

# Sleeping Bear Gateways Council Workforce Housing Initiative Final Report

*March 20, 2024*

## Executive Summary

The goal of Phase Two was to identify feasible and scalable strategies to mitigate the shortage of housing for seasonal workers thereby increasing the number of seasonal workers in Benzie and Leelanau gateway communities.

This goal was supported by the following project objectives:

1. Scale up an online housing exchange platform to connect employers seeking employee housing with hosts.
2. Analyze the feasibility of various seasonal workforce housing solutions in Gateway Communities.

This project successfully assessed the feasibility of multiple workforce housing solutions in Benzie and Leelanau Counties. The results demonstrated high feasibility for several solutions: work camper employees and developing new housing in Honor and Empire. Other solutions were evaluated and found to be not feasible for the Council's service area currently, including the Housing Exchange platform and repurposing the vacant Platte River Elementary school for workforce housing. This finding does not mean that repurposing other vacant buildings in Benzie and Leelanau counties for housing is not feasible, particularly structures that are owned by a public entity and connected to existing infrastructure.

As a result of this project, the Council also provided a blueprint for how different workforce housing solutions might co-locate together on one parcel as demonstrated by the concept plan prepared for a vacant parcel in Empire Township. This concept could be applied to multiple vacant sites throughout Benzie and Leelanau counties, and demonstrates a model for how the various solutions studied— including work camper campsites, dormitory style seasonal workforce housing, year-round single-family housing, and townhomes—might complement one another, along with other uses desired by a community. This model could be scaled up or down, in terms of parcel size, housing density, and land uses proposed, to fit the context of the community and land use regulations it is proposed within.

## Introduction

This report summarizes the goals and outcomes of Phase 2 of The Sleeping Bear Gateways Council's Workforce Housing Initiative (the "Project"), completed between October 2021 through September 2023. This project was funded via USDA Rural Business Development grant funding, with matching funds provided by Rotary Charities of Traverse City, Grand Traverse Regional Community Foundation, and the Sleeping Bear Gateways Council.

## About the Sleeping Bear Gateways Council

The Sleeping Bear Gateways Council (the "Council") is a 501(c)(3) non-profit working toward the betterment of all stakeholders in the gateway communities of northern Benzie and southern Leelanau Counties.

The Council's vision is *that the unique character of our gateway communities and regional natural resources remain undiminished for the benefit of its citizens, visitors, economy, and environment.*

The mission of the Council is to *facilitate stakeholder collaboration to enhance sustainable gateway communities.*

## Project Background (Phase One)

This Project was launched by the Council in 2019. During Phase One of the Project, the Council contracted with Avenue ISR to survey the business community in the Council's service area of Benzie and Leelanau Counties to develop a reasonable estimate of the number of seasonal beds/accommodations required across the gateway communities. Respondents representing 62 businesses participated in the study.

The study found that the availability of seasonal workforce housing in Benzie and Leelanau Counties is limited and negatively impacts employers' ability to fill open positions, as well as the customer experience for visitors and local residences. The study also identified a variety of strategies pursued by employers to address the limited availability of seasonal workforce housing, including purchasing and converting homes to dormitory residences, utilizing work camper labor, and promoting housing exchange programs in collaboration with existing homeowners.

## Phase Two Goal and Objectives

In Phase Two of the Project, the Council organized an implementation team supported by task forces of local stakeholders from gateway communities to assess the feasibility of various solutions to seasonal workforce housing needs.

The goal of Phase Two was to identify feasible and scalable strategies to mitigate the shortage of housing for seasonal workers thereby **increasing the number of seasonal workers in Benzie and Leelanau gateway communities.**

This goal was supported by the following project objectives:

**3. Scale up an online housing exchange platform.**

During Phase One engagement with local employers, the Council proposed and asked for ideas to address the lack of seasonal workforce housing in Benzie and Leelanau Counties. Among other ideas, participating employers ranked a “housing exchange” concept to connect employers seeking housing with local people with homes and/or rooms to spare as highest priority. The Council immediately created a webpage to facilitate this solution and sought to build this out, market the platform, and facilitate housing connections in Phase Two.

**4. Analyze the feasibility of various seasonal workforce housing solutions in Gateway Communities.**

Participating employers in Phase One reviewed and prioritized a variety of ideas to address the lack of seasonal workforce housing in Benzie and Leelanau Counties. These included the “housing exchange” described above, but also dormitory-style housing, accessory dwelling units, “work camper” facilities, housing enabling incentives, and development/redevelopment of seasonal and year-round housing facilities. Phase Two of this project was focused on assessing the feasibility of each of these potential housing solutions, along with other ideas sourced from the community.

## Project Team

The Council worked with a variety of consultants, volunteer board and community members, and local stakeholders to complete the objectives of this project.

## Implementation Team

Jim Shook (Council Director), Mike Rivard (Council Director), Bill Witler (Council President), and Elise Crafts (Placecraft LLC) made up the project implementation team, which was responsible for managing the project budget and work plan, coordinating project deliverables and tasks, managing the Housing Exchange platform, and reporting progress to the project task forces (described below) and Council board of directors. The implementation team met weekly over the life of the project.

## Community Task Forces

The Council developed working “task forces” consisting of local community employers, residents, and stakeholders with broad networks in Benzie and/or Leelanau Counties and experience in real estate development, commercial lending, transportation, land use regulation and design, local government, and related activities. The Council also held focus groups with local employers to ensure that housing solutions under consideration were aligned with employers’ needs and goals.

This audience was asked to help advise on the project objectives and progress, assess the feasibility of potential housing solutions, connect with local stakeholders to keep the community informed of the project and solicit ideas to inform the project, and identify resources, opportunities, and potential partnerships to support potential housing solutions.

The Council extends a warm “thank you” to the following task force members or focus group participants who provided their time, insights, and experience to support this project.

- Brad Anderson
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- Kyle Orr
- Denis Pierce
- Mike Rivard
- Rick Schmitt
- Jim Shook
- Bob Sutherland
- Vik Theiss
- Karyn Thorrr
- Peter VanNort
- Jay White
- Larry Widmayer
- Bill Witler

## Consultants

The Council contracted with Placecraft, LLC, a community planning and development firm based in Traverse City and Frankfort, MI, to provide project coordination technical support for Phase Two. The Council also contracted with Andy McFarlane, Leelanau.com, for website and communications technical assistance; Mansfield Land Use Consultants for site concept planning and design technical assistance; VP Demand Creation for mailing technical assistance; and Timothy Figura for legal assistance.

## Project Work Plan: Tasks Established and Results

The following tasks formed the project work plan and approach. All activities were completed as planned. A detailed description of the results is provided in the next section, "Project Results".

- 1. Organize and coordinate as an integral member a leadership team of area stakeholders from gateway communities and interested organizations (the "Team") to identify and assess potential solutions that would increase the availability of workforce housing.**

The Council created an implementation team that met weekly to guide the project overall, and various task forces that met as needed to assess potential solutions feasibility.

Based upon Council discussions with stakeholders and review of best practices, potential solutions for seasonal housing include:

- Purchase of existing offsite housing repurposed for seasonal workers.
- Use of existing structures on site, again repurposed as seasonal housing as done by the larger resorts and the National Park Service.
- Use of "work campers" who can provide a seasoned workforce with minimal housing costs.
- Use of area homes of relatives, friends, and employers.
- In addition, other options that have been used in other resort communities and would be considered:
  - Public/private partnerships for construction and management of larger housing units in dormitory style.
  - Repurposing of motel and hotel structures for seasonal housing as well as non-seasonal workers (federal grants may be available for this category).
  - Purchase of deed restrictions for all or a portion of second homes that would accommodate seasonal workers during specified periods.

**2. Interface with area employers to identify and quantify seasonal workforce needs (units), location and conditions for each gateway community including transportation needs.**

The Implementation Team interfaced with local employers in Benzie and Leelanau counties via the task forces and specific employer focus groups and meetings held throughout the course of the project. Via this process, the Council gleaned that local employers are struggling to attract both seasonal and year-round employees due to a housing shortage for both short-term and long-term units. The Council was encouraged by participating employers to continue work on seasonal workforce housing solutions, while also incorporating year-round housing solutions.

**3. Promote, populate and manage the Council’s Exchange for both employers and interested property owners in the two-county area.**

The Housing Exchange Task Force launched the Housing Exchange in the spring of 2022 and again in January 2023, including Exchange promotion, population, and management to connect employers seeking housing with interested property owners.

**4. Research and evaluate best practices for the provision of workforce housing, both locally and nationally.**

The Implementation Team and task forces researched and evaluated the following best practices for provision of workforce housing:

- Housing Exchange models, including online research, phone conversations with similar program managers, and focus groups with local employers.
- “Work Camper” employee model, including online research, site visit and discussion with employers and Work Camper employees in Leelanau County, and phone conversations with local employers about the opportunity.
- Conversion of existing buildings to dormitory-style seasonal workforce housing, including online research, site visit and discussion with engineer at subject property, and meetings with local developers about the opportunity.
- Accessory Dwelling Units, including online research, conversations with commercial and public lenders, and modeling with land planners and designers.

**5. Collaborate to bring land, housing product, ownership, capital and property management to implement designated housing solutions.**

The Implementation Team and task forces collaborated with local units of government, private developers, land planners, employers, and residents to facilitate housing development discussions at the following locations:

- Platte River Elementary School (Honor/Benzie County)
- Vacant Parcel owned by the National Park Service (Empire/Leelanau County)
- Vacant Parcel owned by the Glen Lake School Board (Empire/Leelanau County)

**6. Interface and coordinate work with other interested organizations such as Housing North, the Leelanau Peninsula Economic Foundation and the local and regional Chambers of Commerce including the Benzie Area and Leelanau County Chambers of Commerce.**

The Implementation Team and task forces communicated and engaged with numerous similar organizations—including private, public, and nonprofit entities and individuals—throughout the life of the project. These engagements took the form of small group listening sessions, individual meetings and phone calls, presentations to local Rotary Chapters and Chambers of Commerce, and presentations to regional housing organizations.

**7. Develop work plans with timelines for consideration and approval by the task force.**

The Implementation Team developed work plans for consideration and approval by the task forces.

**8. Regularly document and report work plan and project progress to the Council’s Board of Directors.**

The Implementation Team met regularly to document and report work plan and project progress to the Council Board of Directors.

## Project Results: Feasibility of Various Housing Solutions

This section includes a detailed analysis of each solution explored by the Council in Phase Two of this project, including a description of the solution, how the Council evaluated its feasibility, and recommendations for next steps.

### Housing Exchange Solution

**Solution description:** The Housing Exchange is an online platform connecting employers seeking workforce housing with property owners with rooms and/or homes available for rent, referred to as “hosts”. The Housing Exchange is unique from other online housing finding platforms such as Facebook Marketplace, Zillow, Craigslist, or similar in that only employers can seek housing, on behalf of their employees. Exchange “hosts”, or property owners with space for rent, are therefore working directly with a trusted and vetted local employer, on behalf of their employee(s). This structure was modeled after an informal housing exchange hosted by the National Park Service, in which the Park housed all their seasonal employees with local Benzie and Leelanau property owners. The Housing Exchange was developed by the Council in 2020, based on feedback from participating employers in Phase One of this project.

**What We Did:** At the start of this project, the Housing Exchange was “quietly live” on the Council’s website but there was no marketing or promotion of the platform to local employers

or hosts. The Implementation Team formed a Housing Exchange task force to activate and market the platform and assess its feasibility as a seasonal workforce housing solution.

The Housing Exchange task force completed the following activities:

- Created a Housing Exchange launch action plan.
- Hired Andy McFarlane of Leelanau.com for website design technical assistance.
- Audited existing Housing Exchange platform for content clarification and revamped the online platform verbiage, description, process, and photos.
- Worked with an attorney to draft sample leases for hosts and employers to use and an employer agreement for employers accessing the platform.
- Researched employer indemnification clauses and background check processes.
- Hosted focus groups with Benzie and Leelanau employers to ensure the platform revamp and process of enrollment aligned with their needs and expectations.
- Identified priority communities to test a mailed letter campaign to market the platform launch: Frankfort, Empire, and Glen Arbor.
- Marketed the platform:
  - Mailing to property owners in Frankfort, Empire, Glen Arbor, Maple City, and Thompsonville.
  - Email campaign to local and regional housing nonprofits, realtor associations, chambers of commerce, rotary clubs, and similar organizations.
  - Shared a press release with traditional media outlets.
- Connected with hosts and employers with questions about the platform, to support their onboarding and use of the platform.

**Results:** The Housing Exchange was live for two housing seasons in 2022 and 2023. Results of both launches are summarized below.

**2022 Launch**

- Launched in April 2022
- 12 employer inquiries
- 3 employers participated
- 12 host inquiries
- 3 hosts participated
- 2 employees placed in housing

**2023 Launch**

- Launched in January 2023
- 6 employer inquiries
- 3 employers participated
- 3 hosts inquired
- No hosts participated
- No employees placed in housing

The Council treated these launches as “beta” and intentionally did not market the Housing Exchange to employers because the demand from hosts could not be determined. Still, employers inquired and signed up for the platform after learning about the opportunity via social media and local media channels. The Council didn’t know what type of demand to expect from hosts, but felt that most hosts would sign up for the platform to support their community by helping trusted and beloved local employers with housing their employees. Instead, inquiring and participating hosts noted rental income as the main reason they were interested in hosting on the platform.



**Feasibility:** The Housing Exchange platform was time-intensive to launch, market, and manage and the Council felt that the results (2 housing placements in 2022 and 0 housing placements in 2023) made this solution **not feasible** for the Council service area of Benzie and Leelanau Counties because the Housing Exchange was not able to elicit enough interest from hosts in either county.

**Recommendations:** The main reason that inquiring and participating hosts provided for their interest in the Housing Exchange is additional rental income. The Council service area, particularly Leelanau County, has relatively high median incomes as compared to surrounding counties. Housing North, with a 10-county service area, has expressed interest and applied for grant funding to support their ownership and management of the Housing Exchange platform across their entire service area. Their intent is to pilot the program in counties with varying socioeconomic demographics to understand if the tool will perform better in some places versus others. The Council supports this transition and will continue to provide guidance to Housing North if/when they take ownership of the Housing Exchange.

### Work Camper Employees Solution

**Solution Description:** Work Campers are people who travel for work using their own vehicle/campers to take positions on a seasonal basis. Work Campers are an attractive seasonal workforce housing solution because they provide their own housing, often travel/work in pairs, and set their own schedule so they could support the longer shoulder season employment needs, after high school and college students (a significant source of local seasonal workforce) return to school.

**What We Did:** The Implementation Team formed a Work Camper task force to study the opportunity and assess its feasibility as a seasonal workforce housing solution.

The Work Camper task force completed the following activities:

- Met with local employers who have hired Work Campers in the past, or have considered hiring Work Campers, to learn about their experiences.
- Met with local Work Camper employees in Leelanau County to better understand how they find work and their experience selecting a location to live and work.
- Researched how Work Campers are learning about job opportunities including via online websites like “Workamper News” and social media.
- Identified all campgrounds in Benzie and Leelanau counties in a campground inventory, then contacted every campground to determine their interest and capacity in supporting Work Campers at their property.

**Results:** The task force found the following results:

- Local employers who have hired Work Campers in the past have a generally positive experience to report. The most positive experiences come from employers who both house and employ Work Campers at their business (e.g., RV campground that employs Work Campers to work in administrative or maintenance positions and houses Work Campers in their campground).
- Typically, the employer pays for the Work Camper's site (pad) and then passes on a portion or all that cost to the Work Camper as part of their employment agreement.
- Some local employers are skeptical of this solution because the age of Work Campers (retirees) is perceived to be a barrier for certain job requirements, including ability to lift certain weights and ability to stand for long periods.
- Work Campers are motivated by work sites/communities with plentiful access to natural resources and mild climate.
- Work Campers rely heavily on word of mouth via social media, along with online resources, to consider and select their next work site. Communities with an attractive brand/reputation for a great place to live will stand out to them.
- Work Campers plan out their work sites in advance, often up to a year.
- Several local campgrounds expressed interest in learning more about hosting Work Campers at their campground and several are already doing so.

**Feasibility:** Enough employers and campgrounds demonstrated interest in this solution that the Council believes this could be a feasible solution to increase seasonal workforce housing in Benzie and Leelanau gateway communities. However, the Council does not have a firm grasp of the specific demand for Work Campers from employers, in terms of number and budget, and experiences from employers who employed Work Campers who lived elsewhere, was mixed.

**Recommendations:** The Council recommends the following next steps to continue work on this solution:

- Survey Benzie and Leelanau employers to gauge their demand, budget, and timeline for leasing and/or purchasing Work Camper sites.
- If employer demand exists:
  - Reengage existing Benzie and Leelanau campgrounds to encourage Work Camper siting in existing campgrounds.
  - Explore opportunities to develop new Work Camper sites.
  - Train Benzie and Leelanau employers on the timeline for Work Camper hiring. Many employers begin thinking about seasonal workforce hiring in the new year, but Work Campers are likely already committed to a site by then. Employers would need to hire Work Campers earlier than is typical for seasonal workforce.
  - Explore a regional/community branding campaign to appeal to Work Campers that highlights connection to natural resources, high quality of life, and pleasant climate from May to October in Benzie and Leelanau gateway communities.

## Repurpose/Redevelop Existing Vacant Building Solution

**Solution Description:** The Benzie County Road Commission (the “Commission”) issued a Request for Proposals in 2022 for a party to take-over and repurpose a portion of the vacant Platte River Elementary School building owned by the Commission. The Commission intended to use a portion of the school site for Commission operations. The Commission was deeded the property by the Benzie County Central School District in 2022.

The Council contacted the Commission to indicate their interest in repurposing the school building/site to support workforce housing and the Road Commission agreed to support this intent. The Council formed a “Brownfield” task force and began the process of conducting due diligence on the structure and property. The intent of the Commission was to demolish the southwest wing of the existing school structure and use that land for equipment storage.

During that process, which is described in more detail below, the Commission changed their plans to demolish a portion of the school structure due to entitlement challenges they encountered during the due diligence process, and instead plan to demolish the entire school structure to create new offices/storage on the site, leaving the current Commission building available for repurposing or redevelopment to support workforce housing. The Commission indicated their continued support for the Council’s interest in developing workforce housing at this new, adjacent location.

**What We Did:** The Implementation Team formed a Brownfield task force to study the opportunity and assess its feasibility as a seasonal workforce housing solution.

The Brownfield task force completed the following activities:

- Coordinated with the Commission about the Council’s interest in the property, including multiple conversations and presentations to Commission staff and Board of Directors.
- Toured the school building multiple times with public officials, parks and recreation stakeholders, brownfield redevelopment, housing, and engineering experts to determine the feasibility of repurposing portions of the school for workforce housing.
- Conducted due diligence on the property, including related to zoning, future land use, densities allowed, environmental remediation costs, deed restrictions, property division, title transfer, redevelopment costs, and potential development partners.
- Coordinated with the Benzie County Parks and Recreation about the Council’s interest in the property. The original intent was to preserve the elementary school gym for public recreational use, consistent with the county parks and recreation plan.
- Coordinated with the Commission and Benzie County School Board regarding deed restrictions that would need to be removed for the property to be repurposed for workforce housing, including several presentations to the School Board.
- Presented and obtained letters of support for workforce housing as a future land use at the site from the Village of Honor and Homestead Township.

- Applied for and secured a \$20,000 Rotary Charities Seed Grant to study the specific feasibility of repurposing the existing school building for workforce housing. This grant was paused per the Commission’s decision to demolish the building.
- Shared the project during an interview with Michigan Radio’s Stateside podcast episode titled “Up North Has a Housing Problem” (listen to that interview [here](#)).

**Results:** The Council’s pursuit of this solution changed “mid-stream” when the Commission adjusted their plans for the property. The Council remains very interested in utilizing the existing Commission site to develop new workforce housing at that site, and is grateful to the continued support from the Commission, Village of Honor, and Homestead Township.

**Feasibility:** Given the local support for workforce housing at this site, it’s proximity and location within the Village of Honor, connections to public water, and recent success of Homestretch’s multi-family housing development a few blocks to the west in the Village, the Council believes this solution is very feasible and should be pursued.

**Recommendations:** The timeline for next steps on this solution is unclear, and is dependent on the Commission’s plans to vacate their current site. The Council recommends continued engagement with the Commission on this project, including next steps and timeline.

### Empire Township Greenfield Development Solution

**Solution Description:** Located North of the William B. Bolton Airport in Empire Township sits 40 acres of property with unmanaged stands of Jack Pines and spruce, relatively flat topography, spodosol soil types and approximately 1,320 feet of frontage on South Benzonia Trail (County Road 677).

The parcel is currently owned by the National Park Service (the “NPS”), is classified as non-strategic and surplus, and is not included in the General Management Plan for the National Lakeshore. An opportunity to transfer the property to Empire Township may be possible through federal legislation or designation.

The Council worked with Empire Township to explore facilitating this land transfer from the NPS to Empire Township, to support the development of a mix of workforce housing land uses and new public facilities, including Fire, EMS, and Township offices. This is a unique opportunity, as NPS land does not often become available for non-NPS use, and the proposed land uses could meet several community housing, public service, and placemaking goals.

**What We Did:** The Implementation Team formed a “Greenfield” (named this because the property is vacant/undisturbed currently) task force to study the opportunity and assess its feasibility as a seasonal workforce housing solution and model for other vacant, non-strategic, and publicly owned properties in Benzie and Leelanau counties.

The Greenfield task force completed the following activities:

- Met multiple times with Empire Township staff, public officials, the Planning Commission, and the Township Board to discuss the opportunity and how the proposed workforce housing solutions could co-locate with the Township office and public safety facility needs.
- Communicated with potential development partners to assess their interest in the project and feasibility of different housing products.
- Researched existing channels to transfer the property from the NPS to Empire Township, including The Lodge Act and sale of property.
- Supported Empire Township with legislator advocacy to encourage The Lodge Act progress in congress.
- With Township support, engaged Mansfield Land Use Consultants to create a conceptual design plan and tool kit for the property, demonstrating how the various land uses could interact with one another at one location. This concept (shown on page 13 and included as Appendix A) and tool kit package (Appendix C) is intended to spark education and a dialogue on the different types of seasonal and year-round workforce housing that are possible at this site, the challenges and benefits of each housing product, and how one site can support housing and non-housing uses overall.
- Identified similar parcel opportunities, including a 180-acre parcel in Empire Township, owned by the Glen Lake Schools District and communicated with school officials to assess their interest, which was positive.

**Results:** The Council believes this solution is feasible and scalable, given the support from Empire Township, possibility of eliminating land costs to support the affordability of future development, and interest from potential development partners. The Council recommends further engagement with the community regarding the conceptual plan, tool kit, and financial model (Appendix B), including Empire Township, potential development partners, and community stakeholders at large.



The financial feasibility of the various elements on the conceptual plan in Appendix A is somewhat dependent on the current interest rate environment and the associated mortgage costs corresponding to such environment. The feasibility of the multi-modal conceptual plan currently is marginal for families at and below 80% of AMI in Leelanau County.

## Appendices

- A. Multi-Use Development Conceptual Model
- B. Multi-Use Development Financial Model
- C. Tool Kit for Workforce Housing Development in Rural Areas (Mansfield Land Use Consultants)



# Appendix A

# Appendix B

# Appendix C