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INCREASING HOUSING OPTIONS IN TRAVERSE CITY

CRE Consulting Corps
Recommendations

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Executive Summary

The Challenge

Traverse City stands at a pivotal moment. While Michigan’s overall population has declined, this region has grown. Yet housing production has not kept pace with demand — particularly at price points affordable to year-round workers. Rising construction costs and limited land availability have compounded the issue, leaving many local workers unable to secure housing near their jobs. Employers report difficulty recruiting and retaining staff, and younger residents are leaving the area due to affordability constraints.

This shortage is not unique to Traverse City; it mirrors national trends of escalating housing costs and widening affordability gaps. However, the local impact is acute: median home prices exceed \$430,000, rents average \$1,800 for a one-bedroom unit, and essential workers — teachers, firefighters, healthcare staff — cannot afford to live in the community they serve.

Progress to Date

The City has taken meaningful steps, including zoning reforms to allow greater density and diverse housing types, and identifying publicly owned sites for development. These actions are commendable, but they are not enough. Additional strategies are essential to close the gap and ensure Traverse City remains a vibrant, inclusive community.

Strategic Recommendations

The CRE Consulting Corps recommends a multi-pronged approach focused on **financing, financing tools, process improvements, collaboration, and communication**:

1. Expand and Leverage Financing Tools

Housing development is expensive, and gap financing is critical. The City should:

- **Leverage and diversify funding sources**, including philanthropic organizations, financial institutions, and mission-driven capital.
- Consider engaging employers in housing solutions.
- Explore creation of a **local Housing Trust Fund** to provide grants, soft loans, and predevelopment financing for affordable and workforce housing.
- Increase awareness of resources through multi-channel outreach, workshops, and additional messaging.

2. Provide Development Support

To encourage and support development:

- Use/continue making use of tools such as payment in lieu of taxes (PILOT) and land donation.
- Create or customize a **toolkit** that includes an overview of the approvals process, design assistance, contractor lists, information about predevelopment funding, and planning guidance.
- Continue to address the shortage of skilled trades through expanded training programs, including opportunities for students to learn by building housing.
- Enhance collaboration with public and private partners, faith-based institutions, and others such as educational and health care institutions, Goodwill, and Habitat for Humanity.
- Consider offering pre-approved housing designs to reduce costs and timelines.
- Explore innovative approaches such as modular construction, adaptive reuse of commercial spaces, and incentives for affordable accessory dwelling units (ADUs).

3. Improve the Development Process

Complex planning and permitting processes deter investment. To chart a clear path from concept to completion that is more predictable, transparent, and collaborative, we recommend the City create a **Development Concierge**—a single point of contact to guide developers through approvals and coordinate across departments. This would:

- Serve as the main point of contact for applicants.
- Help applicants understand the steps, requirements, and timelines.
- Coordinate communication among departments.
- Track milestones and ensure accountability.
- Improve transparency so information flows easily in both directions

4. Enhance Education, Communication, Collaboration

Increased education, communication, and collaboration will be helpful in enabling the community to meet its goals.

- Provide training in housing, planning and zoning for commissioners, including clarifying processes and roles.
- Centralize housing resources on the City's website.
- Set measurable housing goals and track progress transparently.
- Hold town halls for community education and communication about housing needs and development.
- Work on regional alignment with county planning.

- Engage employers, financial institutions, and neighborhood associations to align efforts and resources.
- Convene stakeholders regularly to share updates and build consensus.

The Path Forward

These actions will help Traverse City increase housing options for all income levels. Implementing these strategies will help make measurable progress toward a more balanced, sustainable housing market and preserve the city's unique character.

Traverse City has the talent, resources, and community commitment to succeed. By embracing collaboration, streamlining processes, and leveraging innovative tools, the City can ensure that its growth benefits all residents—creating a future where housing is attainable, neighborhoods thrive, and the local economy remains strong.

Introduction

The City of Traverse City and the broader region of Northwest Lower Michigan have experienced growth in recent years, despite declining population in Michigan overall. While population growth is expected to continue, the area is not producing housing supply to meet the need, particularly at price points that serve year-round average working resident households.

The lack of housing supply at lower price points and increased affordability gap is not unique to the City of Traverse City. Housing costs have risen nationwide, housing production has not kept up with the need, and the gap between wages and housing cost has grown. Rents have increased as has homelessness. The price of building materials grew by 36 percent between February 2020 and February 2025¹. The typical age of first-time homebuyers nationally rose to an all-time high of 40, according to the National Association of REALTORS®, surveying July 2024-July 2025.

A 2023 Housing Needs Assessment identified a need for an additional 1,010 rental housing units and 1,192 for-sale housing units in the City of Traverse City by 2027 at various income ranges and price points. The Traverse City Commission and the Traverse City Downtown Development Authority have identified housing issues as among their top priorities. To address the housing challenge, the City has made zoning changes that facilitate greater housing density and identified publicly-owned sites that could be made available for housing development. The City issued an RFP and approved development of one of these sites; the nonprofit Homestretch is working on this project.

Despite the need for increased housing options, opposition from some community residents has led to implementation of policy obstacles that impede housing development. A ballot initiative passed in 2024 requires public votes before Tax Increment Financing can be utilized for housing development projects. Another, prior, ballot initiative requires a public vote for development above 60 feet. These increase the difficulty, uncertainty, and cost of development, as well as presenting an environment to developers that is not inviting.

The Assignment

The Consulting Corps was asked to offer strategic guidance that could assist the City of Traverse City, Michigan, in increasing housing options to meet community needs, consistent with community goals. Stakeholders requested the Consulting Corps recommend action steps to increase the supply of housing at price points that will meet the housing gap identified in the Housing Needs Assessment. A diverse set of stakeholders, including Traverse City business leaders, developers, nonprofit housing organizations, Traverse City staff, elected (commissioners) and appointed (planning) officials, and others, identified housing affordability as a key concern. While the stakeholders requested assistance to address housing

¹ [Joint Center for Housing Studies State of the Nation's Housing 2025](#)

production citywide, the Consulting Corps suggested narrowing the focus. Stakeholders indicated that downtown, Kids Creek, and Traverse Heights may particularly offer opportunities to meet the needs as these neighborhoods are appropriate for increased density. As the team conducted its work, however, we determined that the team’s focus would pertain to policy, process, and tools. Thus, the recommendations are at the citywide level rather than neighborhood- or site-specific.

Through the Transforming Neighborhoods Program, NAR is collaborating with the CRE Consulting Corps to deliver strategic real estate problem solving to select projects. NAR issued a call for applications and submitted these for review by the CRE Consulting Corps. The Increasing Housing Options to Meet Community Needs in the City of Traverse City project, submitted by the Aspire North REALTORS® in conjunction with the City of Traverse City, was selected.

Process

The CRE Consulting Corps team visited Traverse City in October 2025. The team reviewed existing studies and plans, including the City’s recently adopted Strategic Plan, the Housing North Housing Study and other studies. The team toured the City of Traverse City and visited a number of housing developments, including Homestretch’s Carver Street development, Commongrounds Cooperative, and The Village at Grand Traverse Commons. Following the tour, the team began meetings with stakeholders and interviewed more than 35 individuals. Stakeholder meetings included elected officials, City staff, Northwestern Michigan College, Traverse City Area Public Schools, Munson Healthcare, business and civic leaders, neighborhood association representatives, industry practitioners, finance providers, and others. The team formulated their preliminary recommendations and presented them to Traverse City citizens and stakeholders at the end of their week onsite.



Figure 1 Touring The Village at Grand Traverse Commons



Figure 2 Stakeholder Interviews



Figure 3 Touring Commongrounds Cooperative

Housing Need

What We Heard

The CRE Consulting Corps team spoke with many stakeholders and heard broad agreement that there is a need for more housing, particularly lower-priced home options. The full list of interviewees is included in the Appendix. Here are some of the consistent messages that the team heard:

- We need housing – range of price points and types
- Incomes are not keeping up with growth in housing costs
- Housing is needed for economic development and services (e.g. teachers)
- Community pride
- Delays, complex process impede housing supply
- View of the bay – half the pay
- Once we made the top ten travel destinations list we saw dramatic increase in tourism traffic
- I could not afford to buy my house today



Figure 4 Stakeholder interview

Interviewees conveyed that they want to encourage more full-time residents in neighborhoods. This was considered impactful and urgent throughout our interviews, as well as in the City's recent Strategic Plan.

While not all stakeholders agree on the exact number of housing units needed, most agree there is a need, including residents, government officials, regional employers, analytical assessments, and outside parties (like our team). Employers reported the challenge of filling positions when (prospective) workers are unable to find housing. Further, young people – particularly those in their 30s, are leaving the area, at least in part due to the lack of affordability and housing availability close to jobs. This trend is worrisome as this demographic constitutes both the present and future workforce.

Recent studies provide useful data, priorities, and vision. Within the last decade, Traverse City has completed a Downtown & Corridor Market Analysis (2016), Moving Downtown Forward (2022), Housing Needs Assessment (2023), and Traverse City Strategic Plan (May 2025). In reviewing these reports, we observed that housing surfaces as a key issue and priority in each study.

The 2025 Strategic Action Plan, created with broad input and community participation, presents many good ideas. All 15 community key sentiments relate to housing, and all 6 pillars relate to housing. Increasing access to housing supports each of the Strategic Plan pillars. Following are the six pillars with a brief comment about the connection to housing:

- Building thriving year-round economy – housing is required for year-round workers and year-round residents
- Supporting environmental sustainability – proximity of housing supports environmental sustainability by reducing miles traveled to work
- Creating a complete community – a diverse population relies on homes that are various sizes, price points, as well as both rental and homeownership options
- Proactively manage urban design – character, design, density are elements that relate to housing
- Strengthening place-making and neighborhood character – relates to housing
- Fostering a regional collaborative approach – as will be referenced later, we agree that community needs and the regional economy are best addressed via regional collaboration pertaining to a range of issues including housing

The Housing Needs Assessment published in 2023 outlines regional, county and city housing needs and identifies a shortfall of 1,010 for-rent units and 1,192 for-sale units. The study finds a need for a mix of price points and homes in a range of sizes and styles, with the greatest need for low-income families. Rather than a telescopic focus on those precise numbers, we encourage general acknowledgement that there is a need for increased housing supply.

Context: Data

Traverse City is not alone in confronting a housing affordability challenge. Nationally, housing affordability has become front page news. The Harvard Joint Center for Housing estimates a shortfall of 1 million homes nationwide. Home purchase prices are up 60% since 2019, with the growth in home prices greatly outpacing that of incomes. As depicted in the following chart, a typical first-time homebuyer needs an annual income of at least \$126,700 to afford payments on the median-priced home (\$412,500), assuming a 31 percent housing debt-to-income ratio and a 30-year mortgage with a 3.5 percent downpayment. The National Association of Realtors® reports that the average age of a homebuyer today has risen to 40, which is a record high. The median age of a first-time buyer was around 30 in the early 2000s and late 20s in the 1980s.

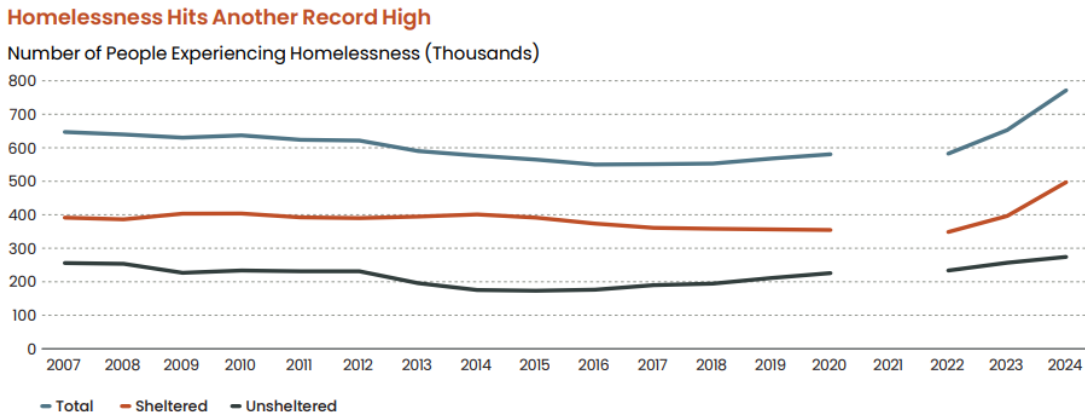
Homebuying Costs Continue to Rise

	2021	2023	2024
Interest Rate (Percent)	2.96	6.81	6.72
Median Home Price (Dollars)	357,100	394,100	412,500
Downpayment & Closing Costs	23,210	25,620	26,810
Total Monthly Costs	2,050	3,150	3,270
Mortgage Payment	1,445	2,480	2,570
Other Costs	600	670	700
Required Annual Income	79,330	121,860	126,670

Figure 5 Source: Harvard JCHS

Notes: Closing costs assume a 3.5% downpayment and 3% additional fees. Mortgage payments are based on a 30-year fixed-rate loan. Other costs include 1.15% property taxes, 0.35% property insurance, and 0.55% mortgage insurance fees. Required annual income assumes a 31% debt-to-income ratio. Source: JCHS tabulations of Freddie Mac, Primary Mortgage Market Surveys; NAR, Existing Home Sales.

The issue persists within the rental housing market. The number of cost-burdened renter households grew for the third consecutive year, reaching a new high at 22.6 million in 2023. The share of renters with affordability challenges has increased significantly, up 3.2 percentage points since 2019 and 9.0 percentage points since 2001. Furthermore, as shown in the below chart, homelessness has also increased significantly nationwide, largely due to market conditions.



*Note: Because of the pandemic, complete unsheltered counts were unavailable in January 2021 and sheltered counts were artificially low due to reduced shelter capacity.
Source: JCHS tabulations of HUD, Annual Homeless Assessment Report Point-in-Time Estimates.*

Figure 6 Source: Harvard JCHS Figure 27

What housing is needed in Traverse City? A brief look at local vital occupations, their average salary, and what that earner can afford provides a high-level indication of the needed homes. The below chart shows the average salary for an elementary school teacher, firefighter, accountant, and general low-wage worker. The guidance is to limit housing costs to about a third of a household’s income; therefore, the third column shows the affordable monthly housing cost for these workers is \$900 to \$1700. The average rent for a one-bedroom apartment is \$1800.

Table 1: Occupation – Salary – Housing Cost Ability

Occupation	Average Salary Early Stage	Median Housing Cost Ability
Elementary School Teacher	\$66,656 (range \$45,650-\$87,681)	\$1,667
Firefighter	\$59,525 (range \$53,377-\$65,674)	\$1,488
Staff Accountant	\$50,000	\$1,250
Minimum Wage + \$5/hour	\$36,358	\$909

The following chart shows the median wage for the top five occupation groups in Grand Traverse County.

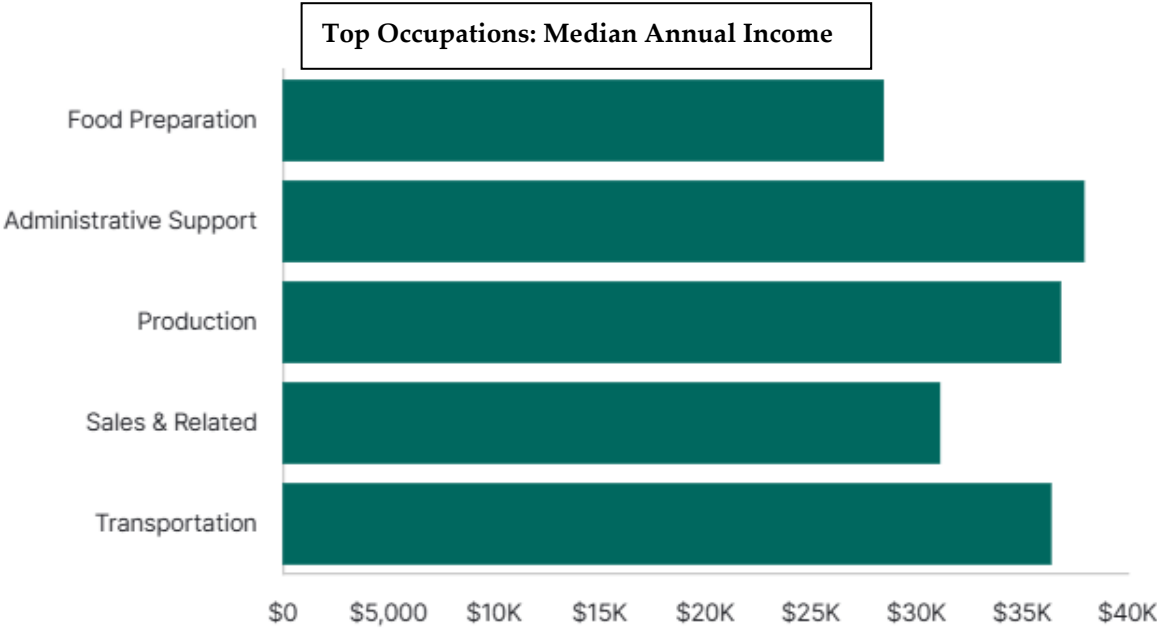


Figure 7 Source: Bureau of Labor Statistics



Figure 8 Source: City of Traverse [Housing Policy Workshop Presentation](#) held on June 18th, 2024

Home prices have increased to a 2024 median over \$430,000, which is out of reach for local working families. Housing development has not kept pace with demand. While this trend was exacerbated by the

pandemic and increased population growth, the lack of production has been true for decades. This is particularly the case for smaller, entry-level homes.

A number of tactics are needed to increase the housing supply for average families. Preserve existing homes, increase production of smaller homes, incorporate innovations to help bring down costs. The City has taken a number of meaningful steps – which we applaud - and more will be required. While various segments of the community may disagree over the precise number of needed homes, most agree there is a need to find solutions. The CRE Consulting Corps team concurs more housing that is affordable to full-time residents is needed. Below we offer tools and resources, ideas to grow the trades and development community, as well as process recommendations to facilitate efficiencies. Finally, building consensus among the community stakeholders and neighborhoods will help move the city forward toward a desirable outcome.

Resources to Increase Housing Options in Traverse City

Kudos to the City of Traverse City for already implementing several actions that allow for development that can produce lower cost homes:

- The city recently revised its zoning code to allow **more housing types and greater density** — including duplexes, accessory dwelling units (ADUs), and multiple homes on a lot — including in areas that were previously restricted to single-family homes.
- The zoning reform also reduced minimum lot size requirements and allowed up to four dwellings on lots in certain districts — changes that make it easier and less expensive to build or subdivide housing.
- The city amended development regulations in multifamily-dwelling districts — eliminating some density limits and reducing parking minimums — to encourage more multi-unit housing developments.
- The city's zoning code manages building height transitions allowing increased density in appropriate locations while maintaining community character.

These actions are important steps, but they are not sufficient to meet the housing need. Following are tactics that can help increase housing options (both affordable and market-rate). Increasing awareness of existing resources is one important strategy.

Increase Awareness of Resources

The community is fortunate to have existing entities that have resources and interest in supporting housing. For example, the Grand Traverse Community Foundation and Rotary Charities, both of which serve five counties including the City of Traverse City, prioritize housing among their focus areas. They have supported housing efforts through grants and investments, and they are particularly committed to playing a role that leverages additional resources. Further, they are potential supporters of future housing initiatives. Explore if they may be sources of assistance for predevelopment grants, homeownership education resources, and architecture plans and design guides to facilitate approval-ready plans.

Financial institutions play a crucial role in housing development, education, transactions, purchases, etc., from financing construction to supporting homebuyer education to accessing state or federal resources. Whether the housing development is market rate or income restricted, lenders are likely to play a role. Look to local financial institutions, particularly banks, as they often offer lending guides and may have soft funding opportunities for housing development. Banks, credit unions, and other local financial institutions may support financial literacy and other programs that support pathways to homeownership.

Housing for the workforce is critical to the economy and for economic development. Building on this interconnection, some housing solutions involve deepening partnerships and engagement of the private sector. For example, through employer-assisted housing programs, employers around the country have participated in housing solutions by providing rental assistance, lease commitments, down payment assistance, and direct investments in housing developments. Nationally, employers involved in healthcare and education have been leaders investing in employer-assisted housing programs. More information about Employer-Assisted Housing programs can be found in the Appendix.

Businesses can also host learning opportunities to educate their workers, including hosting sessions on credit counseling and homebuyer education. They may even point to available resources that may help those workers grow into developers themselves. Indeed, growth of the construction workforce is greatly needed. Northwestern Michigan College offers a range of degrees and certificates in technical and skilled trades areas and hosts an annual event in partnership with the Home Builders Association to expose students to skilled trades opportunities. We encourage continuing and growing these programs, and exploring the opportunity to train future tradespeople as they build their own housing. The Appendix includes a link to information about Billings, Montana's program that involves high school students in construction and homebuilding.

Resources and assistance programs often exist without broad awareness. Below is a list of practical, high-impact ways to **increase awareness of resources** such as housing, community services, nonprofit programs, or assistance available to residents. These strategies work well for cities, organizations, and community groups.

- Centralize information (One-Stop Resource Hub)
- Use multichannel outreach
- Partner with trusted community organizations
- Engage community ambassadors to reach underserved populations
- Host regular workshops + pop-up info sessions
- Simplify the messaging. Clarity increases engagement.
- Leverage local employers & schools
- Gather community feedback

Leverage and Expand Financing Sources

Housing development is expensive. Costs have risen significantly due to a range of factors including land costs, developer/trades workforce shortage, cost of materials, and higher interest rates. A number of tools and strategies will be needed to counter these costs. Below is an extensive list of gap-financing tools and developer incentives commonly used across the U.S.; some of these tools already have been used in Traverse City to increase the supply of affordable and workforce housing. These can help make projects

financially feasible when rents or sale prices cannot cover full development costs. Gap financing fills the difference between what a project costs and what it can support through rents or sales.

When public dollars or incentives are invested in a project, it is a good idea to implement long-term affordability requirements. For example, a deed restriction ensures that the home created with incentives remains affordable for a set time period. This helps protect the investment in affordable housing and ensure the units serve the intended population over the long term.

Low-Income Housing Tax Credits (LIHTC)

The federal Low Income Housing Tax Credit program, administered at the state level, is the largest and most effective affordable rental housing development tool in the U.S.

- 9% LIHTC - deep affordability but highly competitive
- 4% LIHTC - paired with tax-exempt bonds
- Covers 30–70% of development cost
- MSHDA allocates LIHTC in Michigan

Sample Affordable Housing Capital Stacks

Development of affordable housing requires many financial layers. The following charts demonstrate the various financial components for typical affordable housing developments.

4% LIHTC capital stack showing how a typical multi-family development relies heavily on **tax-exempt bonds**, a **larger permanent loan**, and often **substantial gap funding** due to lower equity.

Example Capital Stack for 4% LIHTC Development

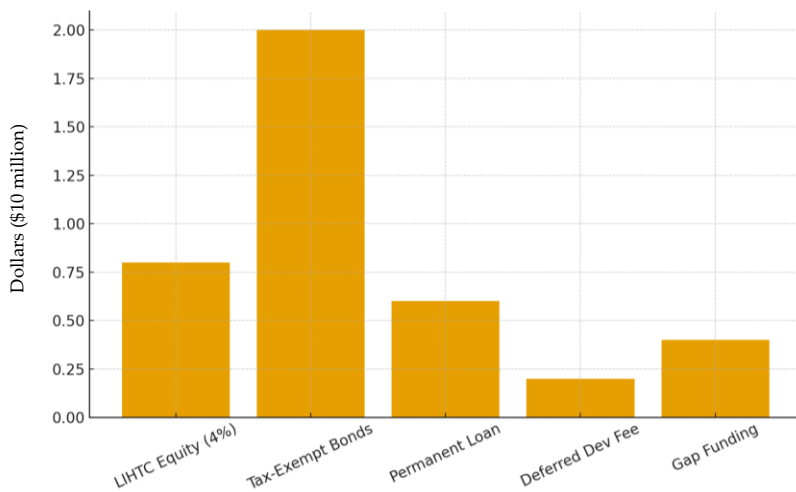


Figure 9 Sample 4% LIHTC Capital Sources

A sample capital-stack graph for a **hypothetical 9% LIHTC multi-family development**, based on typical sources: LIHTC equity, permanent debt, deferred developer fee, and gap funding.

Example Capital Stack for 9% LIHTC Development

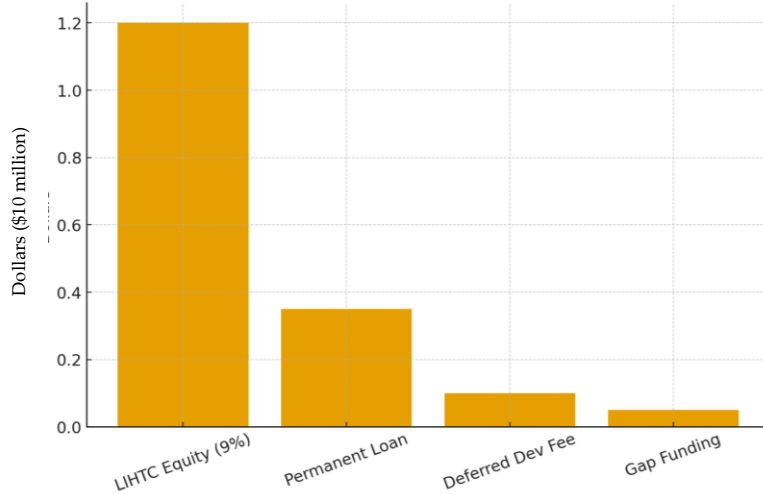


Figure 10 Sample 9% LIHTC Capital Sources

As shown in the above bar charts, housing developments typically require a number of funding sources. Following are descriptions of sources often tapped to fill these gaps.

Tax-Exempt Housing Bonds

Allows developers to borrow at lower interest rates, often paired with 4% LIHTC to deepen affordability, useful for mixed-income projects.

Federal HOME / CDBG Funds

U.S. Department of Housing and Urban Development (HUD) programs are administered at state and sometimes local levels. They can be used for gap loans, soft second mortgages, land acquisition, infrastructure, or rehab. As an “entitlement community,” Traverse City has access to Community Development Block Grant (CDBG) funds; entitlement communities submit a five-year Consolidated Plan that assesses housing needs (especially for low/moderate income households) and guides the use of those funds for housing and community development. The HOME Investment Partnerships Program (HOME) is another HUD program that provides grants to local governments. Often used as one layer to fill a development gap, HOME dollars can be used to build or rehab affordable housing, as well as for homebuyer or rental assistance.

Michigan State Housing Development Authority Programs

Michigan State Housing Development Authority (MSHDA) provides low-interest construction loans, permanent financing, workforce housing incentives, missing middle financing. These programs reduce

borrowing costs, lowering required rents. MSHDA also offers Missing Middle & workforce housing loans, and MSHDA's new Housing Accelerator Fund is profiled in a recent report by Center for Public Enterprise (See Appendix): The new MSHDA Accelerator Fund provides subordinate construction financing, with their funds making up roughly 15-30% of the cost to construct the building. Public capital revolves at conversion to permanent financing, typically with the assistance of a source of permanent mezzanine financing provided by philanthropic, impact, or private lenders.

Mission-Driven Private Capital

Community Foundations + Community Development Financial Institutions (CDFIs) can provide low-interest loans, loan guarantees, predevelopment grants and acquisition capital. These sources are flexible and can be applied early in a project.

Tax Increment Financing (TIF)

Tax increment Financing (TIF) is a vehicle through which a public entity captures the additional, or incremental, taxes from property as it increases in value. The increment refers to the difference between the baseline value and the increased value. Property owners pay taxes as usual, but a portion of those taxes (the "increment") is diverted to pay for development activities that have a public benefit. "The property tax generated within the district at the time of the TIF district's formation is set as the "baseline." As development occurs within the TIF District over time, the property values increase, generating additional tax revenue. In the City of Traverse City, TIF revenue (above the baseline) has been used by the DDA to finance public infrastructure projects identified in the city-approved TIF district plan."²

As of 2023, Michigan law allows TIF to be used for housing to assist with the infrastructure costs associated with development of homes that will serve households earning not more than 120% of Area Median income. However, currently, use of TIF for housing - as well as for other purposes - is impractical in the City of Traverse City. Language was added to the City's Charter Amendment at the November 2024 election changing the process of approving TIF for a new project. Before the city commission can adopt, approve, modify, or extend a tax increment financing plan involving the city, the plan must be approved by a majority of voters through a public vote. While Legal Counsel to the Governor notes that this amendment is at odds with state laws, the law is currently in place, and this presents a significant hurdle impeding development as a developer is unlikely to bring a development proposal to public vote.

Brownfield Tax Increment Financing (TIF)

Common in Michigan because it can reimburse environmental cleanup, demolition, site prep, and public infrastructure. It reduces site-related development costs for underutilized or contaminated land.

² [Traverse City Downtown Development Authority](#)

State Brownfield TIF can be used in eligible housing development activities for “for sale” or rental housing properties that will serve households earning not more than 120% of area median income and/or subsidized properties.

The Brownfield TIF has played a significant role in enabling The Minervini Group to redevelop the state hospital into housing, shops and other amenities creating a mixed-use community at The Village at Grand Traverse Commons. There are several buildings that remain in need of significant investment to adapt them for reuse, and the developer is interested in pursuing this project. However, the public vote on TIF use would now require the developer to bring the plan to a public vote in order to secure this resource. This process of taking a development plan to a public vote is a significant hurdle that would increase time and costs, not to mention risk for a developer. Without the TIF, the project is not financially feasible; the requirement of a public vote is too arduous a process for a developer to pursue.



Figure 11 Grand Traverse Commons

Local Housing Trust Fund

An affordable housing trust fund is a resource established for the purpose of subsidizing housing. This would most likely be publicly (city or county) -managed and offer grants, soft loans, land subsidies, and predevelopment financing. Such low-interest or deferred loans help fill financing gaps.

Following are specific examples of possible sources for raising funds for a Housing Trust Fund:

- A demolition permit fee
- Additional fees for renovations over a certain dollar amount or percent of the home value – may be paired with an anti-deconversion ordinance (Chicago has some examples of these within certain neighborhoods)
- Conveyance tax which escalates over a certain dollar amount
- Community Impact Fee
- Millage
- Short-term lodging tax
- Fundraising or philanthropy
- Allocation from general funds

It is important to ensure more fees and increased regulation create the intended benefit and that the benefit outweighs the possible negative impact on developers thus driving them away. As new policy is implemented, establish a plan to monitor impacts.

Recommended steps toward creation of a Housing Trust Fund:

- Evaluate and select sources to raise funds
- Establish a local or regional housing trust fund and designate an intermediary to receive and distribute the funds
- Create a board to prioritize annual allocation of funds
- Collaborate and convene stakeholders annually to define as well as prioritize goals
- Incentivize local groups, the businesses community, and financial institutions to put money into the community housing trust

Housing Trust Fund resources can be used in a number of ways to subsidize development or home purchase or renovation. For example, following are some possible uses for the Housing Trust Fund:

- Funds collected can serve to reduce the impact the tourist economy has on the local, naturally affordable housing stock and its residents
- Offer property owners incentives to rent to local workers, or to accept a deed restriction requiring the occupying household be part of the local workforce
- Support activities of the land bank
- Fund home repair grants or low interest loans to keep the existing housing stock from declining
- Provide grants or low interest loans to assist long-term residents with home modifications to carve out or facilitate creation of a rental unit
- Promote efforts to maintain existing, naturally occurring, affordable housing such as duplexes or small ranches. Demolition fees and rehab permit fees may help to reduce the loss of this housing stock, while also raising funds that will subsidize other units when the owner/buyer does pursue demolition or significant rehab
- Down payment assistance

Development Tools

Various tools are proven to help bring down total development costs and enable housing to be delivered at lower price points. Below are some of the most effective tools for small-to-mid-sized cities like Traverse City, some of which are already in use in Traverse City. These tools help spur such products and preserve affordability for longer time periods.

Payment in Lieu of Taxes (PILOT)

Through PILOT Agreements, instead of property taxes, developers pay a predictable, reduced fee (often a percentage of shelter rents). Michigan's 15-year PILOT programs are especially effective. By enabling lower operating costs, the homes are available at lower rents. Several developers have used the PILOT for development of workforce housing (50%-120% AMI).

Density Bonus

A density bonus allows a developer to build more units than would ordinarily be allowed on a site by the underlying zoning code. A density bonus is often provided in exchange for a commitment to provide a certain number of housing units at an affordable price point.³

Reduced or Eliminated Parking Requirements

Providing parking is an expensive component to housing development. Reducing or eliminating parking requirements reduces the overall project cost for a development, facilitating the production of housing units priced at a lower cost. While a community must consider needs such as snow removal and peak-season tourist parking demand near shops and restaurants, reducing off-street parking requirements can lower development costs, potentially free up land for additional units, and reduce housing cost.⁴ Traverse City's 2023 zoning code rewrite has already eliminated parking requirements in residential neighborhoods.

Land Bank

A Land Bank can donate or discount land, clear title, demolish blighted structures and prepare property for housing. Lower land cost translates into deeper affordability. The Grand Traverse County Land Bank Authority serves the City of Traverse City, as well as the county, with the authority to "acquire, hold, manage, and develop tax-foreclosed property and other vacant, blighted, obsolete, and abandoned properties."⁵ The



Figure 12 Homestretch Carver Street Property

³ <https://www.localhousingsolutions.org/housing-policy-library/density-bonuses/>

⁴ <https://www.localhousingsolutions.org/housing-policy-library/reduced-parking-requirements/>

⁵ <https://www.gtcountymi.gov/738/About-the-Land-Bank-Authority>

land bank helped enable Homestretch’s land acquisition for the Carver Street Apartments.

Community Land Trust

Community land trusts (CLTs) are non-profit organizations that acquire and hold land for the benefit of the community. By removing the cost of land from the equation, CLTs can offer housing at below-market rates. The land remains under the ownership of the trust, while residents own the buildings on the land, ensuring that the housing remains affordable in perpetuity. Consider creating a Community Land Trust and encourage private land donation to the trust to maintain long-term affordability.

Land Donations / Discounted Public Land / Land-Lease for Development

City-owned or county-owned parcels can be discounted, ground-leased, or donated to nonprofits. A good example is the city’s provision of Lot O to Homestretch for development of affordable housing downtown. Removing the land cost is a meaningful tool to enable deeper affordability (especially for 30–60% AMI units).

Expedited Permitting & Fee Reductions

Expedited permitting and review policies help increase the supply of homes and apartments that are affordable to families by expediting and simplifying the permitting and review processes applicable to all homes and apartments. By reducing development costs and allowing the market to work more efficiently, these steps help to make homes more affordable.⁶

Inclusionary Housing

Policy requiring a percentage (e.g., 10–20%) of units in a development to be affordable, makes mixed-income development financially viable. Often used in conjunction with a density bonus.

Infrastructure Cost Sharing

With infrastructure cost sharing, local government contributes to water/sewer upgrades, roads, stormwater, sidewalks, etc., removing some of the major up-front costs that often kill projects. Although communities often believe infrastructure should be a developer’s full responsibility, projects beneficial to a community are often not feasible without public investment.

In evaluating pros and cons or costs and benefits, it may be difficult to quantify the public benefits; however, one example is the tourism dollars coming into the region spurred, in part, by the development of a parking garage. Prior city investments transformed the City of Traverse City into the hub and cultural center that has become a draw for tourists and long-time residents alike.

⁶ <https://nhc.org/policy-guide/expedited-permitting-and-review-the-basics/expedited-permitting-and-review-policies-encourage-affordable-development/>

Pre-approved Housing Designs

Pre-designed, pre-approved home plans can increase construction speed and affordability. A community can ease the process by providing pre-approved small multifamily, ADU, and/or “missing middle” building plans (e.g. duplexes, quadplexes, cottage courts). These plans meet building and zoning code specifications and can match local community character. Local Traverse City architectural firms exist that likely can provide these services.

Provide a selection of pre-approved ADU designs that meet local building codes and standards.

Homeowners can choose from these designs, reducing the costs and delays associated with custom plans and ensuring that the units are constructed quickly and efficiently. Making available pre-approved designs facilitates and streamlines the approval process, which will accelerate progress and expand housing options throughout Traverse City. Examples of other communities that provide pre-approved designs are included in the Appendix.



Figure 13 Grand Rapids Permit-Ready Plans Website

Toolkit

Assembling key information helps ease the process for developers. The appropriate toolkit may exist, or minor tweaks may be needed to customize the toolkit for Traverse City in order to advance local goals. Local nonprofit **Housing North** provides a variety of specialized toolkits and guidance to support housing advocates and developers.

Michigan Economic Development Corporation (MEDC) also has tools and resources. Michigan Economic Development Corporation, the state’s economic development entity, “markets Michigan as the place to do business, assists businesses in their growth strategies, and fosters the growth of vibrant communities across the state.” MEDC’s “Redevelopment Ready Communities® (RRC) is a voluntary technical assistance initiative”⁷ that helps communities address their planning, zoning, and economic development with trainings, tools, and best practices. The initiative aims to help communities be “redevelopment ready.”

⁷ <https://www.miplace.org/programs/redevelopment-ready-communities/rrc-overview/>

Among the resources available is a developer's toolkit. The City of Traverse City is certified as a Redevelopment Ready Community.

Following are suggested components to include in the toolkit:

- Overview of the approvals process, including the roles of the City of Traverse City and Grand Traverse County
- Permitting liaison/Development Concierge (discussed below in the report)
- Planning, design to conform with zoning
- Information about predevelopment funding
- City wide financial assistance
- Contractor/tradespeople referrals – not an endorsement but a list of contractors. Facilitating a bulletin board or Facebook group also could help raise awareness of potential service providers.

Disseminating and ensuring awareness of these tools is key. The city's website is one place to share information, including links to key partners, resources, and information sources. Promoting tools, communicating about resources, and marketing will be an ongoing, recurring need.

Development Activity

Capable and Experienced Developers at Work

The CRE Consulting Corps team observed that capable and experienced developers and home builders are active in Traverse City and have delivered new homes to the market in recent years. However, the issue is that many of these new homes are market-rate single-family homes and do not address the need for lower priced options. The challenge is to create a better balance across the type and cost of housing units.

The following charts detail housing permits requested in 2024 and permits issued in Traverse City in the past seven years:

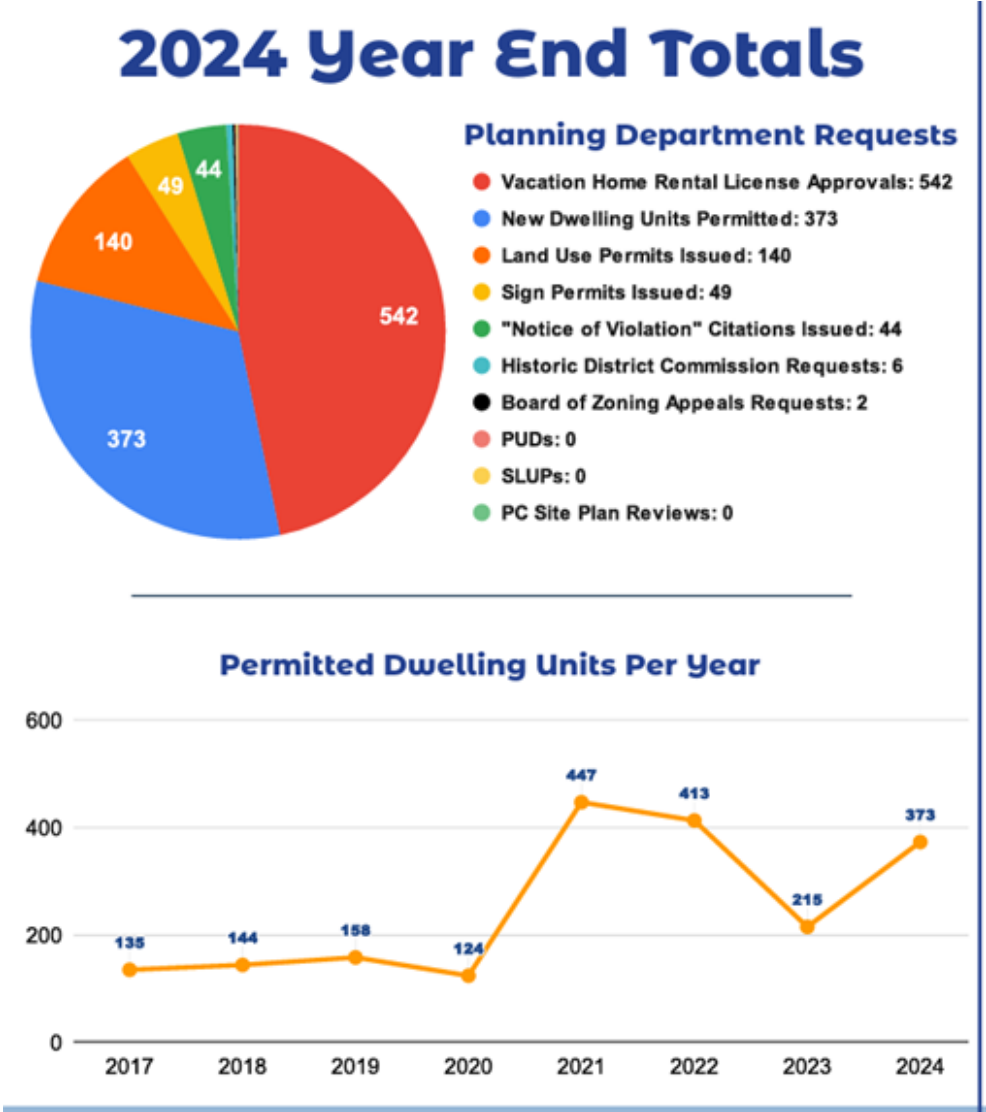


Figure 14 Source: City of Traverse City Planning Department

These data show a combination of newly constructed affordable and market-rate housing in stand-alone developments and infill in existing neighborhoods. The chart shows an increase in 2024 over 2023, rising from 215 in 2023 to 373 in 2024. Much of this housing is ownership with fewer rental units – especially at affordable rent levels. Development sites have included market-rate purchasers, land bank sites and non-profit owned sites.

Many of these established developers have the resources to acquire, permit and construct larger scale projects which will be an important part of addressing the demonstrated need for housing. However, there remains an unmet need for more diverse housing types, particularly homes at lower price points, including affordable for sale and rental units.

We applaud the city's efforts to date, including the zoning changes which have been made. Increasing development of accessory dwelling units (ADUs), duplex/triplex/quads and multi-family developments will help. While progress has been made, barriers such as limited available sites, zoning constraints, and financing challenges persist, especially for projects that aim to serve low- and moderate-income households. Addressing these barriers will require targeted policy changes and coordinated efforts among public, private, and nonprofit sectors.

Deepen Collaboration

To bridge the gap in available housing options, the Consulting Corps team recommends a multi-faceted approach that leverages both local expertise and partnerships. Collaboration among developers, city officials, and nonprofit organizations can help unlock new opportunities for affordable and diverse housing types. Other partnership opportunities include faith-based organizations, as they may have a mission-driven commitment to help ensure people have affordable housing. In addition to being supporters, faith-based organizations may have land they are willing to provide for affordable housing development. Employers, including in particular health care and educational institutions, have collaborated to address housing need in many places around the country. Locally, TCAPS has become a partner on housing, providing district-owned land to create housing. Ongoing partnerships with the school system may present further opportunities. Other employers, including the hospital, should be considered for their potential role in addressing housing.

Other partners to interface with include Habitat for Humanity and Goodwill, as well as multi-sector industry representatives. Engaging and partnering with local neighborhood associations, banks, and soft funding sources can help drive projects forward. Neighborhood associations and neighboring property owners should also be engaged to keep up the information exchange, flow of ideas, and work toward meeting goals and building buy-in. Convening stakeholders to share information, evaluate progress, revisit priorities, and assess new opportunities or needed changes is also valuable. Housing North or another agency may be the entity that convenes and may already be assembling stakeholders. We recommend initiating or continuing such convenings on a regular (quarterly?) basis.

Expand Developer Supply and Capacity

While Traverse City has an active development community, including both locally based and large regional or national developers (as further discussed below), expanding the supply of developers can be beneficial. Small local entrepreneurs are likely to be the developers of infill sites including ADU's, second principal residence and renovation/expansion of existing residences. Several forms of assistance can help grow this pool of potential developers and support their success: a comprehensive toolkit, predevelopment funding, along with citywide support. In addition, assistance with process such as a permitting liaison/development concierge will be further explained below. As mentioned above, local philanthropy and public dollars are potential sources of predevelopment funding and capacity building, and connecting to banks and other funding sources is important. Additionally, linking these developers to reliable contractor and tradesman references, as well as offering planning and design guidance to ensure zoning and character conformity, can help them to redevelop underutilized properties.

Additional Ideas to Consider

- Explore Modular Housing Options - The controlled manufacturing process of modular homes allows for significant cost savings. By producing homes in a factory setting, developers can reduce labor costs, minimize material waste, and avoid weather-related delays. These savings translate into lower overall costs, making modular housing an affordable option for both developers and residents.
- Promote Vertical Mixed-Use Development - Vertical mixed-use development integrates residential, commercial, and recreational spaces within the same building or complex. This model not only maximizes the efficient use of land but also fosters a vibrant, walkable urban environment that enhances the quality of life for residents. Vertical mixed-use developments contribute to the creation of lively, 24/7 communities where residents can live, work, shop, and recreate within a short distance, reducing reliance on automobiles and supporting environmental sustainability.
- Consider Adaptive Reuse of Commercial Spaces - Adaptive reuse not only revitalizes underused properties but also provides a sustainable, cost-effective alternative to new construction. By converting these spaces into housing, the city can create new residential opportunities, preserve its unique character, and reduce the environmental impact associated with building on undeveloped land.
- Develop Incentives to deploy "Affordable ADUs" - Developing incentives for the construction of affordable ADUs could be a powerful tool in addressing the needs of local workers. By offering incentives such as reduced permitting fees, tax breaks, grants, and/or fast-track permitting, the city can encourage homeowners to contribute to the solution, creating more affordable home options and diversifying the housing stock. Homeowners who build ADUs also benefit from rental income or the ability to house family members in a separate living space.
- Implement an Inverse Short Term Rental Program - The Inverse Short Term Rental (STR) program is designed to address the housing shortage by making better use of properties that are

typically vacant for much of the year. Property owners who primarily use these homes as vacation retreats would place their properties into a long-term rental program. These homes would be rented out at lower rates to individuals who qualify for low-income housing or are part of the local workforce. Using an online platform similar to Airbnb, owners can schedule their visits to Traverse City, effectively renting their own homes back for the duration of their stay. During these times, the year-round tenants—who understand the arrangement—would temporarily vacate the property, either taking a short vacation themselves or staying in nearby accommodations funded by the property owner. This system ensures that the homes are occupied year-round, benefiting neighborhoods, property owners and tenants.

- Explore “Tiny” home options - Consider allocating a parcel of land to allow for tiny homes within city limits.
- Explore potential property tax rebate or reduction for long-time existing owners who sell their home and purchase a smaller home, downsizing and remaining in the community.
- Consider providing repair grants to long-time residents to upgrade a portion of extra space, create an additional bathroom or entrance within older underutilized homes to create a rental unit.

Improving the Development Process

Building Predictability, Partnership, and Progress

Traverse City has become one of Michigan's most desirable communities to live, work, and invest in. Its natural beauty, walkable downtown, and strong civic culture have drawn new residents and businesses while preserving a clear sense of local character. With that success comes a growing challenge: ensuring that planning, zoning, and permitting systems keep pace with demand while remaining fair, consistent, and accessible.

This section of our report is intended to help the City of Traverse City explore practical ways to make its development process more efficient and effective. The goal is not to change policy or rewrite regulations, but to create a path from concept to completion that is more predictable, transparent, and collaborative.

Why Efficiency Matters

Development is a team effort that brings together planners, engineers, elected officials, residents, and private investors. When that process is well organized and predictable, it leads to better projects, stronger community relationships, and long-term confidence in the local market. When it becomes fragmented or inconsistent, costs rise, timelines stretch, and frustration grows.

Efficiency is not about rushing decisions or reducing public involvement. It is about making sure that expectations are clear, communication is consistent, and accountability is shared. When the process works well, everyone (from city staff to developers to residents) can make informed decisions with confidence and clarity.

The Cost of Inefficiency

Delays in the development process have real and measurable impacts. Each month of uncertainty adds cost through extended financing, price increases, and lost opportunity. For smaller local builders, that can mean the difference between a viable project and one that never moves forward. For larger projects, uncertainty can shift investment to another community where the process is more predictable.

Delays allow regulations and funding to change such as HUD and therefore the availability of MSHDA funds. Another example is the dramatic cost increases around the COVID supply chain. If a project is still uncertain, good pricing may not be locked in ensuring costs will match those initially projected for a project thereby making it now unviable.

Inefficiency also carries less visible costs. It can discourage new or less experienced developers, overextend city staff, and create frustration among residents who view the process as slow or inconsistent. Over time, these experiences erode trust and make collaboration harder. An efficient and

well-coordinated process, on the other hand, builds trust and helps focus attention on what matters most—the quality and outcomes of development.

Understanding the People Who Develop

Traverse City attracts a wide range of people and organizations who invest in its future. Each group interacts with the city’s process differently, depending on their background, resources, and familiarity with local procedures. Recognizing these differences helps ensure that the system works for everyone.

Emerging Locals: These are residents and small business owners who see potential close to home. They are often driven by a genuine desire to contribute to the community but may be unfamiliar with planning or permitting. They bring fresh energy and creativity but can become discouraged by complex procedures. A structured and well-guided process can help them succeed and keep their investment rooted in the local economy.

Established Locals: This group includes experienced developers, builders, and property owners who have completed projects in the city and surrounding area. They understand the system and value consistency, predictability, and open communication. When expectations are clear and timelines are reliable, they continue to reinvest in Traverse City and serve as long-term partners in community growth.

External Experts: These are experienced regional or national developers who bring capital, knowledge, and established professional teams. They evaluate Traverse City alongside other markets and pay close attention to efficiency and clarity. A coordinated and professional process signals that the city is ready for quality investment, while uncertainty or delays can easily shift their focus elsewhere.

External Explorers: This group includes newcomers to both the local market and the development process. They may have strong ideas or resources but need guidance to understand how to begin, what steps are required, and how departments interact. A clear, supportive, and well-managed process can turn their uncertainty into confidence and attract fresh investment and innovation.

Each of these groups—whether local or external, experienced or new—depends on a process that is consistent, coordinated, and transparent. Building that structure benefits everyone and strengthens the community as a whole.

Where the Process Breaks Down

As in many growing cities, Traverse City’s development process spans several departments and includes both city and county involvement. Each group performs its role with professionalism, but without a central point of coordination, applicants can easily become overwhelmed. They often receive input from multiple sources, sometimes with conflicting interpretations or expectations.

Without a shared framework for communication, timelines can slip and responsibilities can become unclear. Developers may be uncertain about what comes next, and staff can feel pressure to manage increasing workloads without a unified process. The result is a system that reacts to challenges instead of anticipating them.

An Opportunity for Improvement

To strengthen coordination and communication, the city could consider creating a Development Concierge or Development Liaison. This position would serve as a guide and coordinator throughout the development process. The purpose is not to alter regulations but to make them easier to navigate.

The Development Concierge would:

- Serve as the main point of contact for applicants.
- Help applicants understand the steps, requirements, and timelines.
- Coordinate communication among departments.
- Track milestones and ensure accountability.
- Improve transparency so information flows easily in both directions.

With a focus on clarity and organization, this role can reduce delays, prevent misunderstandings, and allow city staff to focus on their expertise while ensuring applicants experience a well-managed, predictable process.

HOW THIS ROLE IMPROVES OUTCOMES

Other communities have introduced similar roles with measurable success. A Development Concierge ensures that every project has an advocate for efficiency while maintaining rigorous review standards. Developers benefit from having one consistent point of contact who understands both public and private perspectives. Departments benefit from fewer redundancies and clearer communication.

This structure promotes consistency and builds confidence across all stakeholders. Smaller local developers feel supported, and larger firms gain confidence in predictable outcomes. The city benefits from higher quality proposals, smoother coordination, and stronger public-private partnerships.

A NEUTRAL AND BALANCED APPROACH

The Development Concierge would serve the process itself, not any one project or party. This neutrality ensures fairness, transparency, and accountability. The position could report within the city administration and work collaboratively across all departments.

Such a role would demonstrate Traverse City's commitment to good governance. It shows that efficiency and oversight can coexist, that the city values both progress and process, and that collaboration can lead to better outcomes for everyone.

The Broader Impact

Improving how development moves through the system has far-reaching effects. Predictable timelines encourage investment. Clear communication helps residents understand how projects fit into community goals. Over time, this leads to more attainable housing, better designed neighborhoods, and infrastructure that supports growth.

An efficient system also enhances the city's reputation as a forward-thinking and well-managed community. Traverse City could become a model for how to balance progress with preservation—a place known for both efficiency and integrity. That reputation, in turn, supports long-term economic stability and civic pride.

Next Steps

To move forward, Traverse City could take a phased approach:

1. Define the scope, authority, and structure of the Development Concierge position.
2. Establish a pilot program lasting twelve to eighteen months.
3. Track outcomes such as project timelines, participant satisfaction, and the number of successfully completed developments.
4. Use the data collected to refine the process and decide whether to make the role permanent.

If the pilot proves successful, the lessons learned could guide broader improvements, including updates to digital permitting, customer service, and interdepartmental collaboration.

Traverse City is at a defining point in its growth. The city's approach to development today will shape its future for decades to come. A process that is predictable, transparent, and collaborative creates confidence for residents, staff, and investors alike.

By embracing communication, accountability, and coordination, the city can maintain its unique character while welcoming thoughtful growth. Creating a Development Concierge or Liaison position would be a meaningful step forward; one that balances progress with stewardship and prepares Traverse City for continued success.

Support of this part of the developer community is going to be important to create housing at the margins needed in the face of a lack of the larger parcels needed for bigger developments.

Recommended Actions

Education and Training

Real estate development is a complex process. As noted above, a Development Concierge can be very helpful to facilitate the process. Furthermore, an efficient, streamlined process is essential to prevent or alleviate delays. Ensuring each department and commission is clear where their respective roles start and end will smooth the process and improve the developer experience, which will foster increased production, and help reduce costs. One recommendation is to host trainings and/or hold a retreat for both incoming and returning commission members and elected officials. This training will serve as a mechanism for onboarding. As the city is aware, there are several organizations offering planning & zoning training for local officials in Michigan. Michigan Association of Planning (MAP) and Michigan Municipal League (MML) are two examples. MML offers an elected official summit training which could serve as a retreat for the full incoming board. Redevelopment Ready Communities also provides such trainings. Links are included in the Appendix.

The plan commission plays an important role, and an initial training or review on current zoning policy as well as future options could be useful for the incoming planning commission; this training could be hosted by the planning department. If changes are considered to zoning in the future, MAP has a zoning reform toolkit which provides 15 zoning reform tools as well as an in-depth discussion about messaging. Review those tools and strategies that pertain to messaging and apply them to the city's more recent changes such as the R-2 zone. Another resource is Housing North, which has an abundance of resources, including toolkits and innovative solutions for housing. Additional resources and examples are in the Appendix.

Other actionable items include providing a training or refresher for city officials and employees about the updated ethics passed by the City on November 4, 2025. If a change to the commission by-laws is necessary based on streamlining the processes as noted above, Michigan State University (MSU) Extension is a resource offering Sample Bylaws for a Planning Commission.

Enhance Communications

Once processes are finetuned, communication is crucial. The roles of the various departments and agencies should be clearly and consistently communicated through all available channels, including the Development Concierge, the website and online links from the city's website. This will assist everyone, including emerging developers, ensuring transparency for all.

Communication for all stakeholders within and outside the city is vitally important, including messaging in multiple forms that is consistent across platforms. Messaging should constitute varying lengths from small sound bites up to and including detailed explanations and education easily accessed from the city

website. Tap the appropriate vehicle to ensure communications reach the various distinct audiences, recognizing that different populations and demographics access information differently. Be sure to consider messaging content and form for the diverse range of developers, contractors, neighbors/neighborhoods, homeowners, employers, local workers (who may be future residents), and government agencies. Next, determine the content and various goals. The city should aim for a more updated online experience with easily accessed data and tracking.

One goal which goes hand in hand with processes and discussions noted above is education. Share in-depth education tools. Integrate and link data between the city, county and Housing North to promote awareness of Housing North's mapping, toolkits and other useful data. For example, direct emerging developers' to Housing North's online Resources for Developers and Developer Toolkit via a link from the city website.

Finally, financial resources are crucial for developers. Provide online links to state, county and local sources. This will increase awareness and the ability to utilize the resources described above.

Build Toward Consensus

To achieve the best outcomes, it is helpful work to build consensus to ensure commissions, staff and community members are aligned, aiming toward shared vision and goals, and moving in the same direction. Building on the Strategic Plan - which was developed with broad engagement and diverse participation - is a good foundation. Select actionable items from the Strategic Plan, considering the best methods to reach the various age demographics and neighborhood groups. Consider opportunities to integrate the various viewpoints, engage the voices or messengers that resonate most broadly and highlight shared values and collective objectives. Identify commonalities among various stakeholders so that all can move forward in the same direction. How can different viewpoints be heard, including the perspective of locals who work in the City of Traverse City but do not live within city limits? What do those concerned about denser development support, and how can the housing trust fund tap into that?

The success of Commonground presents a good example of listening to local needs combined with outside the box thinking that generates solutions unique and specific to your community. We encourage continued efforts to bridge divides, leverage compelling cross-group messengers, and explore innovative approaches to address the housing need.

Metrics: Track and Report

Tracking and communicating activities and outcomes is critical to understanding progress. With a goal of meeting the housing need - with net units added to full-time housing stock priced for average working families - real-time data is needed. We encourage implementation of a system in which the planning and building departments track permits in real-time and make that information available. Other data to

capture and share include assessments of newly completed construction, whether the home is occupied year-round, is a second home or offered as short-term rental, its size and type, information on rental and owner-occupied homes, and total numbers of full-time housing units. While housing continues to be built, housing that is available and affordable to those with low- and middle-income wages has been lost to demolition, removed as full-time housing or converted to short-term rentals; ongoing tracking will help with assessment of the trends. Knowing trends provides data to inform decision making and keeps all parties working with the same information. Determine how often these metrics should be reported, and use consistent data over time to provide a true measure of progress. Keep working with Housing North as they conduct updated housing needs assessments and contextualize the City of Traverse City situation within the broader regional lens.

Job markets do not adhere to jurisdictional boundaries, and clearly, the City of Traverse City generates the jobs and economic engine for the region. The economy certainly relies on housing options throughout the region. However, as housing cost increases within the city and tools such as TIF become more difficult to utilize within the city, a perhaps unintended consequence is that development is likely to occur outside the city. This unintended outcome will encourage sprawl rather than “smart growth,” resulting in longer commutes, more traffic and carbon emissions – outcomes that counter environmental and sustainability objectives prioritized in the Strategic Plan. Furthermore, the often ignored and very real cost of sprawl is the necessary infrastructure such as extending sewer and water lines.

Transportation solutions such as Bay Area Transit Authority (BATA) buses can help some workers reach their jobs but are not a viable substitute for increased nearby, higher density, construction. Unlike larger cities, trains or other faster more efficient forms of transportation will not be financially feasible in this region. Encouraging denser construction along the transportation corridors will help and allow bus routes to be most efficient (not to mention maximizing infrastructure). Given this, addressing both housing and transportation with a more coordinated regional lens will yield the best outcomes to sustain the city and region.

Conclusion and Final Thoughts

While the CRE Consulting Corps team did not have the opportunity to speak with everyone during our three days of interviews, we heard from many voices. Interviewees conveyed significant commitment to the community and desire to maintain Traverse City as the gem that it is. In addition, we heard broad consensus that the community needs housing and desires more “lights in the windows” of neighboring homes. Like other small seasonal tourist communities, the housing shortages for seasonal workers is especially challenging. We encourage making use of the studies and reports previously obtained by the city and county, such as the Strategic Plan. These resources show trends over time and point the city toward desired outcomes.

The Housing Needs Assessment and Strategic Plan underscore the housing need. Census data indicate declining numbers of households in their 30s, and business leaders report challenges recruiting and retaining workers due to the barrier presented by high housing costs. Economies as a whole can suffer when lower income residents live far from their jobs. This important regional hub risks further falling into a situation in which it serves only portions of the population.

Historically, housing in many communities offered options. Rather than only single family homes on spacious lots, communities’ housing stocks consisted of duplexes, three-family homes and attached row houses. These provided naturally occurring affordable housing. Small infill projects that create 1-3 homes are important. The city’s zoning change restores this possibility, which is beneficial and will expand options.

The City of Traverse City must take additional steps to address the housing need, leveraging the relevant city departments, engaging the elected and appointed leaders, and including the broader community. Many resources, experts, models, and potential partners exist, and the city has the potential to engage these resources. Partnering is key, as is expanding resources, such as through creation of a Housing Trust Fund.

As discussed in this report, various tools and programs can help address the housing need. For instance:

- Keep PILOT tax abatements
- Brownfield TIF
- Local housing trust fund
- Density bonuses + reduced parking (ensure balance with realistic parking needs)
- Land donations / discounted public land
- Support small infill redevelopment, such as with grants
- ADU incentive programs
- Continue to support Low Income Housing Tax Credit developments (LIHTC)

Improving the process and incorporating a development concierge is our other primary recommendation. A development concierge can help developers through the process. Expedited permitting processes and streamlining the approval process by preparing design plans that align with local building and zoning codes, ideally created by local designers, will accelerate progress and expand housing options throughout Traverse City. It is unlikely that by 2027 the city will achieve the number of units identified in the Housing Needs Assessment. Nevertheless, real progress can be made.

Much is already in place. The city has qualified developers dedicated to Traverse City. The various stakeholders are committed stewards; the city has capable and committed staff and leaders. Find common ground among constituents, implement action steps, empower staff, provide education for citizens and public representatives, track incremental progress, share data, and celebrate outcomes. Trust the process. Welcome and encourage various forms and types of participation that address housing needs. Slow and steady wins the race.

Appendix

Appendix I - Resources

Michigan Municipal League (MML) <https://www.mml.org/>

<https://mml.org/education-events/elected-officials-academy/newly-elected-officials-training/>

Michigan Association of Planning (MAP) <https://www.planning.org/>

https://www.planningmi.org/aws/MAP/asset_manager/get_file/901592?ver=3 (This is a zoning reform toolkit which may be helpful for future changes envisioned.)

Michigan Townships Association Online Learning Center: learn.michigantownships.org

Housing North <https://www.housingnorth.org>

<https://www.housingnorth.org/deed-restriction-program>

<https://www.housingnorth.org/community-land-trusts>

Housing North - **[Employer Solutions for Housing](#)**

MSHDA - **[Employer-Assisted Housing](#)** information:

<https://www.michigan.gov/mshda/developers/employer-assisted-housing>

City of East Lansing: [straightforward summary which explains TIF](#) and lists TIF-funded projects

[A New Class of Supply Focused Housing Investment Programs](#). By Ashwin Warrior and Henry Walther, Center for Public Enterprise. December 2025. See pages 16-19.

New report on State Housing Finance Agency models for supporting mixed income housing via revolving loan funds without LIHTC features Michigan, New York and Massachusetts

[Housing Solutions Lab](#) - www.localhousingsolutions.org - project of NYU Furman Center and Abt Assoc

Resources/Examples of communities that provide ADU plans:

- City of Eugene, OR www.eugene-or.gov
- Escondido, CA - <https://www.escondido.gov/1207/Pre-Approved-ADU-Program-PAADU> lays out the process with 4 pre-approved plans
- Kalamazoo, MI <https://www.kalamazoocity.org/Community/Community-Development-Housing-Programs/Pre-Approved-Housing-Plans>

Billings Public Schools - home building/trades education program <https://bpsfutureready.org/>

<https://bpsfutureready.org/pathways/construction/>

Goodwill <https://www.goodwillnmi.org>

[Housing Supply Accelerator Playbook](#). Published by American Planning Association and National League of Cities, 2024.

The City of South Lake Tahoe requested options to raise revenue to support housing programs: [Analysis of Local Funding Source\(s\) for Housing Initiatives Prepared for the City of South Lake Tahoe January 13, 2023 by bae urban economics](#)

City of South Lake Tahoe Policy and Data page: <https://www.cityofslt.gov/2333/Policy-Data-Home> - [City Services](#) - [Development Services](#) - [Housing Division](#) - Policy & Data

[Faith and Housing Program | LISC Bay Area](#) – LISC helps communities and housing organizations navigate housing development. (*Disclaimer: this is not an endorsement of their activities or organization.*)

- [Resources Library](#): <https://www.lisc.org/bay-area/areas-of-work/affordable-housing/faithandhousing/resources-library/>

Appendix II – Interviewees

We thank the National Association of REALTORS® for their support of the CRE Consulting Corps through the Transforming Neighborhoods program. We express our sincere appreciation to staff and leadership of the Aspire North REALTORS® for the warm welcome and hard work preparing for the team’s visit. The CRE Consulting Corps team was privileged to talk to a wide variety of stakeholders while onsite in Traverse City. Many of those people are listed below, and we thank them for their time.

Harry Burkholder, Traverse City Downtown Development Authority

Warren Call, Traverse Connect

Hollie DeWalt, Northwestern Michigan College

Anna Marie Dituri, City of Traverse City Planning Commission

Kevin Endres, Three West LLC

Chris Forsyth, Grand Traverse County

Valarie Handy, USDA Rural Development

Matthew Hanley, Central Neighborhood

Scott Hardy, Coldwell Banker Schmidt/TCAPS Board, Past DDA

Debbie Hershey, City of Traverse City Planning Commission

Jeff Hickman, Coastal States Bank

Carl Jagoditsh, Homestretch Nonprofit Housing Corp.

Caroline Kennedy, Indian Woods Neighborhood

Susan Leithauser-Yee, Housing North

Tony Lentych, Michigan State Housing Development Authority

Jody Lundquist, Boomerang Catapult, Northern Michigan Angels

Rebecca Mang, Kids Creek Neighborhood

Janie McNabb, Networks Northwest/Northwest Michigan Works

Ben Miller, Traverse Heights Neighborhood

Raymond Minervini, The Minervini Group

Brian Mullally, Innovo

Homer Nye, Kids Creek Neighborhood

Craig Patterson, Woda Cooper Companies, Inc.

Tim Pulliam, Keen Technical Solutions
Kate Redman, Commongrounds Cooperative
Mayor Amy Shamroe, City of Traverse City
Commissioner Heather Shaw, City of Traverse City
Shelley Spencer, Munson Healthcare
Jonathan Stimson, Homestretch Nonprofit Housing Corp.
Sakura Takano, Rotary Charities of Traverse City
Christine Thomas-Hill, Traverse City Area Public Schools (TCAPS)
John VanWagoner, Traverse City Area Public Schools (TCAPS)
Steve Wade, Grand Traverse Regional Community Foundation
Commissioner Tim Werner, City of Traverse City
Scott Wick, High Street Insurance Partners
Megan Wicks, Boardman Neighborhood
Shawn Winter, City of Traverse City
Kent Wood, Borealis Strategic, LLC

Appendix III – National Association of REALTORS® Resources

The National Association of REALTORS® (NAR) has a number of resources available to state and local REALTOR® associations through the REALTOR® Party that might be useful in keeping the momentum going once The Counselors of Real Estate’s Consulting Corps final report is received. The goal of these resources is to enable REALTORS® to strengthen ties with their community, to develop relationships with public officials, and to spur economic growth and development. REALTOR® associations can apply for these programs to bring these resources to their community.

[Smart Growth Grants](#)

Smart Growth Grants support state and local REALTOR® Associations’ efforts to advance programs, policies and initiatives aligned with one or more of the [10 Smart Growth Principles](#). Applications generally open in January and accept applications until commitment levels reach 100%.

[Housing Opportunity Grants](#)

Housing Opportunity Grants support state and local REALTOR® Associations’ activities that create or improve systems, programs, and policies that expand access to housing that is affordable. The goal of the program is to position REALTORS® as leaders in improving their communities by creating affordable housing opportunities. Applications generally open in January and accept applications until commitment levels reach 100%.

[Placemaking Grants](#)

Placemaking Grants fund state and local REALTOR® association led projects that create new, outdoor public spaces and destinations in a community on unused or underused sites and create new public gathering places. Support for benches, playground equipment, and signs within existing public spaces is permitted. Applications generally open in January and accept applications until commitment levels reach 100%.

[Growth Polling on land use and transportation issues](#)

The State and Local Growth Polling program offers REALTOR® Associations the opportunity to conduct polling on growth-related issues in their areas. The program connects state and local associations to NAR’s public opinion firm in order to perform a survey on the opinions of the local or state residents concerning land use and transportation issues. The surveys, generally of 400 registered voters living in the defined area, can be used as a powerful tool to focus the opinions of your community for local and state government officials. Other resources may be used to boost the number of respondents by 300 for a total of 700.

Appendix IV – The Counselors of Real Estate®

The Counselors of Real Estate® is an international organization of commercial property professionals from leading real estate, finance, law, valuation, and business advisory firms, as well as real property experts in academia and government.

Counselors have created and endowed the MIT Center for Real Estate; resolved the dispute between the developer of the World Trade Center and its insurers post-September 11, 2001; led the privatization of U.S. Army Housing; developed a multi-billion-dollar, 10-year master plan for Philadelphia Public Schools; and valued both the Grand Canyon and Yale University.

Counselors practice in 22 countries and U.S. territories, with only 1,000 professionals holding the CRE® credential worldwide. Thought Leadership is a core competency of the CRE organization as exemplified by the peer reviewed journal, Real Estate Issues, and presentation of major real estate symposia in partnership with Harvard and Stanford Universities.

CRE Members. Membership in The Counselors of Real Estate is selective and extended by invitation to commercial real estate practitioners with at least 10 years of proven experience. The stringent membership criteria ensure CRE members possess:

- Recognized records of accomplishment.
- A commitment to excellence.
- Uncompromising adherence to high standards of professional conduct.
- Visionary, yet practical approaches to real estate issues.

CRE Consulting Corps. The CRE Consulting Corps, a public service program of The Counselors of Real Estate, provides real estate analysis and action plans for municipalities, not-for-profit organizations, educational institutions, and government agencies that address their clients' real estate dilemmas and often enhance the performance of a property or a portfolio. Each Consulting Corps project is conducted by a small group of volunteer members selected for their experience and skillsets to specifically address the needs of the client. The extensive talent base available within the CRE community ensures that teams can provide expertise on virtually any real estate issue, providing:

- Feasible, achievable solutions from experienced professionals.
- Non-partisan, objective advice.
- Extremely cost-effective service.
- Advice and recommendations provided quickly on site.

Consulting Corps Program Staff: Samantha DeKoven, Director of Public Service Initiatives

Finding the Right CRE. Members of The Counselors of Real Estate, awarded the CRE credential, are available to assist with your real estate challenge. Visit the CRE website to find the right CRE at <https://cre.org/find-a-cre-search/> or contact CRE staff for assistance in identifying Counselors with the right skill sets and experience to address your need.

Appendix V – The CRE® Consulting Corps Team



Jonathan H. Avery, CRE
 Founding Principal
 Avery Associates
 Chatham, Massachusetts

Jon Avery, CRE, is involved in a variety of real estate appraisal and consulting activities, including market value estimates, marketability studies, feasibility studies, and general advice and guidance on real estate matters to public, private, and corporate clients. He has more than 40 years of appraisal experience in addition to having served as arbitrator and counselor in a variety of proceedings and negotiations involving real estate. He is a general certified appraiser in Massachusetts, a licensed Real Estate Broker in Massachusetts and a designated MAI & SRA member of the Appraisal Institute.

Jon serves as the Chair of the Chatham Affordable Housing Board of Trustees and served as the Global Chair of the Counselors of Real Estate. In 1993, he served as an appraisal consultant for the Eastern European Real Property Foundation in Poland. He has been actively engaged in the real estate business since 1967.



Zelleka Biermann, CRE
 Principal of ZAB Real Estate Advisory, LLC
 Charlotte, NC

Zelleka Biermann, CRE, is Principal of ZAB Real Estate Advisory, LLC, where she leverages decades of experience in housing development and finance to deliver strategic real estate solutions. Previously, she served as Housing Development Manager for the City of Charlotte, managing the city’s \$300 million+ multifamily housing program, including the Housing Trust Fund, HOME, and CDBG funds. She oversaw underwriting, feasibility, and project execution from construction to occupancy.

After retiring from the City of Charlotte, Zelleka founded ZAB to advance affordable housing and community development through expert advisory services and collaborative partnerships. Her work focuses on creating accessible housing options and guiding clients through complex real estate strategies.

Zelleka holds a BS in Accounting and Finance from the University of Minnesota and a Master of Taxation from Golden Gate University. A certified Project Manager and Economic Development Finance Professional, she is active in CRE, CREW, and WAHN. She has earned numerous awards, including the Charlotte Business Journal's Women in Business Achievement Award and The Mecklenburg Times' 50 Most Influential Women, recognizing her leadership and impact in affordable housing.



John McGraw, CRE

President, River Caddis Group
Lansing, MI

John McGraw, CRE, CCIM, CPM, HCCP, is President of River Caddis Group, a real estate development and management firm specializing in mixed-use, housing, and civic projects. He directs strategic growth and financial performance across River Caddis Development, River Caddis Communities, and River Caddis Management, leading initiatives that integrate public-private partnerships with municipalities, universities, and healthcare systems. John's expertise includes structuring complex capital stacks—leveraging tools such as TIF, PILOT, LIHTC, and Brownfield incentives—and guiding projects from concept through stabilization. His portfolio spans transformative developments nationwide, including large-scale student housing and adaptive reuse projects.

John holds an MBA in Finance from Purdue University Global and a BS in Real Estate Development from Grand Valley State University. A recognized industry leader, he is active in organizations such as NAR, IREM, and CCIM, and serves on multiple boards. Committed to community impact, John fosters collaboration and innovation to deliver sustainable, mission-driven developments.



Randall Sakamoto, CRE

President, Rosen Consulting Group
Berkeley, CA

Randall Sakamoto, CRE, is Managing Director at Andersen and President and Director of Research at Rosen Consulting Group (RCG), an Andersen affiliate. With nearly three decades of experience in real estate research, consulting, and advisory services, Randall specializes in capital fundraising strategies and data-driven market analysis. He has played a key role in several of the largest public and private real estate capital raises in recent years and is a frequent speaker and moderator at industry events.

At RCG, Randall oversees operations, strategic service delivery, and business development, guiding clients through complex market dynamics and investment decisions. Prior to joining RCG in 2006, he held positions with Cushman & Wakefield of California, Inc. and CoStar Group.

Randall earned his BA in Economics and International Relations from Claremont McKenna College. He is an active member of The Counselors of Real Estate, Urban Land Institute, and other leading industry organizations, contributing thought leadership to advance real estate investment and research.



Pam Torsiello, CRE
Asset Manager, Consultant
West Hartford, CT

Pamela W. Torsiello, CRE, CPA, is a seasoned real estate professional with more than three decades of experience spanning asset management, finance, accounting, development, and consulting. Most recently, as Asset Manager and CFO of Chestnut Realty Management, LLC, she managed a private family office portfolio of multi-family and commercial properties, overseeing acquisitions, dispositions, financing, capital projects, budgeting, tax compliance, and investment committee reporting. Earlier, as CFO and Owner's Representative for Stich Development, she provided financial and project management expertise for land entitlement, development, custom home construction, and brokerage ventures.

Pam began her career with PricewaterhouseCoopers LLP, where she advanced to audit manager in the Real Estate & Construction practice, serving clients ranging from small proprietors to large SEC corporations. She has also contributed financial analysis to Vita Nuova, LLC, supporting complex repositioning and redevelopment projects.

Past president of CREW CT, Pam holds an M.S. in Public Accounting from the University of Hartford and a B.A. in Economics from Connecticut College.

