



GET HOUSING READY GUIDE

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This Get Housing Ready Guide has been developed by the Michigan State Housing Development Authority (MSHDA) to help local and regional leaders identify actionable strategies that can make their communities more attractive to housing developers. The intent is to offer a menu of practical ideas that local governments can consider to reduce barriers, streamline processes, and proactively support housing growth.

This guide is a suggested starting point, not a prescriptive checklist. It presents a range of policy reforms, process improvements, financial tools, and public engagement strategies that have been effective in communities across the state and nation. Local leaders are encouraged to build upon these ideas, tailor them to local needs, and explore additional innovative approaches as part of their housing readiness efforts.

By taking intentional steps toward becoming more development-friendly, municipalities can better attract the investment needed to expand housing options, support economic growth, and ensure that homes are available and affordable for residents across all income levels.



I. PROPERTY INVENTORY AND TRANSPARENCY

1. Maintain a Development-Ready Property List

Keep an up-to-date inventory of sites suitable for single-family and multifamily development.

Purpose:

- Promote investment
- Support transparency
- Facilitate matchmaking between developers and community assets



II. EXPANDING HOUSING OPTIONS THROUGH POLICY AND ZONING REFORM

1. Allow Single-Family Home Conversions

Simplify zoning codes to permit conversions of single-family homes into duplexes or triplexes without burdensome approvals.

Steps:

- Amend zoning codes
- Adjust permitting procedures
- Communicate changes to homeowners and builders

2. Permit Backyard Cottages/Accessory Dwelling Units (ADUs)

Enable homeowners to add ADUs in all residential zones to support multigenerational living and rental options.

Steps:

- Amend zoning codes and establish design guidelines
- Simplify permitting
- Educate homeowners

3. Legalize Starter Homes

Remove restrictions on smaller (400–800 sq. ft.), affordable homes for first-time buyers and downsizers.

Steps:

- Amend zoning codes
- Create supportive design standards
- Streamline approvals
- Provide public education

4. Eliminate Minimum Lot Size Requirements

Encourage more efficient land use and affordability by removing outdated minimum lot size mandates.

Steps:

- Revise zoning
- Simplify subdivision procedures
- Inform community members

5. Repeal Parking Mandates

Reduce costs and allow developers flexibility by eliminating rigid off-street parking requirements.

Steps:

- Update zoning language
- Clarify regulations
- Communicate updates clearly

6. Encourage Diverse Housing Types

Promote mixed-use, energy-efficient, and workforce housing through incentives and zoning flexibility.



III. FINANCIAL TOOLS AND INCENTIVES

1. Automatic PILOT (Payment in Lieu of Taxes) Ordinance for Affordable Housing

Offer predictable property tax relief for projects with significant affordable housing components.

Key Features:

- Projects with 50%+ affordable units qualify
- PILOT starts at 10% of assessed value and increases over 20 years
- Automatic approval by the housing authority
- Annual compliance reporting required
- Duration up to 30 years

2. Housing TIF (Tax Increment Financing)

Use Housing TIF to support redevelopment, especially for brownfield and mixed-income projects.

Municipal Responsibilities:

- Understand the cost, complexity, and lender limitations of Housing TIF
- Train staff on for-sale TIF challenges
- Ensure projects are shovel-ready to access incentives

3. Administer CDBG Grants

Use Community Development Block Grants (CDBG) to support housing development, homeowner repairs, and infrastructure.

Steps:

- Educate the community on the benefits
- Outline transparent application and allocation processes
- Address concerns around compliance and management

4. Establish Housing and Brownfield Redevelopment Authorities (BRA)

Support long-term site planning and access to funding by establishing a BRA.

Actions:

- Work with Michigan Department of Environment, Great Lakes and Energy on environmental assessments
- Emphasize community engagement and transparency
- Share success stories from similar projects

5. Flexible Local and Regional Housing Funds

Partner with philanthropic and impact investors to establish more responsive housing finance tools.



IV. BUILDING PUBLIC AND POLITICAL SUPPORT

1. Tell the Story of Diverse Housing

Show how diversified housing supports local economies and the local workforce, including teachers, healthcare workers, and municipal employees.

Tactics:

- Use storytelling and case studies
- Frame housing as critical infrastructure
- For the public, municipalities and developers
- Example: What is workforce housing, who lives there, why do we need it

2. Prioritize Housing-Ready Sites

Incorporate housing into master plans and prioritize sites for quick activation, like those certified by the Michigan Economic Development Corporation (MEDC) as Redevelopment Ready Communities (RRC).

3. Champion Public-Private Partnerships (PPPs)

Support true collaboration between municipalities and developers. Reduce barriers such as excessive fees, engineering costs, and redundant reviews.



V. EDUCATING MUNICIPALITIES ON DEVELOPMENT REALITIES

1. Understand Development Timelines

Housing projects can take 4–10 months just to close due to incentives and lender underwriting.

Actions:

- Educate officials and the public on realistic expectations
- Support developers in pre-incentive preparation

2. Recognize Financing and Underwriting Complexities

Municipalities should understand:

- Low-Income Housing Tax Credit (LIHTC) eligibility, scoring, and design requirements
- Area Median Income (AMI) impacts on rent/sale rates
- How lender underwriting drives design, schedules, and feasibility
- The need to parcelize duplexes for financing eligibility

3. Market Studies and Absorption Rates

Understand how demand affects feasibility and timelines. Delays in absorption can impact financing and construction pace.



VI. STREAMLINING APPROVAL, ENGINEERING, AND UTILITIES

1. Streamline the Site Plan Review and Approval Process

Ensure quick and predictable approvals for all housing types, particularly missing middle and ADU projects.

Steps:

- Test real applications and identify bottlenecks
- Implement administrative approvals for post-plan stages (e.g., site condo or parcelization)
- Eliminate excessive reviews
 - Cap the numbers of reviews – time is money for developers
 - Cap the fees for reviews – especially third-party reviews

2. Early Utility Coordination

Engage utility providers early in the development process to prevent delays and reduce risk.

Municipal Action:

- Facilitate working sessions with developers and utility companies
- Build timelines that reflect realistic utility coordination

3. Simplify Fees and Inspections

Streamline administrative procedures related to bonding, permit, tap, and inspection fees.

Steps:

- Create transparent, consistent fee schedules
- Offer clear inspection timelines and protocols