

Legislative Analysis



REQUIRE LOCAL MASTER PLANS TO INCLUDE HOUSING

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House Bill 5557 as reported from committee

Sponsor: Rep. Kristian C. Grant

Committee: Economic Development and Small Business

Complete to 6-18-24

Analysis available at
<http://www.legislature.mi.gov>

(Enacted as Public Act 153 of 2024)

SUMMARY:

House Bill 5557 would amend the Michigan Planning Enabling Act to require land use planning commissions to consider local housing needs in developing or revising a master land use plan. Commissions would also have to be representative of the local unit of government's housing interests.

Master plans

The Michigan Planning Enabling Act provides guidance in the development of master plans adopted or amended by local units of government and requires the consideration of certain criteria. Under the bill, a master plan would have to promote or adequately provide for a range of housing types, costs, affordability, attainability, ages, and other characteristics (such as single- and multiple-family dwellings) to serve the housing demands of a diverse population.

A master plan also must include subjects that reasonably can be considered pertinent to the area's future development, such as a land use plan, components of infrastructure and a transportation system, and recommendations for redeveloping blighted areas. House Bill 5557 would add an assessment of the community's existing and forecasted housing demands, and strategies and policies to address those demands, to the list of subjects.

Commission membership

The act requires members of a local planning commission to be representative of important segments of the community in accordance with the major interests existing in the local unit, such as agriculture, recreation, education, public health, government, transportation, industry, and commerce. Under House Bill 5557, housing would also be one of those major interests.

MCL 125.3807 et al.

BRIEF DISCUSSION:

According to Housing subcommittee testimony, while most local governments currently consider housing when developing a master plan, there is no requirement in the Michigan Planning Enabling Act that they do so. The lack of a statewide requirement has reportedly contributed to a mismatch between the housing that is being built and the state's population trends, which has resulted in a missed opportunity to take a more proactive approach to housing development. Supporters of House Bill 5557 argue that, while all levels of government should work to address the housing crisis, local governments are uniquely positioned to act because they have the best understanding of a community's housing needs and local planning commission decisions can directly impact the area's housing stock and home prices. Supporters believe that the bill would make a common-sense change to ensure that local master plans take housing into consideration when developing the vision for a community's future, which would

better prepare communities to implement policy and would foster greater public involvement in the local planning process.

FISCAL IMPACT:

The expanded requirements for master plans under the bill could result in additional costs for local units of government. The amount of any additional costs cannot readily be determined, but it is assumed that they will be relatively minimal.

POSITIONS:

Representatives of the following entities testified in support of the bill (5-16-24):

- Michigan Association of Planning
- Michigan Municipal League

The following entities indicated support for the bill:

- Michigan State Housing Development Authority (5-23-24)
- Apartment Association of Michigan (5-16-24)
- City of Ann Arbor (5-16-24)
- Communities First (5-23-24)
- Grand Rapids Chamber (5-16-24)
- Home Builders Association of Michigan (5-16-24)
- Housing North (5-16-24)
- Michigan Poverty Law Program (5-23-24)
- Michigan Realtors (5-16-24)
- Michigan Townships Association (6-11-24)
- Midland Business Alliance (5-23-24)
- Property Management Association of Michigan (5-23-24)
- Rental Property Owners Association of Kent County (5-16-24)
- Rental Property Owners Association of Michigan (5-16-24)
- Small Business Association of Michigan (5-16-24)
- Smith Group (5-16-24)

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