, B25004

Year-round and seasonal occupancy vary greatly by the type of home. Almost half of single-family homes are seasonally occupied in Leelanau Township, compared to 42% of multi-family homes, and 31% of mobile homes. Just 3% of all single-family homes are available for sale or rent in Leelanau Township which is consistent with the availability of multi-family homes (3%) and mobile homes (2%).

Figure XX: Availability by Unit Type



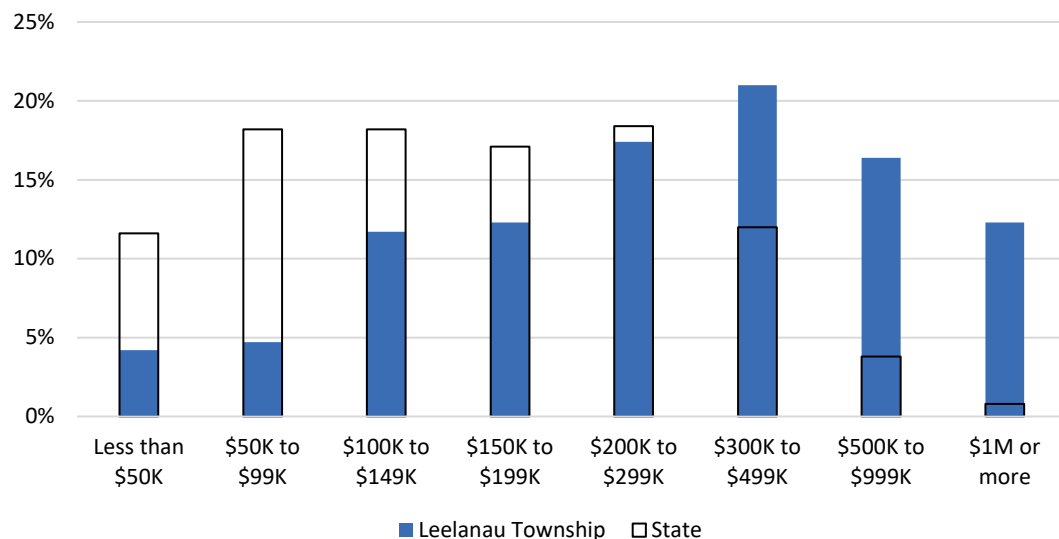
Source: 2018 ACS 5 Year Estimates B25024, B11011, B25004

Housing Value and Cost

The scarcity of units and premier location in the region undoubtedly influences the cost of housing. The median home value in Leelanau Township is \$298,000 which is higher than the County (\$268,00) and almost double the State (\$154,900).⁷ Figure XX compares the values of homes in Leelanau Township to the State distribution.

⁷ United States Census Bureau, American Community Survey 2019 5 – Year Estimates, DP04

Figure XX: Home Value



Source: 2019 ACS 5 Year Estimate DP04

As evident in figure XX, there is a large percentage of higher value homes but a lack of lower value homes. This presents a challenge for those who are entering the housing market as potential buyers and may not be able to afford the high-end homes. However, this is not a challenge unique to Leelanau Township. In Leelanau County there is a substantial lack of more affordable housing units making homeownership challenging for those who earn low or modest incomes. Roughly, 34% of homeowners surveyed for this Master Plan stated that housing options in Leelanau Township were not financially attainable with their households' current budget.

The rental market in the Township is also more expensive than the County and State. Median gross rent for units in the Township is \$1,070 compared to \$959 in the County and \$871 in the State. Contributing to the high median contract rent is a lack of rental units that are priced below \$500.⁸ As of 2021, the minimum wage in Michigan was \$9.87, extrapolating to a yearly income and accounting for taxes a minimum wage job would net an annual income of \$16,488. An affordable monthly rent for an individual earning minimum wage would be \$412.20, a price point that does not exist in the Township. This means that minimum workers who have jobs in the Township cannot afford to live in the Township. In order to afford the median rent, an individual would have to be paid an hourly wage of \$27.31 or work roughly 110 hours a week at minimum wage. In the community survey, 79% of renters stated that housing options in the Township were not attainable with their household budget, underscoring the affordability challenge for renters.

⁸ Ibid.

Affordability

Often high housing values and high housing costs contribute to great housing unaffordability. Despite the high housing values and costs in Leelanau Township roughly 71% of homeowners live in affordable housing and 16% and 15% live in unaffordable and severely unaffordable units, respectively.⁹ However, renters experience higher rates of unaffordability. In Leelanau Township, 45% of renters live in an affordable unit, 28% in an unaffordable unit, and 27% in a severely unaffordable unit. The unaffordability burden is often disproportionately felt by lower income households who have to spend more of their income on housing. The right to quality affordable housing is essential of the physical and mental health of residents. Living in an affordable unit frees up income that can be spent on nutritious food and health care, financial stability reduces mental stress, and quality housing units reduce exposure to negative environmental factors.¹⁰

Housing Costs as a Percentage of Household Income

Affordable: <30%

Unaffordable: 30% - 50%

Severely Unaffordable: >50%

Table XX: Housing Affordability Comparison

	Leelanau Township	New York City, NY	San Francisco, CA
Percent of homeowners in unaffordable units	29.3%	32.2%	29.2%
Percent of renters in unaffordable units	54.8%	50.1%	32.5%

Source: American Community Survey 2019 5-Year Estimates, DP04

Housing Strategies

The housing data highlights a clear need for more affordable units in Leelanau Township, both rental and owner. More affordable rental housing units would reduce the housing costs for residents and make living in the community more attainable to those earning lower and modest incomes. Affordable ownership units would facilitate current renters entering homeownership and allow younger residents to enter the housing market.

Additionally, as the community continues to age, it is important to consider what types of housing units will allow seniors to “age in place” so that they are not displaced by high housing costs or units that do not meet their needs. The following strategies will help Leelanau Township increase the type and number of units to make renting and owning a home more attainable and allow seniors to “age in place”. One main challenge of new housing development in Leelanau Township is ensuring that new units are available to residents before being bought as second homes or for short term rentals. While seasonal residents play an important and valuable role in the Township it is critical to ensure that the needs of residents are met.

⁹ American Community Survey, United States Census Bureau, 2019 5 Year Estimates B25091

¹⁰ Maqbool, N., Viveiros, J., Ault, M., “The Impacts of Affordable Housing on Health”, Center for Housing Policy, April 2015. <https://www.rupco.org/wp-content/uploads/pdfs/The-Impacts-of-Affordable-Housing-on-Health-CenterforHousingPolicy-Maqbool.etal.pdf>

Missing Middle

Many communities have single- and two-family homes and then large apartment buildings. The significant jump between low-density and high-density can create jarring visuals in the urban landscape and can create density resentment from residents. However, in between the low-density unit types and high-density apartment buildings are a range of other housing types, the missing middle. Figure XX shows the complete range of the missing middle housing types in between single family homes and apartment buildings.

Figure XX: Missing Middle Housing



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Source: Opticos Design

The lack of dense urban centers in Leelanau Township means that some of the missing middle housing options towards the dense end of the spectrum are likely not applicable. The most applicable types of units would fall between duplexes and townhomes. Often arguments against higher density homes are that they will not fit into the existing neighborhood style or architecture. But through the zoning ordinance, building style can be regulated so that denser homes fit seamlessly into existing

neighborhoods. Figure XX shows an example of a single-family home and duplex in the same neighborhood.

Currently the Leelanau Township Zoning Ordinance permits buildings up to 8 units, but no properties are currently zoned for any residential development denser than a townhome. Additionally, the requirements are written where the lot size requirements are so large that they almost make the denser



Figure XX: A single-family home (left) and a duplex (right) in the same neighborhood.

units moot. To accommodate missing middle housing types the zoning ordinance should be adjusted to reflect smaller minimum lot size requirements. Additionally, areas in Leelanau Township should be identified for denser housing types, this will be reflected on the future land use map in the implementation chapter of this Master Plan.

Accessory Dwelling Units

Accessory dwelling units (ADUs) are defined as an additional unit on a property that functions as a complete home with a kitchen, bedroom, and bathroom. ADUs fall into three general categories, internal, attached, and detached (Figure XX). Overwhelmingly, participants at the Master Plan Open House were in favor of ADUs, 97% supported internal ADUs, 97% supported attached ADUs, and 85% support detached ADUs. ADUs are a powerful tool to increase housing affordability by increasing the housing supply without significant construction. At the Open House, 79% agreed that ADUs should be regulated based on square footage but there was no consensus on the exact square footage. Currently, the zoning ordinance permits guest houses, but only in the R1 – low density district. Additionally, the minimum lot size for properties with a guest house is

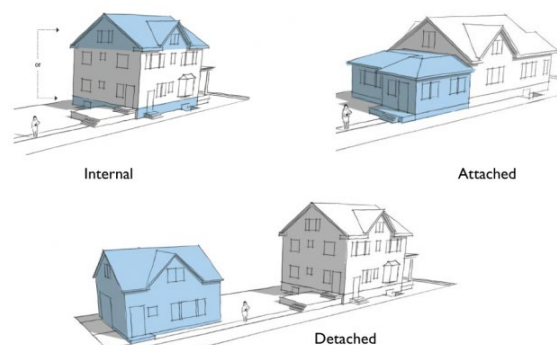


Figure XX: ADU types. Source: Washington County, OR

required to be twice the minimum lot size, which does not increase density. Therefore, ADUs should be permitted in all residential districts and the additional lot size restrictions should be removed.

The Climate Case for Density

Selectively increasing housing density, especially in and around economic centers, has a positive climate impact. Denser housing formats, such as duplexes and ADUs, generate less greenhouse gas emissions than traditional low-density housing formats. Reductions in emissions are a result of reduced transportation because people often travel less distances or more infrequently because they are closer to essential goods and services. Additionally, increasing housing density increases the frequency that neighbors carpool, further reducing transportation emissions.²

Micro-units

Micro-units or “tiny-homes” are dwelling units that have a maximum floor area of 400sqft.¹¹ Gaining popularity in the Great Recession micro-units are often an affordable housing option due to their small size and low construction cost. Because there is no minimum dwelling unit size specified in the Leelanau Township zoning ordinance micro-units are permitted in most residential districts and would be treated as single-family homes. Micro-units at a density of one unit per parcel would increase the affordability of housing in the Township



Figure XX: Micro-unit. Image Source: Mireya Acierto

and the small footprint of micro-units would have minimal impact on the natural and rural character of the Township. When asked what type of housing is needed in the Township, 40.3% of those surveyed stated micro-units are needed, the second most popular type behind affordable single-family housing. While currently permitted by the zoning ordinance additional guidance should be drafted to assist those wishing to build tiny homes in Leelanau Township. The zoning ordinance should specify if micro units need to be fixed to a foundational slab and treatments for water and wastewater systems.

In addition to individual micro-units, micro-unit communities are another option for expanding affordable housing options in the Township. Micro-unit communities operate in a similar fashion to mobile home communities, but micro-units have a smaller footprint and are often built to a higher standard than mobile homes. From an infrastructure perspective micro-unit communities could be treated as mobile home communities but are not regulated under the Michigan Mobile Home Commission Act. Therefore, the Township will need to draft additional language on micro-unit

¹¹ Tiny Homes – 2018 International Residential Code, https://codes.iccsafe.org/content/IRC2018/appendix-q-tiny-houses#IRC2018_AppxQ_SecAQ101

communities that specifies if units need to be fixed to a foundational slab and addresses the number of units per acre, water and wastewater system, and community amenities. Micro-unit communities are also an innovative solution for senior living, as seniors age they may not be able to live in a larger single-family home, micro-units provide an opportunity for seniors to still live independently but be relieved of the challenges of a large single-family home and large property. When surveyed, 38% of respondents expressed the need for senior housing in Leelanau Township. Additionally, creating a senior community allows for essential senior services and care to be concentrated, increasing availability and affordability.



Image Source: Kelly Jordan

Cluster Development

Cluster development is the process of building subdivisions or multi-unit developments in a manner to protect and conserve as many natural features as possible (figure XX). Clustered developments often reduce the minimum lot size but preserve the number of lots to achieve preservation goals. Article 13 of Leelanau Township's Zoning Ordinance, Open Space Residential Developments, incentivizes developers to pursue cluster development by offering additional density bonuses. While not explicitly a cluster development ordinance, Article 13 achieves the principles of cluster development. Efforts to enforce Article 13 should be maintained.



Figure XX: Cluster Development. Source: M. Kashef

Cluster Development

The contiguous tracts of open space, preserved through cluster development, provide a multitude of climate resiliency measures. Large sections of natural vegetative areas can act as a carbon sink, offsetting some of the emissions produced by human activity. It is estimated that an acre of forest land can absorb 2.5 tons of carbon dioxide annually.³ While, manicured lawns also act as a carbon sink the environmental cost of maintaining a lawn outweighs the carbon sink benefit. Additionally, natural areas are better equipped at dealing with impact of climate change, such as increased severity in precipitation, compared to traditional suburban lawns.

Actions

- Reduce minimum lot sizes for R2, R3A, and R3S districts.
- Reduce the dwelling unit per acre requirements in the R2 district.
- Permit internal, attached, and detached accessory dwelling units in all residential districts.
- Adopt individual micro-unit regulations and remove additional minimum lot size requirements.
- Adopt community micro-unit regulations.
- Continue to implement and enforce the Open Space Residential Development section of the Zoning Ordinance.