

the review

November / December 2017

the official magazine of the  michigan municipal league

Addressing Housing
Issues is Vital to Business
and Talent Attraction



LEADING THE CHARGE
CATHERINE BOSTICK-TULLIUS IS READY
TO PRESIDE OVER THE LEAGUE

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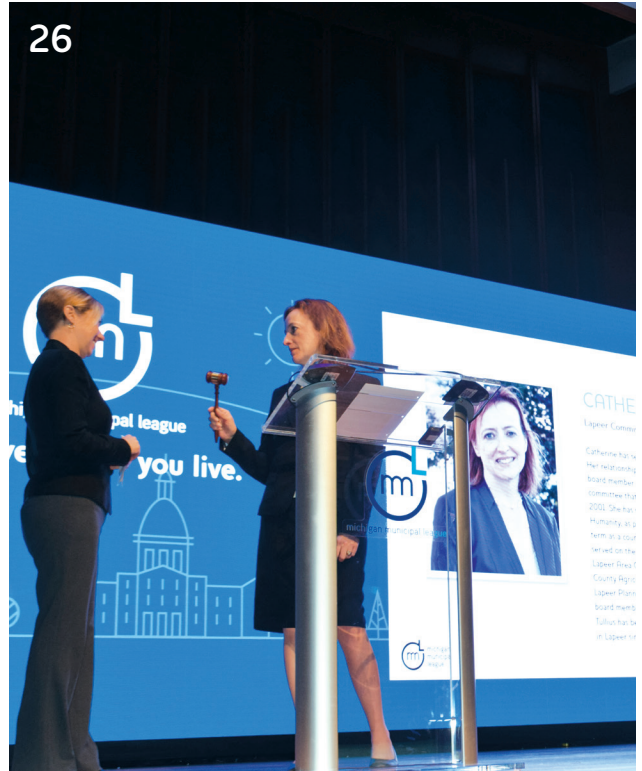
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the review

The official magazine of the Michigan Municipal League

Volume 90, Number 6

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The Michigan Municipal League is dedicated to making Michigan's communities better by thoughtfully innovating programs, energetically connecting ideas and people, actively serving members with resources and services, and passionately inspiring positive change for Michigan's greatest centers of potential: its communities.

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Opening the Door to Affordable Housing Options

A home is more than a physical location; it is a place that provides shelter, security, and a feeling of warmth. It can be a respite from a hectic outside world—a place where family connections and traditions can be nurtured and a sense of community can be forged. Where we live can be dictated by many factors—job availability, neighborhoods, transportation options, type of housing, quality of schools, amenities, etc. Sometimes, we simply can't afford where we want to live. The appeal of suburban living, for several decades the gold standard dream, is starting to wane, as more and more people choose to move back to more urban areas and cities. We've seen significant progress in Michigan as communities continue to invest in their core downtowns to attract jobs and talent. But you can't have a conversation about urban revitalization without talking about housing affordability.

Housing costs are shaped by a multitude of factors, and the remedies to provide affordable housing continue to be vigorously debated. There is no magic bullet. Communities can face myriad hurdles—land constrictions, height and density restrictions, and historic preservation regulations, to name a few. As revitalization occurs, the “G” word (gentrification) is bound to surface. It refers to people of lesser means being displaced as the cost of living goes up, resulting in housing needs being met for only a segment of the population. As investment in our core cities increases, prices rise and gentrification accelerates. It's the market economy at work. As services and amenities grow and people are drawn to these places, development pressures and a hot real estate market ensues, driving the cost of everything up, including housing. Christopher Leinberger's "WalkUP Wake-Up Call" report shows that this demand is real in cities across Michigan, small and large. The study indicates that in Michigan Metros, multifamily rental apartments are 28 percent higher, and for-sale residential prices are a whopping 50 percent higher.

So, what's the answer? It's complicated and multifaceted, and there are no silver bullets that will guarantee long-term solutions. Some ways to address this complex issue include relaxing zoning regulations, establishing policies that would allow for more infill building, building mixed-use, and allowing accessory dwelling units (ADU) or “granny flats,” as they are commonly known.

If communities are going to truly thrive, the goal should be to offer a wide range of diverse housing options to accommodate a large span of socio-economic backgrounds as well as build for all ages. The federal government has been the bastion of housing regulations and funding for decades, but over the years their role and resources have diminished, placing more of the burden on State and local jurisdictions. Local governments are stepping up by turning to potential new funding mechanisms and innovative partnerships to rethink viable solutions.

There are some great examples in this issue that illustrate some of the proactive work that Michigan communities are doing to help address housing affordability. A potential ordinance allowing ADUs is making its way through the process in Ann Arbor. Cass Community, a nonprofit in Detroit, is making national news with the building of their tiny house community, thereby making home ownership more attainable. The City of Kalamazoo is also getting on the bandwagon with their first-ever tiny house. Additional strategies include allowing short-term rentals and fighting blight in order to improve existing affordable neighborhoods.

Congratulations and a warm welcome to our new League President, Catherine Bostick-Tullius, city commissioner for the City of Lapeer, who is featured in this issue. With over 20 years of serving her city in various capacities, she brings immeasurable local government experience to her new leadership role. Staff and I look forward to working closely with her over the next year.

One final note, I am very pleased to announce the promotions of Summer Minnick and Tony Minghine to serve as deputy directors of the League. With Summer's primary focus on strategic membership engagement and Tony's ongoing work in advocating for a new state financial model, they both bring considerable knowledge and experience to their leadership positions. They will be invaluable voices in helping to advance the League's agenda in the years ahead.



Daniel P. Gilmartin
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Does Michigan Have a Housing Problem?

By Shanna Draheim

“ THERE IS WIDESPREAD AGREEMENT AMONG LEADERS THAT HOUSING ISSUES ARE IMPACTING MICHIGAN’S ABILITY TO ATTRACT AND RETAIN BUSINESSES AND THE TALENT/WORKFORCE THEY DEPEND ON. ”

Over the last decade, the Michigan Municipal League has been working with communities to advance placemaking strategies to make communities more vibrant and attractive for business and talent. We have also partnered with the Michigan State Housing Development Authority and the Michigan Economic Development Corporation to provide assistance for communities to become more “redevelopment ready” by making their development process more effective.

As the League has engaged with communities on these efforts, we have heard from many that there is a mismatch between current housing stock and what is needed to attract and retain the talent that their businesses need. Given the increasingly urgent stories we have heard, the League has begun digging deeper into the issues this year.

Our effort has largely focused on convening local leaders, housing experts, and businesses to learn about Michigan’s housing needs and challenges. We have hosted focus groups of municipal leaders, convened a housing panel at our Capital Conference, organized and hosted a mobile housing workshop at our annual Convention in September, and participated in several small group meetings on the subject. We have also reviewed target market analyses and researched Michigan and national housing trends and issues.



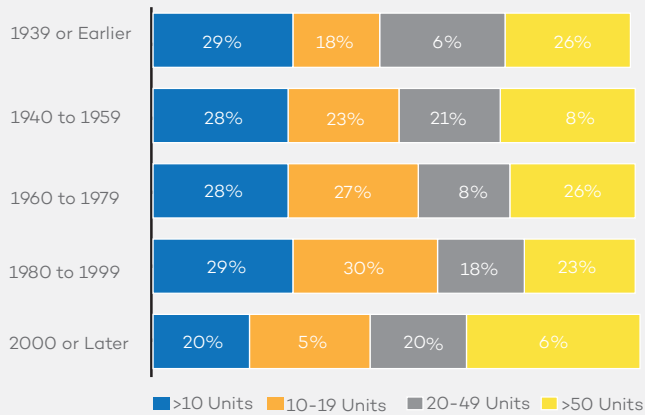
Central Commons tiny house community in Holland, Michigan.

What have we learned so far? There is widespread agreement among leaders that housing issues are impacting Michigan’s ability to attract and retain businesses and the talent/workforce they depend on. Several common themes have emerged about which housing issues pose the greatest challenges:

- There is a lack of variety in housing choices. National and state trends show increased demand for housing in walkable, downtown settings. Organizations like the Urban Land Institute and LOCUS (and many others) have been tracking real estate, and noted that demographic shifts—particularly the growth in millennials and aging baby boomers—are having a significant impact on housing choices. A younger workforce and active retirees increasingly prefer interactive, urban environments that nurture social interactions. This has increased demand for a variety of housing types, including large apartments, townhouses, smaller garden-level buildings, small above-retail units, and single family homes. But traditional development mindsets, restrictions in government housing programs, and private financing programs tend to favor larger buildings or single family homes rather than smaller buildings. This is creating some mismatch between the types of housing that are increasingly in demand and the housing available in Michigan.
- Affordability is an issue. Shortages in housing supplies have resulted in declining vacancy rates and rent increases in many parts of Michigan. Numerous national and state organizations have documented that the housing cost burden has grown over the last decade, particularly among renters and older homeowners. The Joint Center for Housing Studies at Harvard University, for example, found that the number of cost-burdened households in these groups throughout the U.S. has been growing since the beginning of the great recession and that, in all but small share of markets, half of renters are suffering from severe housing cost burdens.

Change in U.S. Housing Types Over Time

Source: U.S. Census Bureau, American Community Survey 2015



- This story is reflected in Michigan as well. The Michigan United Way's recent update to its Asset Limited, Income Constrained, Employed (ALICE) report identifies household survival and household stability levels for each county and compares that to actual costs to determine how many people are facing significant gaps in meeting housing and other basic needs. The report notes that 15 percent of Michigan's 3.86 million households lived in poverty in 2015, and another 25 percent were ALICE. Their data show that low wage jobs dominate Michigan's employment, with 62 percent of all jobs paying less than \$20 per hour. But the basic cost of living, including housing, childcare, and transportation continues to increase. Average housing costs alone increased by almost 15 percent in Michigan between 2007 and 2015, according to the report.
- Michigan lacks quality rental housing. Since the great recession housing bust, rental property construction has been driving the housing market in the U.S. And while there have been many new developments in Michigan, the League continues to hear from businesses and local leaders that older, poor quality rentals (in addition to housing diversity and affordability) are significantly hurting their ability to attract talent. At one of our meetings, for example, the League heard that local hospitals in Bay City and West Branch need to attract additional nurses and


other health care providers. But when people come to interview or work there, they can't find quality housing and they leave. In our meetings with other stakeholders, the League has heard many more variations on this story.

- Municipal and business leaders, and developers themselves, have noted that there are financial incentives (either project economies of scale or actual government financial incentives) for building bigger and more expensive market rate units or low-income housing. But there are significant financial barriers for building modest, quality developments that are within reach of ALICE and even some higher income households.

Tackling the Housing Challenge

If these are some of the key housing issues, what are the options for addressing them? Some regions in Michigan have begun to search for creative and collaborative solutions. Places like the Traverse City and Ottawa/Kent County regions have been convening diverse stakeholders—including businesses, community leaders, developers, housing experts, and others—to identify gaps in housing needs and work together to address the issues on multiple fronts. These could be strong models for other regions as they tackle their housing issues.

The League will continue to work with communities and state partners to find and share effective housing strategies. In particular, we hope to get a better handle on the scope of the problem in different regions, help cities attract development on their priority redevelopment sites, build a roster of strong mixed-use/walkable project developers, and help find solutions for financing gaps. We believe these tools, and others, will help communities better address housing diversity, affordability, and quality needs.

We will also keep working with our state agency partners on policy and program changes that could better support getting the mix of housing in Michigan that will allow us to attract and retain a strong workforce. 

Shanna Draheim is the director of policy development for the League. You may contact her at 517.908.0307 or sdraheim@mml.org.





Guido and Sinclair AWARDS

The Guido and Sinclair Awards are two of the top honors given to individuals by the Michigan Municipal League. The deadline to submit nominees for the 2018 awards is December 15, 2017. The winners will be recognized during the Michigan Municipal League's Capital Conference March 20-21, 2018 in Lansing.

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A photograph of a row of houses, likely in a suburban neighborhood. The houses have light-colored, textured siding and dark roofs. The foreground shows a green lawn with scattered brown leaves, suggesting autumn. A concrete sidewalk runs along the front of the houses. A semi-transparent grey rectangular box is overlaid on the center of the image, containing the title and author information.

By Sarah Lucas

MISSING MIDDLE

FINDING THE RIGHT AFFORDABLE HOUSING
OPTION FOR YOUR COMMUNITY

Anyone who's been part of a community debate about affordable housing, or even just higher-density housing, has heard some iteration of this phrase: it's been the death-knell for nearly every housing project that neighbors think is too big, too dense, too affordable, too much traffic, or just too... much. As development after development faces that NIMBY battle, it's time to switch it up with a development style that's closer to "just right" than "too much"—the Missing Middle.

There's been a lot of talk about housing: affordable, attainable, workforce, low-income, market rate... whatever the term of the day. In communities throughout Michigan, there's definitely a need for new housing options all over the board. But talking about it is easy. Getting it built is much, much harder.

Why? Many reasons. Property values and construction costs play the biggest role: it simply costs too much to build homes at a price that's affordable to many people. Building at higher densities can lower costs—but when developers propose higher density housing, fears arise that new development will change the character of the community. Often, even residents that support more housing choices oppose these bigger projects. This public opposition can, and often does, derail projects.

What Does the Missing Middle Look Like?

Into this landscape of confusing housing terms and conflicting community desires enters yet another housing term: the Missing Middle, an idea that lies somewhere in between big apartment developments and single family homes. It refers to multi-unit or clustered housing that's compatible with single family neighborhoods—including duplexes, four-plexes, row houses, small apartment buildings, and clustered developments of small homes. It allows communities to add diverse housing options—one small development at a time—that are often smaller and more affordable than traditional single family homes.

Pay attention and chances are that you'll see examples of the Missing Middle everywhere, integrated into existing neighborhoods so seamlessly they're rarely noticed: duplexes in single-family neighborhoods. Single-family homes converted into apartments. Single lots with a few small cottages that share parking. New apartment buildings that look like single family homes. Far from being a radical new concept, the Missing Middle, like small neighborhood stores and offices, was once taken for granted as a part of the fabric of a community.

Why do We Need the Missing Middle Option?

So why all the talk suddenly? All over the country, household sizes are shrinking as housing costs increase. As more people look to move to smaller, less expensive homes that are the right size for their families and budgets, these choices are becoming more popular—and necessary.

What's more, the Missing Middle comes with real development benefits. It cuts some costs by allowing more homes to be built on a single property. It fits new development onto smaller, more affordable pieces of land. It integrates different types of housing for different types of people throughout the community. And it accommodates housing needs without being too much for our neighborhoods, or dramatically changing their character.

How Can Communities Accommodate the Missing Middle?

Even if it seems like a simple solution, the Missing Middle requires a lot of thought, commitment, and intention from everyone at the development table.

First and foremost, local planning commissions and elected boards must consider zoning changes to allow these multi-family housing types in different neighborhoods. Too often, our residential districts are designed for



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Mr. Shifman is aided by Brandon Fournier who has extensive experience in municipal operations, including both public safety and general municipal operations. Prior to joining the firm, Brandon served as the City Administrator for the City of Southgate.

Also with the firm is Attorney Robert J. Nyovich with over 30 years of experience in public sector labor and employment law. Prior to joining the firm, Mr. Nyovich also served previously as a public safety officer and as the Oakland County Undersheriff.

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single-family housing, and not much else. Increasing a neighborhood's density, even incrementally, requires careful zoning updates.

So where to start? With the small stuff. Allow duplexes by-right in some residential districts, and consider allowing four-plexes and courtyard apartments that meet certain design criteria. Cottage housing developments, which cluster small homes together on a single lot with shared parking, are permitted by some communities as a "use with conditions" in single-family residential districts. Communities can also consider allowing the Missing Middle in commercial districts. Medium-density housing is less intense, in terms of traffic and other impacts, than many commercial uses, making it a good transitional use between residential and commercial neighborhoods. Just as importantly, locating housing near commercial uses makes for a more walkable community.

However or wherever your community chooses to allow Missing Middle development types—make it easy! Developers want to avoid long, costly review procedures. So, for any type of development that the community wants to encourage, streamlined approval processes can encourage builders and property owners to make the "right" decision. And nothing is more streamlined than allowing desired types of development by-right—that is, with a simple administrative approval for projects that meet all the requirements of the zoning ordinance.

Outside of zoning procedures and local government support, the Missing Middle demands commitment from other quarters as well. Developers must be sensitive to neighborhood concerns, and willing to take a gamble on smaller projects. Banks, too, might have to think outside the box: these projects, and their pro formas, look different than the single-family homes and big apartment buildings that they're used to financing. And most importantly, residents must support it. Because it represents a new type of development, there may be some resistance, so throughout the process, it's critical to have input from the neighborhoods that will be affected. Start by building an understanding of the concept, and find examples elsewhere in the community—or neighboring communities—of the Missing Middle done right. It may be productive to start with pilot projects on sites that the community agrees should be developed or redeveloped.

So often, opposition to new housing development is rooted in desires to preserve neighborhood character. Instead of fighting that desire, the Missing Middle honors it, while making room for growth and incremental change. While it won't be easy—new development never is—if we want new housing that preserves what we love most about our communities, the Missing Middle is a perfect path forward. 

Sarah Lucas is the director of community development for Networks Northwest. You may contact her at 231.929.5034 or sarah.lucas@networksnorthwest.org



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Making Room for Tiny Houses

By Elizabeth Garvin

If your community's zoning regulations are more than five or ten years old, they may not include provisions for food trucks, AirBNB rentals, doggy day care, or tiny houses. And while the food truck operators and doggy day care providers will most likely be required to wait for an update to the regulations to open (or park) their businesses, there is a reasonable chance that the AirBNB hosts and Tiny House Movement folks may be far more willing to politely overlook the law. Or at least pretend that zoning doesn't really apply to them.

Any planner or municipal official who has spent time trying to enforce old code against new circumstances knows that lack of regulations on a subject creates a situation that is difficult, if not impossible, to remedy. So rather than wait for a tiny householder to create a full-sized problem, why not take a look at your current zoning regulations to see if they can be updated to regulate tiny houses in a manner that reflects your comprehensive plan and community vision. This article will identify the initial places to look in your regulations to reduce or remove basic obstacles, and provide some options for larger scale regulatory solutions for your community to consider.

Start with Definitions

The regulation of tiny houses can overlap a laundry list of size and dimensional regulations already in the zoning code. If your community decides that tiny houses need to have their own specific regulations, start your process by defining what a tiny house is for the purposes of your regulatory structure. Then, work through the regulations and identify those places where tiny houses will have their own size and dimensional standards.

Consider Tiny Houses on Wheels

Because of the structural requirements imposed by building codes, many communities choose to distinguish a tiny house on wheels from a tiny house on a permanent foundation. In those communities where a permanent foundation is not required to meet local safety standards, the wheeled version can more-or-less neatly be incorporated into existing camping, camper trailer, or recreational vehicle (RV) regulations without the added layer of regulation from the building code. This approach works if your local camper trailer or RV regulations are functional; if not, an update may be necessary. Your community will need to determine whether water and sewer hook-up will be required and for what period of time the tiny homesteaders will be allowed to camp.

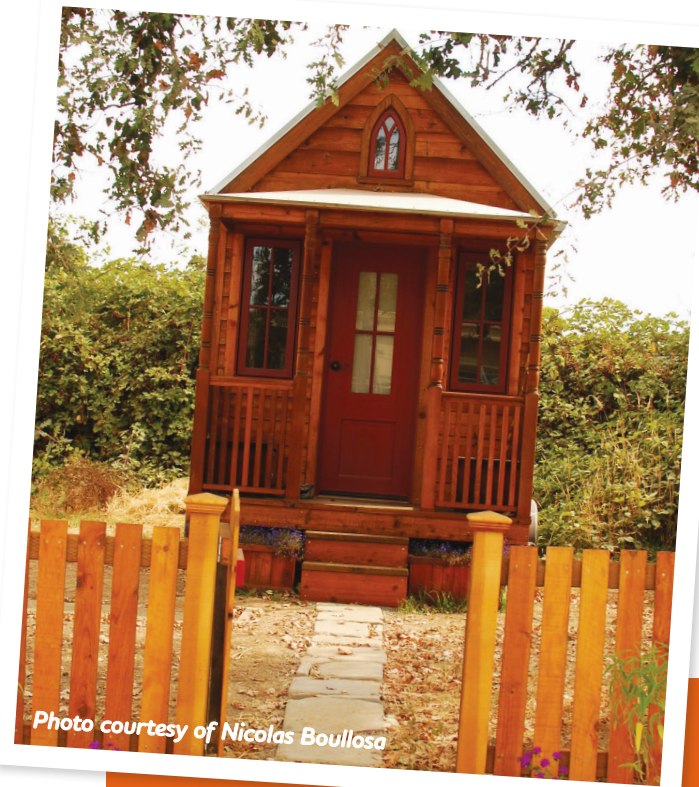


Photo courtesy of Nicolas Boullosa

“ ... MIGHT BE A STARTING PLACE FOR A LOCAL CONVERSATION ABOUT ... THE ROLE THAT TINY HOUSES CAN PLAY IN PROVIDING A RANGE OF HOUSING OPTIONS IN ANY COMMUNITY. ”



Photo courtesy of Paul VanDerWerf.

Allow Multiple Residential Units on a Lot

A basic principal of most zoning regulations is a limitation of one residential unit on a lot. There is probably more history to this approach than legal requirement—zoning can be written to allow more than one unit on a lot, it just usually is not drafted that way. This may be because a lot with a single-family house, garage, car, and a yard are the key components of the American Dream as we've envisioned it since the early 1900s.

It is this very traditional residential layout, however, that makes it more challenging to create compact communities and encourage our residents to walk or ride their bikes instead of driving. Large and small communities across the country are making a foray into the tiny house market by allowing tiny houses as a second unit on a lot. Depending on how the regulations are drafted, this approach may combine the provision of locations for tiny houses with a local demand for

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less expensive housing options, a way to provide housing for elderly relatives or young adult children, or a unit to meet the AirBNB demand in compliance with local regulations.

Some questions for your community to consider before allowing tiny homes as a second unit on a lot (also known as accessory dwelling units, backyard cottages, granny flats, or mother-in-law units) include whether a permanent foundation will be required, if the unit needs to meet the locally-adopted building code, and if the unit can be sold into separate ownership. A 2015 International Residential Code compliant tiny house will have a minimum of 300 square feet and need to accommodate a kitchen, bathroom, and laundry room or closet. This may be larger than some of the reality television models, but a recent highly unscientific survey of accessory dwelling unit regulations that we prepared found communities allowing ADUs up to 600 or 800 square feet, making 300 square feet still seem pretty tiny. And this minimum size may be reduced if proposed IRC amendments to accommodate tiny houses are adopted in the future.

Allow for Tiny House Neighborhoods

If a tiny house owner is able to comply with building, plumbing, electrical, fire, and any other construction codes that are applicable in the community, they may be able to build a tiny house on a “regular” lot. The primary zoning obstacle to building the tiny house would be minimum structure size requirements. And the primary non-zoning obstacle to tiny home construction would probably be neighboring homeowner concerns about the impact of a tiny house on the overall value of the standard-sized homes in the neighborhood. Rightly or wrongly, the idea of house/lot proportion affecting value would most likely make its way to local decision-makers.

If we are rewriting the zoning to allow or encourage tiny houses, our first step would be to reconsider the minimum structure size requirement. In many suburban or rural communities, though, this would still leave the homeowner building a small house on a relatively large lot, which may end up defeating the purposes for small house construction—back to the proportion issue. A tiny house might only need a 1,500 or 2,000 square foot lot, but the minimum lot size permitted by non-urban zoning is frequently somewhere in the 5,000 to 8,000 square foot range.


To resolve this, consider creating a tiny house zone district or use the planned development district regulations already in the zoning code to accomplish the same result. The tiny house district would allow tiny houses as primary structures and establish standards for lot sizes and setbacks, parking, landscaping, open space, and any other development requirements that are typically applied to residential development (or mixed-use development, no reason to limit your imagination here). Building code compliance will be required in this district as will typical infrastructure and utility connections.

What’s Next for Tiny Houses in Your Community?

Homeowner enthusiasm for tiny houses still seems to be outpacing most local governments’ creation of comprehensive regulatory approaches. This appears to be as true in Michigan as it is across the country. When starting this conversation in your community, take a look at the tiny house regulations adopted in other communities and consider whether all or some of that approach will work for your residents. Frequently cited national examples include Spur, Texas; Portland, Oregon; Fresno, California; Rockledge, Florida; and Spearfish, South Dakota—and this list is growing steadily.

Also, follow the conversations taking place in Michigan communities who have

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or are considering tiny house regulations, include Briley Township, Kalamazoo, and Ann Arbor. Both Grand Rapids and Traverse City have accessory dwelling unit regulations that are identified as tiny home-friendly, which might provide a local roadmap. And the Cass Tiny Home project in Detroit is developing a 25-unit tiny home neighborhood that will be offered as rent-to-own units for low-income residents. This project might be a starting place for a local conversation about lot size and structure proportion as well as the role that tiny houses can play in providing a range of housing options in any community. 

Elizabeth Garvin, Esq., AICP, is the planning director for SAFEbuilt Studio, formerly LSL Planning. You may contact her at 720.749.1089 or egarvin@safebuilt.com. For Michigan-related questions, you may contact Brian Borden, SAFEbuilt Michigan planning manager, at 248.586.0505 or bborden@safebuilt.com. The materials in this column do not constitute legal advice and nothing provided herein should be used as a substitute for advice of local counsel. This column is not intended to act as a solicitation or advertisement.

TACKLING HOMELESSNESS

By Emily Kieliszewski

SAN ANTONIO'S
PROACTIVE
APPROACH TO A
CHRONIC PROBLEM

“INSTEAD OF SIMPLY SEEING THE SITUATION AS A PROBLEM,
SAN ANTONIO SAW AN OPPORTUNITY TO SERVE.”

The City of San Antonio knew they had to make a change in the way they were combating chronic homelessness. Like many communities, the chronically homeless cycled in and out of the criminal justice system, businesses and residents did not see real changes in their neighborhoods, and the chronically homeless were not getting the help they needed. The never-ending circle of citations and arrests wasn't working when it came to those living on the streets.

"Our downtown area is a tourist attraction and we really didn't know what we were looking at—we just saw the elevation in crime, the elevation in drug use, the elevation in what they were referring to as quality of life crime," said Jesse Trevino, a mental health officer with the San Antonio Police Department. "More and more businesses started complaining to our police department and city government. They wanted something done. They were watching the composition of downtown essentially be changed."

The problem turned into a priority in the fall of 2015 when the San Antonio city manager asked the Police Department, the Department of Human Services, and the Office of Innovation to develop a collaborative, innovative solution that didn't simply serve as a band-aid to the city's homelessness challenge.

A New Approach

The core of the problem was difficult to untangle. Police officers and service providers were used to working reactively in silos—they reached people after they were already in trouble or desperate need, and resources weren't aligned to guarantee continued care or assistance. Furthermore, it wasn't just a problem of homelessness: many of the homeless were substance-dependent, mentally ill, or both. Getting people off the streets often meant addressing their mental health needs, as huge gaps existed in continuity of care. Instead of simply seeing the situation as a problem, San Antonio saw an opportunity to serve.

"So many of them have been severely victimized," said Trevino. "One person had been set on fire, one person had been run over by a vehicle, one person had their throat cut, several of them had been sexually assaulted. Almost all of them had their property stolen from them while they slept. It was eye opening to see how much they'd gone through."

Collaboratively, the City of San Antonio, the Police Department, the Department of Human Services, and the Office of Innovation, along with local homeless service providers and concerned residents and businesses, partnered to create a new approach. Their strategy is now proactive, collaborative, customer-focused, and supportive.

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Having Impact

To start, the group formed Integrated Mobile Partners Action Care Teams (IMPACT), each including a SAPD Mental Health Unit Officer, a Fire Department EMS member, a mental health specialist, and a service provider caseworker. IMPACT teams are charged with combing the streets daily to locate, get to know, and build trust with the chronically homeless population in San Antonio. They offer individuals immediate medical care from the paramedic, directly connect them with social services that meet their needs, and provide transportation to the services.

A Continuum of Care system then helps make it easy for homeless individuals to navigate the service system after initial treatment. In addition, a Homeless Management Information System database provides police officers and paramedics with the ability to track the progress of the people they encounter. San Antonio is not without challenges in their approach to target chronic homelessness. On top of a rise in the use of synthetic cannabinoids, the city is lacking in mental health beds, comprehensive treatment strategies, and substance intervention training. Comprehensive treatment is needed, as hospital and treatment facilities commonly continue to treat mental illness and substance dependence separately. There also remain some individuals that refuse treatment or help. In these cases, motivational intervention training may assist IMPACT teams in getting more people the help they need.


Seeing Success

Even with its obstacles, San Antonio's collaborative strategy has broken barriers and stretched boundaries while doing good things for some of the city's most vulnerable population. Police and community relations have improved after community members and homeless individuals have seen the SAPD Mental Health Unit Officers who lead the IMPACT teams in action. They're now viewed as advocates and partners.

"They asked for us by the unit name of IMPACT or they would ask for us by first name. By word of mouth, they wanted help," said Trevino. "They'd been used to just getting handcuffed, having their belongings thrown away, and being taken to jail. You could see a lot of them over time—their perceptions were changing."

The strategy has also fostered a greater level of collaboration and communication between groups previously operating separately. The boundaries between government and service providers, between city departments, and between community service providers have been broken. Alone, each of these units was limited in the services and assistance they could provide. Together, they've created a strategy that allows them to redefine the role they play in the community and offer solutions that target the multiple variables associated with chronic homelessness.

Data collected also tells a promising story. In the first five months after implementation, IMPACT teams documented over 579 contacts with homeless individuals, and referred 33 percent of those individuals to services. In the same period, refusal of services dropped from 57 percent at the start of the program to 38 percent, indicating homeless individuals are more willing to accept assistance. IMPACT teams have also been involved in locating missing or inactive veterans, contributing to successfully ending veteran homelessness in San Antonio. Additionally, the focus of the plan—San Antonio's downtown area—has qualitative evidence of improvement.

San Antonio has flipped the policy regarding homeless individuals from arrest to assist. Collectively, the strategic partnerships of city departments, service providers, businesses, residents, and other stakeholders have worked together to implement an innovative multi-disciplinary approach that better aligns resources and infrastructure to truly restore the people behind the face of chronic homelessness. 

Emily Kieliszewski is the membership engagement specialist for the League. You may contact her at 517.908.0302 or emilyk@mml.org.



Integrated Mobile Partners Action Care Teams (IMPACT)



By Deborah Walton-Medley

PREVENTING FRAUD & ABUSE OF PUBLIC FUNDS

LOCAL GOVERNMENTS NEED TO DO BETTER

Local officials need to be more vigilant and improve their internal controls to detect and prevent fraud and abuse. Properly separating duties, enacting active supervisory oversight, and thorough internal audits of properly maintained books and records go a long way toward preventing fiscal malfeasance. According to the Association of Certified Fraud Examiners' (ACFE) 2016 Report to the Nations on Occupational Fraud and Abuse, 39 percent of frauds were detected through tips, while only 23 percent were detected through internal controls.

Red Flags for Fraud

Local officials must be alert to situations that may indicate a problem. They must be able to identify "red flags"—a set of circumstances that are unusual or vary from the norm—and be able to use them as signals that something may need to be investigated further.

Examples of behavioral red flags, in order of frequency:

- Living Beyond Means
- Financial Difficulties
- Unusually Close Association with Vendor/Customer
- Wheeler-Dealer Attitude
- Control Issues, Unwillingness to Share Duties
- Divorce/Family Problems
- Irritability, Suspiciousness or Defensiveness
- Addiction Problems
- Complaints About Inadequate Pay
- Refusal to Take Vacations
- Excessive Pressure from Within Organization
- Past Employment-Related Problems
- Social Isolation
- Past Legal Problems
- Excessive Family/Peer Pressure for Success
- Complaints About Lack of Authority

Set the Tone

Local officials must educate their employees about what constitutes fraud, how to report it, and have zero-tolerance for fraud within the organization. The checklist below is designed to help organizations test the effectiveness of their fraud prevention measures.

1. Is ongoing anti-fraud training provided to all employees of the organization?

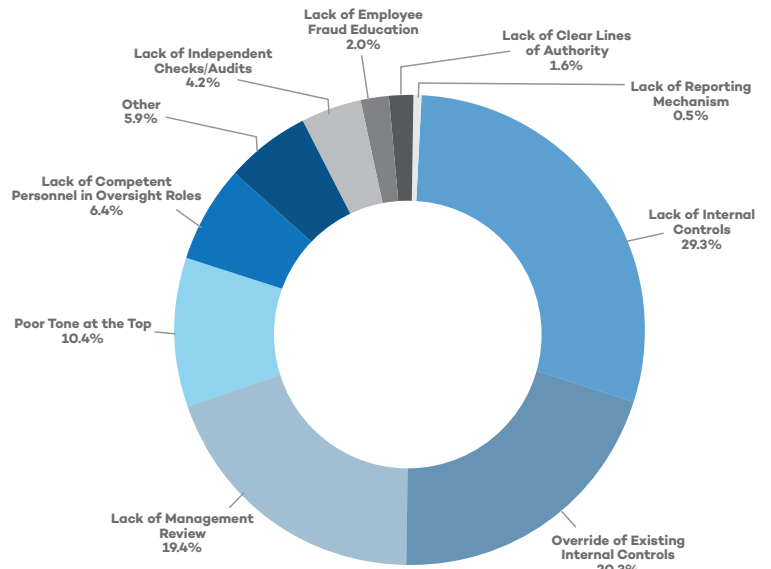
- Do employees understand what constitutes fraud?
- Have the costs of fraud to the organization and everyone in it—including lost revenue, adverse publicity, job loss, and decreased morale and productivity—been made clear to employees?
- Do employees know where to seek advice when faced with uncertain ethical decisions, and do they believe that they can speak freely?
- Has a policy of zero-tolerance for fraud been communicated to employees through words and actions?

2. Is an effective fraud reporting mechanism in place?

- Have employees been taught how to communicate concerns about known or potential wrongdoing?
- Is there an anonymous reporting channel, such as a third-party hotline, available to employees?
- Do employees trust that they can report suspicious activity anonymously and/or confidentially and without fear of reprisal?
- Has it been made clear to employees that reports of suspicious activity will be promptly and thoroughly evaluated?
- Do reporting policies and available reporting mechanisms extend to vendors, citizens, and other outside parties?

3. To increase employees' perception of detection, consider publicizing the following proactive measures.

- Aggressively seek investigations of fraudulent conduct. Make it clear that the organization actively seeks out fraudulent conduct through fraud assessment questioning by auditors.
- Perform surprise fraud audits in addition to regularly scheduled audits
- Use software to detect fraud, if available, and make it known that such software is being used throughout the organization.



4. Is the management climate/tone at the top one of honesty and integrity?

- Survey employees to determine the extent to which they believe management acts with honesty and integrity.
- Ensure employee performance goals are realistic.
- Incorporate fraud prevention goals into the performance measures against which managers are evaluated. Establish, implement, and test a process for oversight of fraud risks by the council, supervisor, or audit committee.
- Implement employee support programs to assist employees struggling with addiction, mental/emotional health, family or financial problems.
- Establish an open-door policy that allows employees to speak freely about pressures, providing management the opportunity to alleviate such pressures before they become acute.
- Conduct anonymous surveys to assess employee morale.

Human Resource Controls

Job Rotations

- Mandatory vacations

Require that persons involved in any part of the disbursement cycle take at least one consecutive week of vacation annually. Don't assume a person's unwillingness to take vacations means that they are just working hard.


5. **Ensure hiring policy includes the following**
(where permitted by law):

- Past employment verification
- Criminal and civil background checks
- Credit checks
- Drug screening
- Education verification
- Reference checks

6. **Payroll Processing Controls**

- Restrict payroll clerk's access to human resource module, thereby preventing input of new employees or rate changes.
- Segregate employees with preparation responsibilities from those who approve and create payments. For smaller organizations, at least have someone review and authorize before issuing payroll checks.
- Approve all time sheets at a level above the employee.
- Require written and signed authorizations to change an employee's payroll information.
- Review payroll registers, direct deposit listings, and deductions report for accuracy.

- Checks should be distributed by someone other than the payroll clerk.
- Hand checks directly to employees, or if mailing, match check address to employee addresses.
- Review payment details made on behalf of employees for retirement options.
- Lock up employee files and payroll records at all times when not in use to prevent unauthorized access.

Well-designed internal controls, education to bring greater awareness to the issue, and constant vigilance by local officials who are on site every day are necessary components to safeguard the public's money and provide assurance to all citizens that their funds are being used only for legitimate purposes. 

Deborah Walton-Medley is the director of financial operations for the League. You may contact her at 734.669.6370 or dmedley@mml.org.

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BUILDING TRUST

between citizens & law enforcement

By Lois Allen-Richardson

Since 2015, the Michigan Black Caucus of Local Elected Officials has hosted several forums across the state on race and law enforcement. These came about due to the increasing number of tragic incidents and deaths of African-American men and women involving interaction with police officers. We've worked with local officials to host forums in Saginaw, Southfield, and most recently, Holland.



MBC-LEO Board member Dexter Mitchell gets to know law enforcement officers at forum in Saginaw.

The forums had the goal of bringing together law enforcement, municipal officials, and citizens to learn from each other and work on building trust between the parties. The heart of the forums was a panel of law enforcement officers. In Saginaw and Southfield, we also heard presentations from the National League of Cities Race, Equity, and Leadership (RACE) program. Each forum also had a unique aspect, such as a presentation on My Brother's Keeper in Saginaw; roundtable discussions in Southfield, and a presentation by the Human Relations Coordinator in Holland.

All of the programs were a success! They were informative, thought-provoking, and provided information on ways to improve relationships between citizens and law enforcement officers. In Saginaw and Southfield there were over 100 people in attendance, and several communities informed me that they'd like to have similar programs in their areas.

Southfield Chief of Police Eric Hawkins says the first step to building trust is discussion. He further said that we have to be open and willing to have conversations like we had during the forum. We must get past offenses and talk about these issues.

The Hiring Process

The panel discussion in Southfield was moderated by Erick Barnes, University of Detroit Mercy sociology and criminal justice professor. Professor Barnes and Chief Hawkins discussed how the hiring process can have an impact on how police are perceived. Many departments across the state and the country have difficulty recruiting applicants, especially African Americans. This was a common theme in all three programs.

"It's called the ripple effect: The people you hire today set the tone for hiring officers five years from now, because they're going to be first line supervision. Ten years from now, they'll set the tone on how your administration functions. Fifteen years from now, they've set the social definition of your department. So, who you hire today makes a difference," Barnes said.

Hawkins said that in the past, police hiring was based mostly on physical strength and stamina, but lately, police departments are looking for recruits with impeccable communication skills. In Holland, Chief Matt Messer added

that he'd like to see officers with the skills of waiters and waitresses, so that their focus can be on serving others.

Chief Hawkins also spoke on the importance of officer wellness and how it relates to the way officers conduct themselves out in the field. Southfield police have several ways to help officers combat stress. "Officers who are stressed make bad decisions, and we end up having issues," said Hawkins.

Community Policing

Michigan Association of Police Chiefs Director Robert Stevenson emphasized how police chiefs want to have good relations with their communities and many of them are stretching their budgets to include community policing activities.

Holland's police department has a designated number of officers assigned to community policing as their only duty. Chief Messer emphasized that it takes bodies and money to have a top-notch community policing program. Many departments desiring to do community policing fall short in one or the other. He did acknowledge that community policing is a philosophy that the whole department must embrace and all of his officers are on board.

Lt. Calvin Hart of the Michigan State Police said that once trust is obtained from the public, police departments will be better able to work with their communities on crime prevention. "The police cannot be effective without the support and cooperation of the community," Hart said.

Community Outreach

In all of the forums, the law enforcement panelists spoke of actions they are taking in their community to improve relations with their residents. Each had some unique and distinct activities they are doing, including:

- In Oak Park and Holland, the police officers have a donated ice cream truck that they take around the city to distribute donated ice cream to citizens. According to Holland Chief Matt Messer, there are only five departments in the nation to offer this service. It's awesome that two of the five are in Michigan!
- During the holiday season in Holland, officers spend a day Pumping up the Holiday Spirit. They pump gas for citizens and give them \$20 worth of donated gas. Imagine the surprise the citizens have when the officers offer to pump their gas, and the gas is free nonetheless!
- In Farmington Hills, the police department participates in various ethnic activities within their community including the Muslim Community Mosque picnic, Sikh Community Banquet, Martin Luther King March, Breakfast with Seniors, and a variety of youth programs.

In Holland, although most items for these positive, creative interactions are donated by businesses in the community, Chief Messer still budgets a small amount. He realizes that the returns are invaluable. These interactions help to change the perception of the police, build relationships between the police and the citizens which they serve, and most importantly, they instill a sense of trust.



“If we have learned only one thing from these forums, it is the importance of **RELATIONSHIPS**.”

Valerie Kindre, Harper Woods councilmember, enjoys a sweet treat at Convention from the Holland Department of Public Safety Police Operations' ice cream truck.




Be Prepared to Deal with Inequity and Injustice

The City of Holland created a Human Relations Commission in 1966 with the mission of recognizing and responding to inequity and injustice in the community. It is comprised of nine citizens, two youth from the Holland Youth Advisory Council, and one councilmember. Esther Fifelski, Holland's human relations coordinator, says that all communities should plan ahead. They should pay attention to the local and national landscape, create a plan to deal with racial or bias incidents, and look for better ways to serve their community.

I'd like to share some words of wisdom from Ms. Fifelski:

- Listen. People want to be heard and affirmed.
- Undermined citizens and organizations undermine your work.

- Celebrate your community!
- We need to normalize the conversation of race.

If we have learned only one thing from these forums, it is the importance of **RELATIONSHIPS**. Lost relationships take years to build up again, so communicate and focus on the relationships with your citizens now. That building requires listening, setting aside all offenses, going beyond our own mindsets and prejudices, having an openness to accept others, and above all, a willingness to change. 

Lois Allen-Richardson is a councilmember in the City of Ypsilanti and president of the Michigan Black Caucus of Local Elected Officials. You may contact her at 734.972.3673 or missionarylois@gmail.com.



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Q: Was there a new law passed regarding people soliciting money in the road, like for bucket drives?

A. Yes, PA 112 of 2017 went into effect on July 27, 2017. It amended the Michigan Vehicle Code to allow a person to solicit contributions on behalf of a charitable or civic organization during daylight hours on a public street or roadway under certain conditions.

- A local government with jurisdiction over a roadway on which solicitation occurs is not to be liable for any claim for damages arising out of the use of the roadway;
- A local government may enact or enforce regulations restricting, but not prohibiting, solicitation by charitable or civic organizations; and,
- A local government that previously enacted or was enforcing solicitation regulations prohibited under PA 112 was required to bring those regulations into compliance within 60 days of the Act's effective date of July 27, 2017.

These are the charitable/civic organization conditions:

- The organization must comply with applicable local government regulations;
- The organization must maintain at least \$500,000 in liability insurance;
- The person soliciting contributions on behalf of the charitable or civic organization must be at least 18 years old;
- The person soliciting contributions on behalf of the charitable or civic organization must be wearing high-visibility safety apparel; and
- The portion of the roadway where solicitation occurs cannot be a work zone and must be within an intersection where traffic control devices are present.

Please see the League's Fact Sheet: *Soliciting on Public Roadways by Charitable or Civic Organizations*, available at mml.org.

Q: Are we required to have a planning commission?

A. You need a planning commission to write a master plan and to draft a zoning ordinance (which must be based upon the master plan). If you already have a master plan and zoning ordinance, and are thinking of dissolving the planning commission, keep in mind that there are certain things that can only be done by the planning commission (e.g., review the master plan every five years). You would need to recreate the planning commission in order to do them.

If you are having a problem getting enough people to serve on the planning commission, the Michigan Planning Enabling Act (MPEA), PA 33 of 2008, allows for a planning commission to have as few as five members. Also, you could explore creating a

joint planning commission with a neighboring township, city, or village under the Joint Planning Act (PA 226 of 2003). The number of people on a joint planning board is determined by the joining jurisdictions. A joint planning commission can:

- Develop common future land use districts for use in a regional plan map;
- Resolve inconsistencies in master plans and zoning ordinances between local government borders;
- Create a coordinated strategy on where all land uses should go, and at what density;
- Work towards managed growth;
- Develop strategies to maintain the functional and scenic integrity of major traffic corridors; and
- Create a plan for shared resources, including public amenities and future public service expansion.

Q: Our city received an offer of a donated nativity scene with the condition that it be displayed on municipal property. Can we accept?

A. Yes, but only under certain conditions. Federal courts have ruled that local governments can display nativity scenes and other religious symbols of Christmas if these are part of a display that includes secular holiday symbols. Secular symbols include wreaths, Christmas trees, Santa, etc. The First Amendment says the "Congress shall make no law respecting an establishment of religion." As made applicable to the states through the Fourteenth Amendment, "the Clause prohibits government from favoring one religion over another or from favoring religion over irreligion (or irreligion over religion)." In *Freedom from Religion Foundation v City of Warren*, the 6th Circuit Court of Appeals noted that several U.S. Supreme Court decisions (including *County of Allegheny v ACLU*) have previously examined the issue as applied to very similar facts, i.e., multi-purpose, multi-symbol displays, and determined that such displays do not offend the Establishment Clause. Essential to the Court's decision was the inclusion of all of the symbols. See Legal Spotlight, November/December 2013, *The Review*.

The League's Information Service provides member officials with answers to questions on a vast array of municipal topics. Call 1.800.653.2483 or email info@mml.org.



Leading the Charge

By Matt Bach



CATHERINE BOSTICK-TULLIUS
Lapeer Commissioner and Vice-President, Michigan Municipal League

Catherine has served as city commissioner for the city of Lapeer since 2001. Her relationship with the city of Lapeer began in 1997, when she served as a board member on the Zoning Board of Appeals and on the steering committee that established the Pix Arts Council for Greater Lapeer, Inc. In 2001, she has served as president and treasurer of Lapeer County Habitat for Humanity, as president for the Lapeer County Bar Association, and served term as a county commissioner for Lapeer County. Bostick-Tullius has also served on the board of the Great Lakes Bioregional Land Conservancy, Lapeer Area Citizens Against Domestic Assault (LACADA), and on the County Agricultural Preservation Board. She currently sits on the City of Lapeer Planning Commission and the Lapeer DDA Board. She also serves as a board member for Lapeer County Community Mental Health Services. Tullius has been practicing law since 1995, and has had her family law practice in Lapeer since 1997.

Catherine Bostick-Tullius is Ready to Preside Over the League

Don't Tell Catherine Bostick-Tullius that Women Can't Play Football

At first blush, the Michigan Municipal League's 2017-18 Board President may seem like a quiet, reserved person, but she's tougher than she looks.

In fact, when it comes to a fight Bostick-Tullius doesn't back down, and she's often the one leading the charge. That's particularly the case when it comes to an injustice and helping those who struggle to help themselves. The soft-spoken, highly regarded Lapeer attorney found her voice in law school when she realized men could play on the Cooley Law School intramural football team, but women could not. To some this would be an annoyance, but for Bostick-Tullius it became a cause. She turned the injustice into a lengthy battle resulting in the formation of the school's first all-women football team—called the Violent Femmes.


"I was offended that they wouldn't let a girls' team join the football league," she said. "And I was just adamant that we were going to actually have a team that was going to play." "So she gathered a bunch of girls and eventually won permission to play against other boys' teams. "It made me feel like I could change things and make a difference."

Zeroing in on Municipal Finance Reform

Bostick-Tullius has served on the League Board since 2014 and has spent the past year as vice president. At the League's annual Convention in Holland in September, she was elected president of the Michigan Municipal League Board of Trustees. She plans to lead the charge on the League's ongoing municipal finance reform initiative (saveMlcity.org) with as much passion and vigor as she gave to organizing that women's football team years ago.

"The Michigan municipal finance reform that the League has been working on is what really motivated me to want to become League vice president and president," she said. "I am excited about the League's [saveMlcity](http://saveMlcity.org) work and how the League is coming up with creative ways to try to generate revenue to help cities who are struggling financially. My goal is the same as the League's—to get cities back to where they once were and maybe even get them better suited for the future than they were before."

She also plans to encourage cities to get more involved with the League in terms of connecting the dots between the recommendations and proposals put forth by the League and making those concepts happen at the local level.



“My goal is the same as the League’s—to get cities back to where they once were and maybe even get them better suited for the future than they were before.”

"I want to continue our work on municipal finance reform. This is the core of what is going to keep cities alive. There needs to be more of a connection between the League, the hard work the League staff is doing, and getting that to our local city councils to be able to implement some of those things and at least try them out."

Focused from an Early Age

She calls herself a structured and organized person who regularly sets out goals for her life. For example, she regularly updates a journal with a list of things she wants to accomplish in her life; the list goes back to her college days.

One of her early lists included getting her law degree, starting her own law practice, getting married, having children, and eventually entering politics. One goal on her list was to become a U.S. Senator by her early to mid-30s. She may not have achieved that goal yet, but she's very pleased with serving on the Lapeer City Commission and always keeps an open mind to what comes next.

Raised in Michigan's Thumb in the small rural community of North Branch, Bostick-Tullius was the oldest of three children. Her family was lower-middle class and scraped by financially. She was very shy, particularly in middle school, and started to come out of her shell in the final two years of high school. She found herself often discussing issues and events with classmates and teachers in a point-counterpoint style. This earned her the moniker of the official "Class Complainer." There's even a photo of her arguing with a classmate in the school yearbook.

"Class Complainer was one of those mock awards. It's because I loved to be argumentative," she said, a trait, along with hard-headedness and stubbornness, that she patterned after her father. "I grew up in a family that was lower middle class and we didn't have money. A lot of kids I went to law school with were from New York and came from wealthy families and didn't have to work as hard. I felt I didn't have a lot and had to fight to get what a lot of other kids already had. So that's where my fight for causes came from."

Finding Her Calling

She believes she would have thrived on a debate team, but her small high school didn't have such a thing. Becoming a lawyer may seem like a natural path for someone who likes to make arguments, but that didn't occur to her until years later. After graduating from high school, she attended Northern Michigan University—402 miles and a 6-hour drive from home. She wanted to venture far from home to see new and different things, but always economical, she wanted to remain in-state to avoid paying the high cost of out-of-state tuition.

She enjoyed working with numbers in school and thought she'd become a CPA. But at Northern, she quickly learned that accounting wasn't for her. Instead, she became intrigued with law after taking an introduction to law class "just for fun."

"It was a mock-trial kind of class," she said. "I did my mock trial and I knew I had my calling. I love advocating and I love to make arguments."



She realized that as an attorney she could combine the two things she enjoyed: debating and helping others. She's been a lawyer in Lapeer since 1997 and, per her list set many years earlier, runs her own practice specializing in family law, domestic relations mediation, estate planning, probate, real estate, and social security disability.

But even her journey into law wasn't on a straight line. Raised in a devout Catholic family, after law school she seriously considered becoming a nun and even started taking some steps in that direction, including spending three years in discernment after becoming an attorney.

"My faith was important to me," she said. "By the time I got to the end of my three years of discernment, I realized I

wanted a baby. I wanted that more, so being a nun probably wasn't the right decision for me."

So while her path didn't always stick to her list, she's pleased with what's transpired in her life and is looking forward to her year-long stint as president of the League Board.

"I've always been impressed with the League as an organization," Bostick-Tullius said. "I'm really glad and honored that the Board gave me the opportunity to serve as its president." 

Matt Bach is the communications director for the League. You may reach him at 734.669.6317 or mbach@mml.org.

About Catherine

Her family's involvement in the Thumb region goes back multiple generations. Her great-great grandfather, Alonzo A. Bostick, and his son, Austin, started a business—Bostick Stove Works—around the turn of the century. They had a grand opening for the business in August 1902 and that celebration inspired the idea for a community festival. That event continues today under the name Lapeer Days, which is considered the largest free festival in Michigan.

Political Background

Catherine Bostick-Tullius has served as Lapeer City Commissioner since 2009. Her relationship with the city of Lapeer began in 1997, when she served as a board member on the Zoning Board of Appeals and on the steering committee that established the Pix Arts Council for Greater Lapeer, Inc. in 2001. She has served as president and treasurer of Lapeer County Habitat for Humanity, president for the Lapeer County Bar Association, and one term as a Lapeer County commissioner. Bostick-Tullius has also served on the board of the Great Lakes Bioregional Land Conservancy, the Lapeer Area Citizens Against Domestic Assault (LACADA), and on the Lapeer County Agricultural Preservation Board. She currently serves as a board member for Lapeer County Community Mental Health Services. Bostick-Tullius has been practicing law since 1995, and has had her family law practice in Lapeer since 1997.

Political Leanings

"I became a liberal when I was in college." She also successfully ran as a Democrat for county commissioner and won.

Education

She graduated from Northern Michigan University in 1990 with a Bachelor of Science Degree majoring in political science and minoring in economics. In 1994, she graduated from Cooley Law School with a Juris Doctor Degree.

Interesting Fact

She is licensed to practice law in Michigan and Connecticut.

Mostly Likely To...

In high school she was named "Class Complainer" due to her propensity to always argue.

Mostly Admired

This may sound weird, but I really admire Scarlett O'Hara from "Gone with the Wind." I admire her strength, determination, and ability to speak out when doing so wasn't readily accepted.

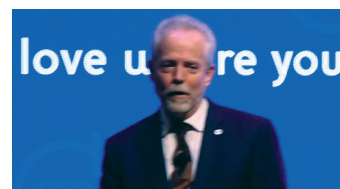
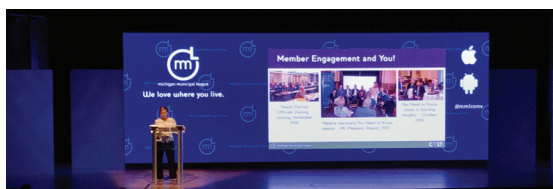


CONVENTION

HOLLAND Sept. 13-15, 2017

More than 400 local officials headed to hip and historic Holland on the shores of Lake Michigan for this year's Convention. In this European-inspired setting, attendees had an opportunity to connect, engage, and discover creative solutions to local challenges.

Sessions came in as many varieties as Holland's famous tulips, ranging from U.S. Supreme Court decisions and ethics to redevelopment sites and successful millage proposals. And mobile tours got people out in the community to explore the city's affordable housing options, attractive and welcoming downtown, and brand-new Energy Park.



HIGHLIGHTS

For all the photos from this year's Convention and other League events, go to mml.org/flickr.





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PlacePlans: Where Are They Now?

CADILLAC & TRAVERSE CITY

By Dr. Carolyn Loh

Enthusiasm Radiates Through PlacePlans Survey

In this issue, we turn our attention to a survey conducted for the League that examined the impacts of the PlacePlans process on cities that participated in the program, as well as some that did not.



Over a period of three years, the PlacePlans program provided funding and technical assistance to support placemaking efforts in selected Michigan cities. This magazine has highlighted some of the exciting individual plans and projects produced through the program. Michigan Municipal League staff hoped to understand the impacts of the program in a more systematic way, so in October 2016, with their help, I carried out a survey of both cities that had participated in the program and cities that had not to learn about their experiences doing placemaking. We found that although most cities had not yet made much progress implementing their projects, the PlacePlans program changed the way people thought about what was possible in their cities—an important planning outcome in itself.

Perceptions of PlacePlans

We found that respondents from participating cities felt overwhelmingly positive about PlacePlans and its impact on local placemaking efforts. As one respondent wrote, “It was a real, tangible, visible, hands-on experience that brought together excellent ideas, vibrant creativity, positive energy, and practical real-world implementation approaches.” The three types of assistance that participants most often ranked as very helpful were facilitation (steering committee or focus groups) (65%), concept design (56%), and popup placemaking/demonstration projects (48%).

Concept designs helped cities make decisions. As one respondent wrote, “The concept designs illustrated limitations of the current [farmers market] location and potential of an alternate location.” League staff and partners’ facilitation skills brought inclusiveness and professionalism to the process.

One respondent said, “The MML and MSU staffs did a tremendous job of getting stakeholders to participate in a way that avoided stakeholders becoming territorial. [City] staff would have a difficult job getting so many stakeholders to work towards a common goal.” Another said that those providing assistance made the process “Very visual, very inclusive. We had people, families, kids engaged. Many of the participants we interacted with were people we typically do not see at public meetings and events.” On respondent explained that popup placemaking provided a reference point as the implementation process continued, saying, “The reports and outputs from the workshops and pop-up experiments have been very helpful as we made further progress, and we reference those shared experiences quite regularly with our residents and business owners.”

The main criticisms leveled at the PlacePlans program were that in a few cases design concepts and cost estimates didn’t seem sufficiently grounded in what the city was capable of implementing, or the scope wasn’t tied to the reality of the city’s budget.

Placemaking Implementation

Because of how recently the cities had gone through the process, most had not made much progress implementing their PlacePlans initiatives. However, respondents provided many written comments listing steps towards implementation, including a temporary ice rink, grant applications, trails and other recreational facilities, policy and regulatory changes, land acquisition, public plazas, and a road diet. Respondents identified lack of funding, lack of staff capacity, and changes/losses in project leadership as the most significant barriers to implementation.


We had hoped that our survey would show that cities that had gone through the PlacePlans program had, on average, made more implementation progress than those that had not; however, our results generally didn’t show a statistically significant difference between the two groups. The exception was the PlacePlans cities which the League had funded through implementation mini-grants: those cities had, on average, made significantly more progress toward completing their PlacePlans projects. It is not surprising that funding is very helpful in moving a project forward—a majority of both selected and non-selected cities reported that a lack of funding was a major barrier to implementation, so removing that barrier would allow the project to advance. It was also the case that the League chose to fund projects that seemed particularly well-planned and shovel-ready, so the infusion of money allowed the city to move quickly and therefore report results.

Although most respondents judged that their cities had not yet made much progress in implementing the plans, in some ways, the act of planning in a process like this becomes an outcome in itself, because it changes the conversation around what is possible. Some of the written comments support this last point, with one respondent saying, “The project got people talking about the future of the downtown and what it could, and should, look like.” Another respondent said, “While our plan was never implemented as designed, aspects and the spirit of the plan has been the guiding force.”

Conclusions and Next Steps

Respondents from participant cities were on the whole extremely enthusiastic about PlacePlans. Although it is not apparent from the statistical analysis, many of the written comments suggest that PlacePlans have already made a difference in these cities in extending their staff capacity, gathering and focusing community input, and expanding the idea of what placemaking projects might be possible.

Based on these early, positive signs, we would expect to see more concrete evidence of implementation in the next few years. As we mentioned above, it is not surprising that grant funding gave some immediate momentum to getting projects done, but it will also be important to know whether the other types of assistance the League provided are helpful over the longer term. Consequently, it would be helpful to revisit this survey in another year or two when cities have had more time to make progress on implementing their plans.

Going forward, it also seems that studying more explicitly the role of community support and involvement would be informative. Although the statistical analysis did not indicate a significant difference between pre- and post-PlacePlans community support, the written comments emphasize its role. Several critical commenters expressed concerns that community involvement was not broad-based enough, that the same insiders would ultimately control the process, and that internal dysfunction among city leadership would derail the project. On the other hand, many of the positive comments focused on the benefits respondents had already seen from successful community participation processes, whether it was bringing in new participants or creating a space for important community conversations around future placemaking efforts. 

Dr. Carolyn Loh is an associate professor in the Department of Urban Studies and Planning at Wayne State University. You may contact her at 313.577.0541 or cgloh@wayne.edu. Dr. Loh’s full survey report is available on the League’s website at <http://placemaking.mml.org/place-plans/>

Vogue Theatre Restoration

State Community
Revitalization
Program Adds
“Pop” to Manistee

By Tim Ervin



In 1938, the Vogue Theatre became a showpiece for the City of Manistee. The bustling factory town on northwest Lake Michigan boasted about a movie theatre that was the last word in Art Deco design and luxury with the finest projection and sound systems. The stories about the Vogue are legend—from epic first-run movies to romances inspired by old-fashioned movie going, especially in the balcony.

But time took its toll. The proud, elegant entertainment venue on River Street nearly succumbed to disrepair and neglect. Chairs were patched with duct tape (and lots of used gum), movies were old, paint was peeling, the smell of must was pervasive, and the video and audio often faltered. Like the Vogue Theatre, Manistee's downtown eroded, too.

Some said the Vogue was a black hole, that it should be demolished before it crumbled and fell into the street. Even after a feasibility study funded by a USDA Rural Development grant showed that the building had good bones and that there was a sizable market for film entertainment, there were skeptics that a project of this size could be pulled off in Manistee.

Rescuing A Historic Gem

Fortunately for the City of Manistee, a tide of optimism and old-fashioned grass-roots activism began to take hold. In 2011, in the absence of a 501 (c) (3) nonprofit to accept donations, the Manistee County Community Foundation stepped in to form a campaign fund to accept and acknowledge grants and donations. A leadership team of volunteer civic leaders formed and eventually became a 501 (c) (3) nonprofit organization to champion the restoration of the theatre. Academy award winner Michael Moore and Deb Lake, executive director of Traverse City's State Theater, became board members, contributing industry knowledge and experience with rejuvenating the State Theater. "Let's do this," Moore said to nearly 200 who gathered outside the Vogue on a numbing February day to kick off the project.



The Downtown Development Authority, owners of the building, took a leap of faith, shifting ownership of the building to the Board, provided that the Vogue was up and running in short order. Site plans and designs were completed that respected the historic lines and colors of the building while converting the single-screen theatre into two with a particularly large space for concessions and mingling.

The Alliance for Economic Success sought and secured grant funding from the Consumers Energy Foundation, the Oleson Foundation, the DTE Energy Foundation, the Frey Foundation, the Michigan Economic Development Corporation, and others.

MEDC's support was crucial. They understood the strategic importance of the theatre to the redevelopment of the downtown. They became partners and acted on a one-of-kind placemaking opportunity for the city. Through their Michigan Community Revitalization Program and grant, they saw and bought into the vision of the Vogue as a poster-child for redevelopment, converting an obsolete and historic ruin into a highly functioning economic driver that retained and re-established its historic roots.



Volunteers Key To Success

Restoration of the Vogue Theatre became the largest community-driven, volunteer-led initiative in the history of Manistee County—over 730 organizations, agencies, and individuals made grants or charitable contributions. While they may not have used the popular term, they were all about placemaking—bringing people to a Manistee destination. A young boy known as “Lemonade Luke” went from event to event, selling lemonade and donating the proceeds. “I want to be able to ride my bike to the movies,” he said. News organizations from Florida, California, and even the United Kingdom carried stories about the Vogue.

“A lot of people just put their heads down and went to work,” said retired bank manager Mary Russell who, along with 300 others, continues to serve as a Vogue volunteer.

The building, with four-feet of water in the lobby, was restored while preserving as much as possible, including the multi-colored tile in the entryway. Most of the building was gutted, then replaced with new furnishings and equipment and, once again, the latest audio and video technology. The main theatre, the “Pure Michigan” room named after the \$502,000 MEDC grant, has 188 seats. The snuggly Oleson room, named after the generosity of the Oleson Foundation, has 44. Kid-friendly movies on Saturday mornings go for 25 cents. On Wednesdays, you can enjoy a film classic for just \$2. A small popcorn and soda are also just \$2. Over 300 volunteers and four paid staff now run the theatre, living up to the commitment to make the Vogue for, by, and about the community.

The results continue to amaze. The theatre has been profitable every month since opening in December 2013. It provides great entertainment at an affordable price for nearly a quarter million movie-goers with over \$1 million in revenues. “The sleeping giant awoke,” says Vogue Board member Steve Brower. “The charm of this theatre is indescribable: if you’ve never seen a show there, you’re missing out on what is now an iconic Manistee experience,” says a recent article in the *MyNorth* online magazine.

MEDC Community Revitalization Program

In addition to Manistee, the Michigan Economic Development Corporation recently celebrated successful projects of its Community Revitalization Program in several other cities:


- **Kalamazoo**—Conversion of a 1920s-era train depot into retail and office space
- **Benton Harbor**—Renovation of the historic Saranac building into retail, commercial, and loft apartments
- **Boyer City**—Construction of a new city hall to bring together all city departments under one roof

The Ripple Effect

A recent independent study by a Baker College student class reported that 100 percent of the Manistee downtown businesses surveyed have had a positive impact because of the Vogue, with more than 70 percent showing increased revenues. A survey of patrons showed that over 60 percent either shopped, dined, or both in addition to taking in a Vogue film. In 2016, the Vogue featured over 250 movies, selling 60,000 tickets.

People now have more good reasons to visit Manistee. With the Vogue’s downtown spark, many new businesses have been swayed to locate in the city, including the Bluefish Restaurant, the Filmore, Iron Works Café, Famous Flynn’s, and the Daily Bakehouse, as well as condos, a new brewery, and a “Senior Village.”

The *MyNorth* article captures the post-Vogue reopening of Manistee: “The community’s anticipation is growing as more businesses move in, bringing culture, tasty eats and hope. Manistee is hot; one more spark and it’s going to “pop.”

And one of those “pops” will be the emerging plans at the Vogue. They involve constructing a third screening room on the second floor, a venue with more world-class entertainment that would bring more people, energy, and opportunities to a downtown that is truly “hot.” 

Tim Ervin is a trustee for the Manistee County Community Foundation and a consultant for NorthSky Nonprofit Network. You may contact him at 231.794.0089 or timervinassoc@gmail.com

New Financing Option for Energy-Related Improvements

By Rick Haglund

Tight finances have prevented many Michigan cities from replacing badly needed heating and air conditioning systems, roofs, streetlights, and other infrastructure projects.

Much of the blame is heaped on a broken state financing system that is hampering municipalities from recovering property tax revenues lost in the Great Recession and providing basic services. But some city officials are praising the state for enacting a recent law that allows them to make needed energy-related improvements without piling on debt.

The 2016 law, known as the Tax-Exempt Lease Purchase program, allows municipalities to undertake facility improvements and pay for most of the cost of those upgrades from operational and energy-cost savings. "What was appealing to us is that this didn't count against our debt limit," said Bill Gambill, assistant city manager of St. Clair Shores, which became the first Michigan city to take advantage of TELP.

In May, the St. Clair Shores City Council approved spending \$5.7 million to put new roofs on six city buildings, install new heating and air conditioning units in several buildings, convert building and street lights to energy-efficient LED lighting, and undertake other infrastructure improvements.

The city will make annual lease payments for 16 years to BMO Harris Bank, which is financing the work by Johnson Controls Inc., a Milwaukee-based building equipment and services company that is implementing the upgrades. Johnson Controls is guaranteeing the \$5.7 million in savings and will make up for any shortfalls under what is known as an energy performance contract. Marquette also has contracted with Johnson Controls to install and manage \$27.9 million in energy-related projects throughout the city. The City Commission approved the measure in July.

Cheaper and Faster

Before lawmakers approved the use of TELP agreements, cities either floated bonds, if they weren't already up against debt limits, or engaged in installment contracts with vendors to pay for major energy-related infrastructure



St. Clair Shores City Hall gets a new roof.



Marquette's boilers are in line for some updates.

improvements. Gambill said financing costs using TELP were cheaper than if it had used bonds, and the deal closed faster.

BMO Harris was able to offer a low annual interest rate—2.48 percent—because the bank doesn't pay taxes on interest payments from the city. Such leases are tax free because cities take title to the improvements when the lease is signed. Gambill said St. Clair Shores is saving more than \$250,000 in financing costs compared to traditional bond financing.

Marquette, the second municipality to tap this new tool, is using TELP to pay for a host of energy-related upgrades, including a new heating and ventilation system for city hall, new street lights, smart water meters, converting wastewater to energy at the wastewater treatment plant, and new ice-making equipment for the city's hockey arena. "Like other cities, we have a list of needs longer than revenue to pay for it," said Marquette Mayor Pro Tem Tom Baldini. "This was all made possible by the (TELP) legislation."

Like St. Clair Shores, Marquette contracted with Johnson Controls to manage projects and provide financial guarantees on equipment performance and total project costs. It inked a 20-year loan with Bank of America at an annual interest rate of 2.84 percent. "That's pretty cheap money," Baldini said. "We have a AA credit rating and this won't (negatively) change that."

Michigan was one of just a few states that did not allow municipalities, counties, townships and villages to use TELP financing, although the option has been available to state

government. Johnson Controls, which dominates the market for these kinds of energy-saving projects, lobbied for that approval. Michigan lawmakers have since extended TELP authority to K-12 schools. Johnson Controls is lobbying the Legislature to also include community colleges.

Limited Drawbacks


City officials in St. Clair Shores and Marquette say they see few downsides in TELP financing. Local governments could default on annual payments if a city experienced a financial crisis or a future city council decided to terminate the contract. TELP agreements are paid through annual appropriations that can be suspended if a city becomes dissatisfied with the contract, according to state law.

But Johnson Controls, which has participated in thousands of TELP agreements, says that almost never happens. "The reason leasing companies are OK with that is, according to the Association of Governmental Finance and Leasing, the default rate is 0.01 percent," said Daniel Mack, a senior account executive at Johnson Controls.

Baldini, who is a strong backer of Marquette's TELP agreement, said there was some concern by city commissioners that equipment installed by Johnson Controls could become technologically obsolete before the 20-year lease contract is up. "But if you wait for the perfect solution, you're going to continue to sit and wait," he said. "There was a lot of discussion about this and rightly so. It's a huge investment on our part."

Baldini and Gambill said TELP financing has allowed their cities to complete in several years energy-related projects that might have otherwise taken a decade or more to finish by themselves using other financing methods. Utilizing a company like Johnson Controls also frees up significant staff time that would otherwise be required to engineer and contract out the projects. "As a city, we knew we had infrastructure needs," Gambill said. "There is no way we could have done this number of projects without Johnson Controls."

The Michigan Municipal League supported the TELP legislation as an additional financing tool for cities throughout the state needing to upgrade facilities. Chris Hackbarth, MML's director of state and federal affairs, said TELP agreements could become popular among municipalities, depending on local needs. "I think it will depend on the package that is put together and how it addresses facility financing needs at the local level."

Communities that need to upgrade aging facilities but are squeezed by state-imposed financial restraints need all the options they can get. 

Rick Haglund is a freelance writer. You may contact him at 248.761.4594 or haglund.rick@gmail.com.

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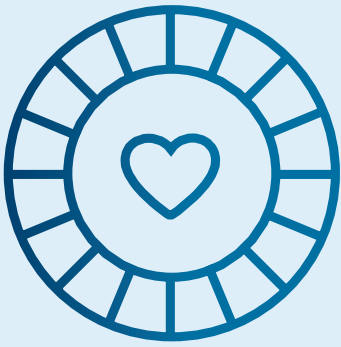
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MAXIMIZE YOUR MEMBERSHIP

Being a Successful Mayor

By Lee Kilbourn

A better mayor. Isn't that what we all want to be? That is why you're reading this article and attending conferences and workshops. How does a mayor learn to be a successful and effective leader in their community? For many, it is on-the-job experience. We have a vision or want to make a change in our city and deep down, for one reason or another, we felt it had to be us to make that change happen. Well, you are in the hot seat now! So, how are you doing?

Getting elected just took getting more votes than the other candidates. Putting your ideas into reality and building an effective team is the real work. Some of the best things I've learned have come from networking with fellow mayors, both at the Michigan Association of Mayors (MAM) and Michigan Municipal League workshops. Whether your form of local government is a "strong mayor" like Utica or Warren, or "Council/Manager" or a weak mayor form, the following advice applies.

You need to read and understand the following:

- Your City Charter
- State enabling Public Acts that pertain to your jurisdiction i.e. Downtown Development Act, Planning, Local Government Accounting, Small Cities Act, Home Rule City Act, PERA, PA 425 and 218
- State Constitution
- Fair Labor Standards Act
- PA 152

All of these documents help set the framework for how you and your city operate. You must work within them.

Know all the boards, commissions, or sub-city bodies that exist in your city and how they work. Meet all department heads and employees in face-to-face meetings, both individually and collectively. Take their input and share

your vision with them. These are the people on your team. Without their help or understanding just how they work, your vision will never happen.

If your city uses Robert's Rules of Order, review and understand how they have been used in prior councils and what latitude you have. You oversee council meetings and this provides you the ability to run it properly. Sit down and review your personnel policies, ethics ordinances, purchase/disposition policies of city assets, budgeting guidelines, zoning ordinances, and all existing local ordinances. If asked about something, you need to know it or at least where to find it. You need to make sure your new plans conform to city laws and how to change them when needed.

Broaden Your Scope of Reference

Meet and network with all your neighboring jurisdictions, whether they're cities, villages or townships. Reach out to county leadership, boards of commissioners, federal legislative delegation, U.S. Senators and Representatives, State House and Senate members, the governor, MEDC, MSHDA, MML, MAM, and regional planning organizations like SEMCOG. Whether you are a new or long-term mayor, these people have the knowledge, experience, and abilities to help make you and your city a winner.

Attend MML and MAM events to build relationships with other mayors who you can trust. Call on them for advice and bounce ideas off them when needed. Serving as mayor is a unique position, and other mayors understand the complex role and can provide great insight from their past experiences.

Commit to learning about best practices and what other cities have done successfully. There are many incredibly innovative things being done in cities throughout our state and country. Mayors are in an amazing position to be able to learn from one another and see if those practices could be beneficial to their community as well.

Lee Kilbourn, 2016-17 president of the Michigan Association of Mayors, with new president Wendell Dompier.



All of us need to take control of our time. It is easy to get pulled in countless directions and to be in a reactionary mode each day. Identify your priorities and then be very intentional with your time.

Foster Stakeholder Relationships

Find partners in your local community that will work with you. Partnering with stakeholders like your local businesses and nonprofits will benefit a growing community. Communicate with them often. Your local townships want to thrive, too. Work with them and not against them. We cannot do it alone. Talk with these folks and find out what they believe are the barriers in your communities. They may see things differently than you and offer other creative ideas to remove barriers that hinder your communities from growing.

City government can only do so much. Working with these stakeholders can open the doors to developing a broadly defined group of programs and activities that seek to improve the economic well-being and quality of life for a community. The results of these partnerships can lead to creating and retaining well-paying jobs, supporting business growth, developing key real estate, and providing access to open space, neighborhood amenities, and cultural programs.

Promote Your Community


One factor in building a sustainable local economy is marketing your community's unique assets. Showcasing your city's attractions—whether they are the delicious local cuisine, a vibrant community theater, or a beautiful park—serves as an invitation to tourists, potential residents, and new businesses to explore your city. This marketing and attraction effort can take many forms. Part of your job as mayor is to help build a positive community image. You are the chief cheerleader for your city, too!

We need to listen! That old saying is so true: God gave us two ears and one mouth for a reason. We should do everything we can to get it right the first time. We don't

always get a second chance. You need to listen to the people, to your staff, and to your board. Find out just what the needs are so you can always present a well thought-out plan of action. Think about what your fellow council members are thinking, what questions they may ask, and then have your answers ready. Don't be afraid to say, "I don't know, but I can get you that answer."

Remember that your actions often speak louder than your words. You are always being looked at. Others may read different things into those actions. Ethics become more important.

You are not going to be mayor forever. You owe it to your city to act as a mentor for whoever may be next and share the knowledge you have learned so that your city keeps moving forward. Bring them to MML events; introduce them to fellow mayors, the MML staff, and to anyone who could help your city. Do not let the ball drop when you are gone. You worked too hard to get it this far.

Finally, never forget to help thank those who helped you along the way, like Mayor Jacqueline Noonan of Utica and Mayor Rosalynn Bliss of Grand Rapids, who were gracious enough to share with me some of their best suggestions for mayors in the writing of this article. It has been a true honor serving as president of the Michigan Association of Mayors. We have great mayors in Michigan. I hope this article helps to make us all even better, because at the end of the day, it is all about the people! 

Lee Kilbourn is the mayor of Auburn and served as the 2016-2017 president of the Michigan Association of Mayors. You may contact him at 989.492.0533 or mayorkilbourn@auburnmi.org.

Sue Jeffers is a legal consultant to the League. You may contact her at sjeffers@mml.org.

Zoning ordinance requiring underground transmission lines held unconstitutional

FACTS:

The Michigan Electric Transmission Company (METC) filed an application with the Michigan Public Service Commission (PSC) requesting a certificate of public convenience and necessity (CPCN) under the Electric Transmission Line Certification Act (Act 30). Act 30 contains language that it controls “in any conflict between this act and any other law of this state.” METC requested a CPCN for the construction of an overhead transmission line running through Oshtemo Township to address reliability issues should existing transformers become unavailable at the same time.

The Township then amended its utility control ordinance which required METC to prove the necessity of the line, obtain Township approval and locate portions of the lines underground. At the PSC, the affected landowners and Oshtemo Township filed objections to METC’s request on several grounds and offered alternative plans.

The PSC issued an order granting METC a CPCN for the transmission line along its preferred (overhead) route and found that Act 30 did not require a “formal benefit/cost analysis” nor a finding that the proposed route was the best or most reasonable route. It further found that the grant of a CPCN preempted Oshtemo’s ordinance.

On appeal to the Court of Appeals, the landowners argued that the PSC did not follow the requirements of Act 30, i.e., that the quantifiable and nonquantifiable benefits of the proposed project justified its construction and that the new line was needed. The landowners also argued that the PSC decision violates the Separation Powers Clause of the constitution because it allows METC to ignore the Township’s requirement that a portion of the line be placed underground. The Township appealed on the basis that Michigan Constitution, art 7, section 29 grants a municipality the right to reasonably control its rights of way and that its consent was required for construction of METC’s proposed line.

QUESTION:

Did the PSC err in granting a CPCN to METC?

ANSWER ACCORDING TO THE TRIAL COURT AND THE MICHIGAN COURT OF APPEALS:

NO. The court of appeals held that Act 30 does not require a finding of necessity even though an applicant must include in its application information “supporting the need for the proposed major transmission line.” The court also noted that the proposed route was supported by evidence even though it did not receive the highest score using METC’s own scoring methods.

The court of appeals found that even though the Michigan Constitution grants a municipality the right to control its public places (art 7, section 29) and that provisions of the Constitution and state laws are to be liberally construed in favor of municipalities (art 7, section 34), the grant of authority to municipalities is “subject to the constitution and law” (art 7, section 22). The court of appeals found that Act 30 was not an unconstitutional delegation of power and that the certificate took precedence over Oshtemo Township’s conflicting ordinance requiring that a portion of the transmission line be constructed underground.

The Michigan Supreme Court found that the township’s ordinance was unconstitutional because it was “unreasonable.”

Oshtemo Township v Michigan Electric Transmission Company LLC, No. 150695 (May 12, 2017)



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Since 2014, based on the streamlining of the business process, the City of Hazel Park has attracted unique businesses to the City of Hazel Park such as 1) the award-winning new restaurant Mabel Gray, owned and run by one of the best chefs in the country, James Rigato and 2) the award-winning microbrewery/meadery, Cellarmen's, and 3) new art studios. In addition, through the MML, the Congress for the New Urbanism (CNU) came to Hazel Park and conducted a 3-day public charrette to provide a future concept and a plan for the John R corridor. The economic development actions and the vision provided by our residents and CNU will provide a basis for excellent placemaking that will attract people throughout the region to the City of Hazel Park.

The first and easiest way to replicate this success is to streamline the business process. We attracted businesses by giving them an easy, consistent, predictable route to open a business in Hazel Park. In addition, the city promoted the assets, the current buildings and infrastructure available, and the people of Hazel Park.

The project's creativity and originality stems from the city allowing these businesses to be creative and implement their visions with Hazel Park's support. These new entrepreneurs had a vision, and instead of the city totally dictating a vision, it allowed these people to retrofit obsolete buildings and turn them into community assets. Further, the CNU Legacy Project allowed the residents, a local planning firm, and a national planning firm to create an original shared vision for John R that required a unique type of cooperation. To see the vision, please visit the following site: <http://bit.ly/1Yib1LS>.

This process has improved the public image of the community. Due to Mabel Gray and CNU, the city has received more positive press than any time in recent memory. Further, it has brought a positive image to the city's business community and brought people into the community that have never visited Hazel Park. Lastly, the community is believing they deserve better and a better quality of life.