

Housing Policy Discussion

Zoning Reform

City Commission Discussion

April 9, 2024





Accessory Dwelling Units

Accessory Dwelling Units (ADUs)

Planning Commission Recommended Change

- Streamline review process and allow as a permitted use.
- Remove owner occupancy requirement.
- Modify height and setback requirements.
- Permit in association with single- and two-family dwellings.
- Eliminate parking requirement.

An Accessory Dwelling Units (ADU) is a self-contained apartment, cottage, or small residential unit that is located on a property that has a separate, principal dwelling (main house).

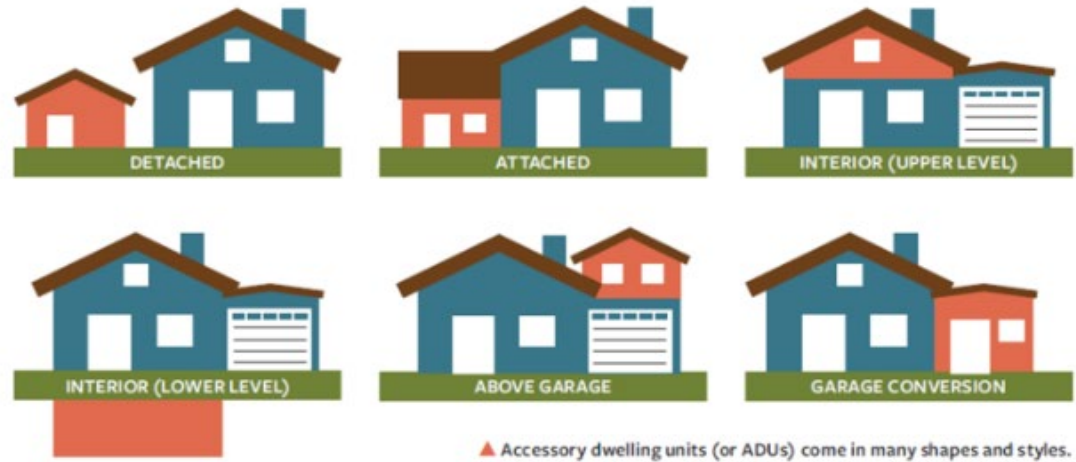
ADUs are an effective housing strategy in communities where brisk real estate markets are driving families and talented workers out of the community.

ADUs are a form of what's known as 'Gentle Density'. They allow for additional housing to be built in a neighborhood without changing the visible form or character of the community in noticeable ways.

ADUs can be much less expensive to build than a typical apartment building or single family home.



ADUs are a proven housing solution for retirees, singles, couples and even small families in a broad variety of cities and towns across North America. They can be separated from or attached to a principal dwelling (like a converted living space, attached garage, or an addition).



▲ Accessory dwelling units (or ADUs) come in many shapes and styles.



Accessory Dwelling Units (ADUs)

Concerns heard at Public Hearing

- Elimination of owner-occupancy requirement.
- Review process that doesn't allow project specific neighbor input.

ADU Examples



Credit: Artisans Group



Credit: Elevate Design + Construction



Credit: S.A.G.E. Designs NV



Credit: Abodu



Credit: CAST Architecture



Credit: Shape Architecture



Credit: Artisans Group



Credit: Shape Architecture

Options

1. Adopt Planning Commission recommendation.
2. Amend/narrow recommendation:
 - Keep owner occupancy requirement.
 - Keep Qualified Review process (*optional public hearing at neighbor request*).

3. Amend/expand recommendation

Considerations for Option 2

- Less flexibility to owner choosing how to use the property.
- More difficult financing options.
- Limit property ownership by a non-profit entity.
- Less predictable review process.
- Increased application costs.

The Golden Girls were unrelated occupants.

So were Chandler, Joey, Ross, Monica, Phoebe, and Rachel.

These proposed changes make it easier for single adults and two adult households (66% of all Rapidians) to share homes.

Unrelated Occupants

Planning Commission Recommended Change

- Modify definition of Family, increasing unrelated occupants from four (4) to six (6).

Concerns heard at Public Hearing

- Increased nuisances.
- Lack of enforcement capacity.
- Increases rental market potential (vs. ownership).

Options

1. Adopt Planning Commission recommendation.
2. Amend/narrow recommendation:
 - Keep current definition of Family, no more than four (4) unrelated occupants.
3. Amend/expand recommendation

Considerations for Option 2

- Limits cost sharing benefit
- Limits low-cost and quick way to open housing opportunities.



Group Living & Unrelated Occupants

The GR Zoning Ordinance currently limits the number of unrelated occupants in a home — however, this can be very difficult to enforce.

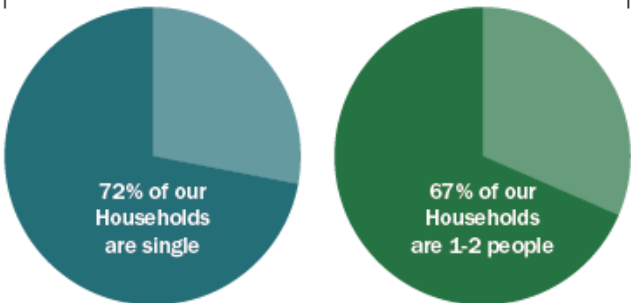
Our household arrangements have evolved and our policy should reflect that.

The Planning Commission has recommended raising the number of unrelated occupants from 4 to 6.

This proposed change is most likely to benefit single-adults and unmarried couples who want to share a home with friends. Single-adult and two-adult households make up roughly 2/3 of all households in Grand Rapids.

Young singles and older adults who want to age-in-place are often unable to afford the cost of a whole single-family home. But when they are allowed to share housing with friends, the costs become more manageable.

There are 76,961 Households in Grand Rapids



Group Living: Single-Room Occupancy (SRO)

Planning Commission Recommended Change

- Modify SRO definition.
- Allow small-scale SROs in residential zone districts.
- Provide a tiered review process for small, medium and large-scale SROs.
- Require a Good Neighbor Plan (GNP) when permitted as a Special Land Use.
- Increase tenancy requirement from 32 to 90 days.

SRO Use	Zoning Review Process	TN, MCN, MON		Use Regulation
		LDR	MDR	
6 or fewer units	Special Land Use	P	P	GNP
7 -12 units	Special Land Use	S	S	GNP
13 adults or more	Special Land Use	X	S	GNP, Separation distance

Group Living: Single-Room Occupancy (SRO)

Concerns heard at Public Hearing

- No specific objection/concern was stated.
- General concerns that the amendments focus on rental versus ownership opportunities.

Options

1. Adopt Planning Commission recommendation.
2. Amend/narrow recommendation:
 - Eliminate small SROs (6 or fewer units) within residential districts.
3. Amend/expand recommendation

Considerations for Option 2

- Limits permitted housing types.

SRO Use	Zoning Review Process	TN, MCN, MON		Use Regulation
		LDR	MDR	
6 or fewer units	Special Land Use	P	P	GNP
7 -12 units	Special Land Use	S	S	GNP
13 adults or more	Special Land Use	X	S	GNP, Separation distance

Group Living Requirements – Transitional / Emergency Shelter

<u>Planning Commission Recommended Change</u>	Transitional / Emergency Shelter Use	Zoning Review Process	Street Typology	Use Regulation (parcel size)
<ul style="list-style-type: none"> • Modify Transitional/Emergency Shelter requirements: <ul style="list-style-type: none"> ○ Allow small-scale shelters in residential zone districts. ○ Add additional use regulations. ○ Require a Good Neighbor Plan when permitted as a Special Land Use. 	6 adults or less	Special Land Use	n/a	No minimum required
	7 -12 adults	Special Land Use	Neighborhood Residential	Must be 1 acre +
			Link Residential	Must be 1 acre +
			Network Residential	May be less than 1 acre
	Crosstown Connector	May be less than 1 acre		
13 adults or more	Special Land Use	Same as 7-12 plus separation distance between uses		

Group Living: Transitional / Emergency

Concerns heard at Public Hearing

- Need separation distance between small scale shelters.
- General concerns that the amendments focus on rental versus ownership opportunities.

Options

1. Adopt Planning Commission recommendation.
2. Amend/narrow recommendation:
 - Not allow shelters with 6 or less adults in residential zone districts.
 - Not allow shelters with 7-12 adults on Neighborhood Residential and Link Residential street types.
 - Require separation distance between shelters with 7-12 adults.
3. Amend/expand recommendation

Transitional / Emergency Shelter Use	Zoning Review Process	Street Typology	Use Regulation (parcel size)
6 adults or less	Special Land Use	n/a	No minimum required
7 -12 adults	Special Land Use	Neighborhood Residential	Must be 1 acre +
		Link Residential	Must be 1 acre +
		Network Residential	May be less than 1 acre plus separation distance between uses
		Crosstown Connector	
13 adults or more	Special Land Use	Same as 7-12 plus separation distance between uses	

Small Scale Housing



Many neighborhoods have vacant parcels along key corridors. Very often, building a new single family home on these properties does not make sense without a significant subsidy. Allowing 2, 3 or 4 unit buildings where lot sizes are appropriate can be much more viable.

Minimum lot area requirements limit which properties can be built on. Reducing those requirements allows more lots to be buildable.

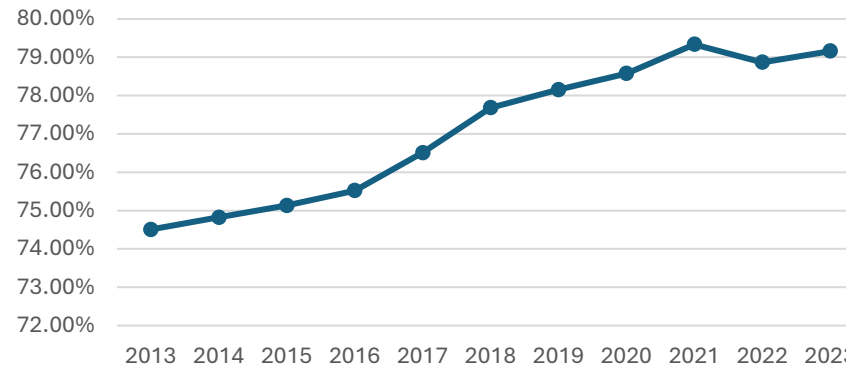
The multi-family text amendments will only apply to Link Residential and Connector Streets. These are the places that have good access to transit and where GR residents identified for multi-family housing during the Community Master Plan process.

Small Scale Housing is one way to enhance equity in the neighborhoods by giving neighbors the opportunity to build wealth.

Planning Commission Recommended Change

- Within the TN-LDR Zone District:
 - Reduce lot area and width requirements for two-family and multiple-family residential developments of six (6) or fewer units.
 - Permit multiple-family residential developments of six (6) or fewer units when located on Link Residential or Network residential streets (as defined by the Vital Streets plan).
 - Eliminate established (i.e. median) lot area and width requirements.
 - Allow conversion of existing single- and two-family housing stock to higher densities.

% of owner occupied homes



Data provided by the City of Grand Rapids Assessing Dept.

Zoning Math

Current median rent in GR:
 1 bed: \$1,219/mo
 2 bed: \$1,450/mo
 3 bed: \$1,850/mo
 4 bed: \$2,633/mo

Average home sale price:
 \$287,000
 Average vacant lot:
 \$50,000

What would it cost to build and rent a...

Single Family Home



On a 50' Lot

Land Cost	Construction Cost	Mortgage
50,000	\$325,000/home	\$2,822/mo

Four Plex



On a 50' Lot

Land Cost	Construction Cost	Mortgage
50,000	\$215,000/home	\$1,594/mo

New 4br Home

Building a new 4br 2,500 sq ft home would only be feasible for a developer to build and rent if rents in GR reach \$6,000/mo.

It would be affordable to a family of 5 earning 235% of area median income and 300% more than average rent.

NOT FINANCIALLY FEASIBLE TODAY

Demo + Replace

Demolishing an existing single family home and building a duplex with two 1,100 sq ft units, 3 beds each would only be feasible for a developer to build if rents reach \$4,025/mo.

This would be 170% AMI for a family of four, and 224% above average for the neighborhood.

NOT FINANCIALLY FEASIBLE TODAY

Add an ADU

Building a new 400 sq ft ADU would be feasible for a developer to build if rents were \$1,000 per month.

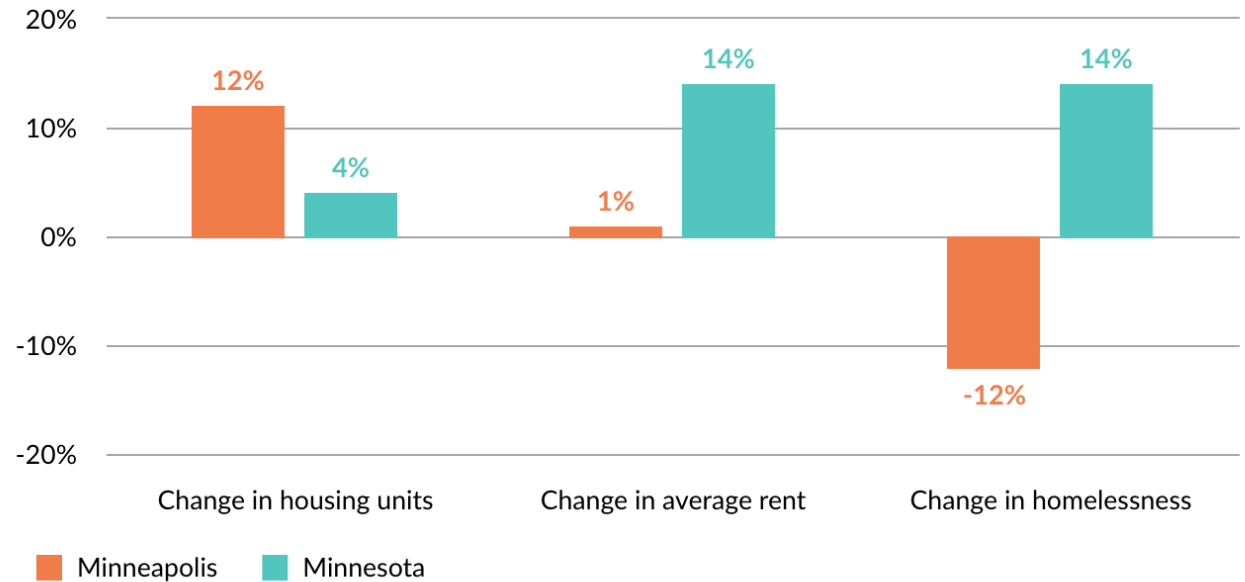
65% AMI affordable for single adult

FINANCIALLY FEASIBLE TODAY

Figure 2

Minneapolis' Rent Growth Was Much Lower Than Minnesota's

Percentage change in housing stock, average rent, and homelessness, 2017-22



Note: The Minnesota housing unit data does not include Minneapolis. Homelessness data for Minneapolis reflects data for Hennepin County. Homelessness data for Minnesota excludes Hennepin County.

Small Scale Housing

Benefits of Density

More available housing keeps prices lower for everyone.

It can also contribute to increased walkability, more prosperous business districts, improved mobility, and a more financially sustainable tax base (i.e. better funding for schools and services).

THESE ZONING AMENDMENTS ALIGN WITH
GRAND RAPIDS' STRATEGIC PLAN AND GOALS



Health + Environment

The health of all people and the environment are advocated for, protected, and enhanced.



Safe Community

All people feel safe and are safe at all times throughout our community.



Improved Mobility

Innovative, efficient, low-carbon and equitable mobility solutions are safe, affordable, and convenient to the community.



Economic Prosperity + Affordability

Residents, employees, and businesses have pathways to financial growth and security.

Concerns heard at Public Hearing

- Loss of home ownership opportunities.
- Purchase of housing by out-of-state investors.
- Gentrification and displacement.

Options

1. Adopt Planning Commission recommendation.
2. Amend/narrow recommendation:
 - Remand back to the Planning Commission for further consideration.
 - Provide additional policy guidance.
3. Amend/expand recommendation



Eliminating Parking Minimums

The City is cutting red tape and bringing down building costs by reducing parking for developments of six (6) or fewer dwelling units on Link Residential or Network residential streets.

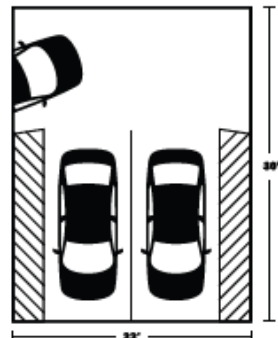
Summary of Proposed Parking Zoning Amendments

- Within the TN-LDR Zone District, eliminate parking requirements for developments of six (6) or fewer dwelling units on Link Residential or Network residential streets
- Modify the required distance to transit (from 300 feet to ½-mile) to allow for increased utilization of the parking reduction

675 sq ft



650 sq ft



When cities don't mandate parking, we make space for people: outdoor dining, protected bicycle lanes, small businesses, housing, street trees, and restaurants: an amenity-rich, walkable environment.

A property owner or developer can still have parking, the City is simply getting out of the business of telling the private market how much parking it needs.

One surface parking lot space costs about \$10,000. By not requiring parking in 6 units or fewer, the cost to build new housing comes down substantially.



Parking Requirements

Planning Commission Recommended Change

- Within the TN-LDR Zone District, eliminate parking requirements for developments of six (6) or fewer dwelling units on Link Residential or Network residential streets.

Parking Requirements

Concerns heard at Public Hearing

- Lack of existing on-street parking.
- Inadequate transit service.

Use	Current Parking Requirement	
Single-Family Dwelling	2.0	Per Dwelling
Two-Family dwelling	1.5	
Multiple-Family Dwelling	1.5	Per dwelling unit plus .25 per bedroom above 2 bedrooms

Options

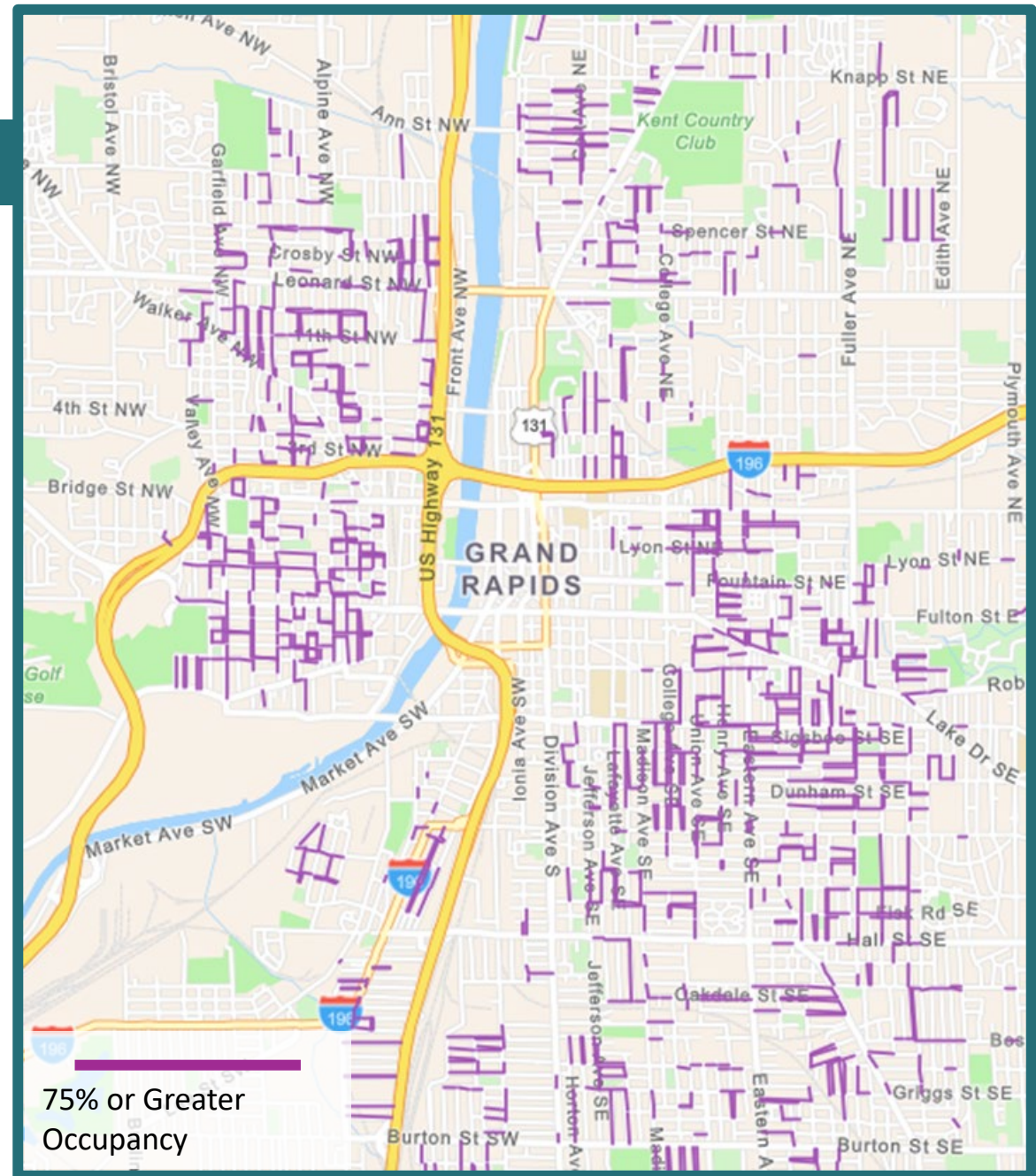
1. Adopt Planning Commission recommendation.
2. Amend/narrow recommendation:
 - Remand back to the Planning Commission for further consideration.
 - Provide additional policy guidance.
 - Reduce current parking requirements.
 - Increase staff reductions from 50% parking waiver to 75%.
 - Add additional waivers.
3. Amend/expand recommendation

Current City of Grand Rapids Zoning Ordinance parking requirements.

Parking Occupancy Counts

Biannual Counts

- Spring and Fall
 - Started in 2017
- Fall 2023
 - Morning 7 am to 10 am
 - Evening 6 pm to 9 pm
 - Data and Inventory Audit
 - 28% City-Wide Residential Average Occupancy
- Residential Parking Permit Criteria
 - 3 Contiguous Block Faces at 75% Occupancy



Decision Points

Scheduled date for Ordinance Consideration - April 23, 2024

Increase housing supply		Diversify housing types		Increase housing affordability	
Accessory Dwelling Units	Unrelated Occupants	Group Living Uses	Small Scale Residential Infill	Parking Requirements	
<ul style="list-style-type: none"> • Adopt PC recommendations • Amend/narrow recommendation: <ul style="list-style-type: none"> • Owner occupancy. • Review process. • Amend/expand recommendation 	<ul style="list-style-type: none"> • Adopt PC recommendations • Amend/narrow recommendation: <ul style="list-style-type: none"> • Keep current occupancy limit. • Amend/expand recommendation 	<ul style="list-style-type: none"> • Adopt PC recommendations • Amend/narrow recommendation: <ul style="list-style-type: none"> • Limit use type. • Limit street types. • Add separation distances. • Amend/expand recommendation 	<ul style="list-style-type: none"> • Adopt PC recommendations • Remand back to the PC. 	<ul style="list-style-type: none"> • Adopt PC recommendations • Remand back to the PC. 	