



CITY OF FRANKFORT

OFFICE OF THE CITY SUPERINTENDENT

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To: Members of the House Local Government and Municipal Finance Committee

From: Joshua Mills
City Superintendent
City of Frankfort

Date: April 27, 2022

Subject: Support Housing Michigan Legislation

Honorable Chair Calley and Members of the House Local Government and Municipal Finance Committee:

The municipal partners in the State of Michigan desperately need your support. Communities across the nation and more importantly the communities in Michigan are struggling to address and accommodate the housing needs of our work force. The cost of living has outpaced the living wage throughout the country; however, there is an even greater issue in resort-based communities in Michigan that depend on tourism for a vibrant economy.

If creating sustainable work force housing was an easy and simple task, we would have numerous solutions in place. Many of your municipal partners are desperately trying to take on the complexities associated with the development of sustainable workforce housing. Essentially, for municipalities to establish the partnerships necessary to develop sustainable workforce housing we need the support in Lansing.

In the City of Frankfort, we created a Housing Commission and Land Trust to aid in our efforts. We have also streamlined our zoning ordinance and policies to better streamline and facilitate creative housing options. There is a partnership in place right now with a private developer to construct a 30-unit (one-bedroom) workforce housing development in the City of Frankfort. The MEDC is providing support. The City of Frankfort is offering the property (free of charge) through a purchase agreement option. We are looking at providing rental units for people with an income up to 120% of the AMI. Our pro-forma associated with the project assumes that the property taxes will be 100% exempt. With the City of Frankfort providing the property and a 100% tax abatement on paper, the total monthly rent still comes out to \$1,000.00 per unit. We are working on an endowment funding component that will provide rent subsidy to bring the monthly rent down to \$800/month. There is interest in our endowment fund component from our community businesses and private individuals because they realize that their quality of life in our community is impacted by our inability to create the sustainable work force housing our community, region, and state so desperately needs. Please help us help ourselves.

There are several housing bills that have been introduced and some that are still in draft form that would significantly enhance the creation of sustainable work force housing in our state. It is critical that we move forward with action on these bills. The social and economic well-being of our communities depend on this action from our state legislators. Many opportunities associated with the creation of sustainable work force housing can be achieved at the local level if you give us the necessary tools. Of greatest importance in our community is the Pilot option and the non-homestead exemption (PRE) for residential long-term rentals bill that is still in draft form. If these two bills become law, we will see a significant boost in the creation of sustainable work force housing. The other bills that are on the table are also important.

Thank you for your time and service to this amazing state. Michigan is a special place with special people. We can do a better job building community if we have the proper tools and resources. We are your partners. Let's have Michigan be a leader in solving our work force housing needs. Please consider acting on the critical bills that will enhance our Michigan community.

If there are any questions, or you would like to hear more about what we are doing to enhance our social and economic well-being in northwest Michigan please contact me at your earliest convenience. I can be reached at (231) 651-9117 or via e-mail at jmills@cofrankfort.net.

Thank you.

Sincerely,



Joshua J. Mills
City Superintendent