



CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: November 14, 2017

TO: Gregory A. Sundstrom, City Manager

COMMITTEE: Committee of the Whole
LIAISON: Gregory A. Sundstrom, City Manager

FROM: Gregory A. Sundstrom, City Manager
Executive Office

SUBJECT: **Presentation on Affordable Housing Proposals**

To address the critical issue of affordable housing, residents, housing developers, and the City have developed recommendations to advance a series of progressive solutions. This plan seeks to set a new bar to create housing choices and opportunities for all.



At its August 7 Work Session, the City Commission asked the City Manager to develop ordinance and policy language to implement the recommendations from the Great Housing Strategies and Housing Advisory Committee. City staff assembled a package of legislative actions to address affordable housing issues. These transformative actions will allow our community to create an environment that helps non-profit and for-profit housing developers address our urgent housing affordability and equity issues.

These actions can significantly effect our community for generations to come and advance equity through wealth creation in homeownership. When the **Housing NOW!** work is added to the efforts of non-profit and for-profit housing developers and the City's ongoing programs, we will see positive impacts in housing in our city.

The City Commission will consider these actions over its next few meetings. Beginning November 13, the **Housing NOW!** package will be available on the City's website.

MEMORANDUM

CITY OF GRAND RAPIDS

Date: November 14, 2017

To: Mayor Bliss and City Commissioners

From: Gregory Sundstrom, City Manager

Subject: Presentation of Housing NOW! Proposals



The City seeks to ensure all people have an opportunity to live in healthy and safe housing in mixed-income neighborhoods. Staff assembled the enclosed packet to address affordable housing with a significant and comprehensive commitment from the City. The packet includes a series of ordinances and policies to advance the recommendations from the Housing Advisory Committee:

- Proposed ordinance amendment to reduce the PILOT fee,
- Proposed policy amendment to provide homeownership incentives,
- Proposed ordinance to provide incentives for small scale development,
- Proposed NEZ policy amendment to provide incentives for affordable housing,
- Proposed policy to encourage voluntary development agreements for affordable housing,
- Proposed ordinance to provide incentives for increased density,
- Proposed policy to provide requirements for affordable housing whenever the City is a partner in an affordable housing project,
- Proposed ordinance to permit accessory dwelling units by right,
- Proposed ordinance to permit non-condo zero-lot-line housing,
- Proposed ordinance to regulate rental applications, and
- Proposed policy to establish the Affordable Housing and Preservation Fund.

For over two years, the Grand Rapids community has been discussing and studying affordable housing. On April 22, 2015, residents gathered for an intensive one-day Great Housing Strategies conference. Following that learning, the City Commission appointed the Housing Advisory Committee to discuss implementing these recommendations. Following the Housing Advisory Committee's report, the City Commission held two Work Sessions to discuss affordable housing. The City Commission directed staff to develop ordinance and policy language to effectuate these resident recommendations.

Great Housing Strategies

The Great Housing Strategies was a community planning effort that included three City Commissioners and over 200 residents representing non-profit and for-profit housing developers, lenders, neighbors, educational institutions, local philanthropy, and government officials. They engaged in a community discussion about Grand Rapids' housing. They sought to provide goals and actions to create a "prosperous and equitable approach that meets current and future housing needs". Participants expressed concern with the availability of affordable housing amid high housing demands driving rental rates upward and development causing displacement in neighborhoods.

Following the Great Housing Strategies conference, residents formed work groups and continued to meet to finalize strategies and prepare a presentation for the City Commission. In December 2015, the City Commission adopted the eight goals and thirty-five actions recommended from this intensive and broad community discussion from the Great Housing Strategies.

Housing Advisory Committee

Mayor Bliss appointed the Housing Advisory Committee, consisting of three City Commissioners, over thirty stakeholders and residents, and several City staff. Mayor Bliss issued the following charge for the committee.

- Develop recommendations for funding to grow an Affordable Housing Fund,
- Provide recommendations of how funding could be allocated to have significant impact in areas of housing that are of need within our community,
- Provide the City Commission with recommendations regarding housing policies to allow for better outcomes,
- Help prioritize the implementation of goals outlined in the Great Housing Strategies, and
- Discuss changes in State and Federal policy that we believe could have positive impact on housing within Grand Rapids.

The Committee was chaired by Commissioner Jon O'Connor. They met seven times, beginning on October 27, 2016, and ending with their final recommendations on May 1, 2017. The Committee developed several recommendations, then prioritized their recommendations to forward to the City Commission.

During this time, the City Commission had four discussions on affordable housing, beginning on May 24, 2016, then on July 26, 2016, November 28, 2016, and August 7, 2017. At this last meeting, the City Commission directed staff to develop ordinance and policy language to effectuate the Housing Advisory Committee's recommendations.

Shortly after the Great Housing Strategies recommendations, the City began exploring, piloting, and amending ordinances and policies to improve affordable housing opportunities. Since the August 2017 City Commission Work Session, City staff has been diving deep into the recommendations to develop ordinance and policy language.

The staff team includes: Erin Banchoff, Landon Bartley, Connie Bohatch, Asante Cain, Eric DeLong, Jordoun Eatman, Jonathan Klooster, Courtney Magaluk, Phil Schaafsma, Suzanne Schulz, Greg Sundstrom, Kristin Turkleson, Jessica Wood, and Kara Wood.

Update on Partners

To help implement these recommendations, the City is seeking two partners with strong community housing ties. The first is to find a partner to administer the Affordable Housing Fund. The City has been meeting with the Grand Rapids Housing Commission. The City's Law Department is currently reviewing draft documents prepared by the attorney for the Grand Rapids Housing Commission. These documents would create a contractual relationship between the Grand Rapids Housing Commission, the City, and the Affordable Housing Fund (the non-profit). The documents include a management agreement between the three entities, Bylaws of the Affordable Housing Fund, and Articles of Incorporation for the non-profit corporation. The documents are designed to reflect the terms of the Affordable Housing Fund Policy under City Commission consideration.

The City seeks a second partner to provide criminal background checks and credit checks to renters in a lower cost method. The City is talking to potential partners. We hope to provide an update in the near future.

Next Steps

City staff provides this information to serve as a foundation for the City Commission to discuss these recommendations over the next months. The November 28, 2017, City Commission Work Session could provide a time to discuss the recommendations further.

If a sustainable partnership can be developed between the Grand Rapids Housing Commission and the City, we would bring a term sheet outlining the agreement for your consideration as soon as practical. Additionally, if a sustainable partnership can be developed with an institution to assist with rental applications, we will bring a term sheet for your consideration.

The City's implementation of the Housing Advisory Committee's recommendations will represent only a portion of the City's total effort to address affordable housing. The City will continue our Neighborhood Investment plan that has historically allocated over \$1 million each year for affordable housing using Community Development Block Grant and HOME Investment Partnerships federal funding. The City will continue to aggressively use economic development tools to incent affordable housing of all types. The City will continue to work with community partners, such as ACSET on weatherproofing residential homes and with Home Repair Services on rehabilitation of existing homes. The City will continue to collect data on housing needs to align City resources. The City will continue to monitor policies that impact housing affordability. The City will continue to work with developers on different types of affordable housing. The City will continue our Employee Homebuyer's Assistance program.

The affordable housing work proposed through the Housing Advisory Committee will undoubtedly have a significant impact on our community. When this work is added to the work of the many non-profit housing developers, for-profit housing developers, and continuing City program work, we should see significant changes in the affordability of our City's housing.

Attachments

Housing Advisory Committee's recommendations with proposed ordinance/policy language

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 14, 2017

TO: Committee of the Whole
Greg Sundstrom, City Manager

FROM: Jessica L. Wood
Director of Municipal Legal Affairs

SUBJECT: Recommendation #1 of Housing Advisory Committee - Draft Ordinance to Amend Taxation of Assisted Lower-Income Housing Ordinance

In accordance with the Housing Advisory Committee recommendations, please find attached a Draft Ordinance to Amend Title I Administration, Chapter 9 Property Tax Levy and Collection, Article 5 Taxation of Assisted Lower-Income Housing Ordinance (the Ordinance) for discussion.

As amended, the Ordinance would give the property owner the option of either paying the standard 4% service charge annually (subject to continued eligibility) for the life of the mortgage or of paying a 1% service charge annually while paying the monetary equivalent of a 2% service charge annually (subject to continued eligibility) into the City's Affordable Housing Fund for the life of the mortgage.

Also, the Ordinance amendment would clarify that net shelter rent calculations are only applied to rent restricted units within a development actually occupied by low-income individuals consistent with PA 346 of 1966, as amended.

MEMORANDUM

CITY OF GRAND RAPIDS

AN ORDINANCE TO AMEND SECTIONS 1.410 THROUGH 1.414 OF CHAPTER 9 OF TITLE I OF THE CODE OF THE CITY OF GRAND RAPIDS ENTITLED PROPERTY TAX LEVY AND COLLECTION.

ORDINANCE NO. _____

THE PEOPLE OF THE CITY OF GRAND RAPIDS DO ORDAIN:

Section 1. That Sections 1.410 through 1.414 of Chapter 9 entitled "Taxation of Assisted Lower-Income Housing" of the Grand Rapids City Code be and is hereby replaced in its entirety to read as follows:

"Sec. 1.410. - Eligible Housing Projects.

The tax exemption established in Subsection (1) of Section 15(a) of Act 346 of 1966 as amended (hereinafter referred to as the "Act"), Section 125.1415(a) shall apply to housing projects within the boundaries of the City of Grand Rapids which meet all of the following criteria, upon approval of the City Commission:

- (1) Projects which are financed with a Federally-aided or State Housing Development Authority-aided mortgage or with an advance or grant from such Authority,
- (2) Projects which serve lower-income families, elderly, and/or handicapped, and
- (3) Projects which are owned by "consumer housing cooperatives," "qualified nonprofit housing corporations," and "limited dividend housing associations" as defined in Act No. 346 of the Public Acts of 1966, as amended.

Sec. 1.411. - Property Tax Exemption.

Housing projects which qualify under Section 1.410 above shall have the tax exemption provided in the above-mentioned subsection (1) of Section 15(a), provided the owner of a housing project has complied with the Act, is current with all taxes and assessments on the subject property, and has annually filed before August 1st an audited financial statement for each previous calendar year, as requested, with the City Assessor.

Sec. 1.412. - Service Charge in Lieu of Taxes.

The service charge in lieu of property taxes shall be paid by the housing project owner as follows:

- (1) Housing projects approved for tax exemption under this ordinance on or before December 31, 1990 shall pay a service charge in the amount equal to ten (10) percent of annual shelter rent, except as provided in 1.412(3) below. Annual shelter

rent is defined as the total collections from all occupants of a housing project exclusive of any charges for gas, electricity, heat, or other utilities furnished to the occupants.

- (2) Housing projects approved for tax exemption under this ordinance on or after January 1, 1991 shall pay a service charge in the amount equal to four (4) percent of annual shelter rent.
- (3) As an alternative to paying a service charge in the amount equal to four (4) percent of annual shelter rent as set forth in (2), the property owner may choose to pay a service charge in the amount equal to one (1) percent of annual shelter rent in addition to making an annual contribution to the City of Grand Rapids' Affordable Housing Fund in an amount equal to two (2) percent of annual shelter rent.
- (4) Housing projects approved for tax exemption under this ordinance between January 1, 1990 and December 31, 1990 may request requalification at the four (4) percent rate. The granting of requalification requests shall require the approval of the City Commission and would be effective the subsequent tax year.
- (5) Housing projects provided with rent assistance under the Section 8 Program of the United States Housing Act of 1937, as amended by the Housing and Community Development Act of 1974 as amended, shall pay a service charge in the amount equal to four (4) percent of the contract rents of the preceding calendar year, exclusive of any charges for gas, electricity, heat, or other utilities furnished to the occupants.
- (6) Housing projects defined as emergency shelters or transitional housing for the homeless shall not be assessed a service charge in lieu of property taxes.
- (7) Notwithstanding subsection (2) of MCL 125.1415a, the service charge to be paid each year in lieu of taxes for that part of a housing project that is tax exempt under subsection (1) of MCL 125.1415a, and that is occupied by other than low income persons or families shall be equal to the full amount of the taxes that would be paid on that portion of the project if the project were not tax exempt. The benefits of any tax exemption granted shall be allocated by the owner of the housing project exclusively to low income persons or families in the form of reduced housing charges.

Sec. 1.413. - Duration of Exemptions and Service Charges in Lieu of Taxes.

The exemptions and service charges authorized under this ordinance shall be in effect for the life of the Federally-aided or State-aided mortgage loan or other eligible assistance, not to exceed fifty (50) years.

Sec. 1.414. - Reserved."

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 7, 2017

TO: Gregory A. Sundstrom
City Manager

FROM: Connie M. Bohatch, Managing Director
Community Services



SUBJECT: Housing Advisory Committee Recommendation #2 – Provide Incentives for Homeownership

The Housing Advisory Committee recommended the City provide incentives for homeownership. Discussion centered on increasing homeownership rates, increasing personal wealth over time, and reducing the number of vacant homes in neighborhoods. Recognizing that access to down payment assistance is a critical tool for low- and moderate-income individuals and families to become homeowners, the Committee desired to expand those opportunities.

Established under City Commission Policy 900-35, the Homebuyer Assistance Fund (HAF) provides up to \$5,000 of down payment and closing cost assistance to households with incomes at or below 80% of the area median income for homes purchased within the Community Development General Target Area (GTA). Created in 1996, the policy primarily intended to increase homeownership opportunities for low/mod-income households. The geographic requirement served an ancillary purpose of improving the balance between rental and owner-occupied housing in the GTA, and increasing neighborhood investment.


Attached please find an amended policy that enhances the HAF program as follows:

- Specifies the purpose is to *increase homeownership opportunities and promote housing choice*, rather than just providing financial assistance to eligible homebuyers.
- Eliminates the requirement that the home for purchase must be in the GTA to allow purchases city wide.
- Clarifies the residential zoning requirement to include mixed-use structures.
- Clarifies the occupancy status to affirm that an existing tenant can purchase the home.

- Eliminates use of the term *first-time homebuyer* to more accurately describe eligible applicants as those who have not owned a home within the last three years.
- Increases the maximum loan amount from \$5,000 to \$7,500.
- Increases the household asset ceiling for income eligibility from \$5,000 to \$10,000.
- Eliminates specific references to federal program requirements, to the extent possible, to allow for use of other funding sources such as the Affordable Housing Fund.

This Policy is not intended for employees, as State law prohibits a City employee from entering into a contract with the public entity with which he or she is employed. City Commission Policy 600-06 provides homeownership incentives for employees.

CITY COMMISSION POLICY

 GRAND RAPIDS MICHIGAN	NUMBER: 900-35	HISTORY FILE # DATE	
	DATE: December 17, 1996	69416	12/18/01
	FILE NUMBER: 62769		
	DEPARTMENT: Community Development		

SUBJECT: HOMEBUYER ASSISTANCE FUND

PURPOSE: To increase homeownership and promote housing choice by providing down payment and closing cost assistance to low- and moderate-income homebuyers for homes purchased in the City of Grand Rapids

POLICY:

The City of Grand Rapids shall carry out this Policy under the following rules:

I. ELIGIBLE HOMEBUYERS

A homebuyer may receive financial assistance for down payment and closing costs to purchase a home if the following conditions are met:

- A. Homebuyer. The applicant(s) shall be at least 18 years of age and not have owned a home within the last three years. The homebuyer shall complete a City-approved homebuyer education counseling course, as applicable to funding sources used for assistance.
- B. Primary Residence. The homebuyer agrees to occupy, as his or her primary residence, the property being purchased.
- C. Income Eligibility. The homebuyer shall be low- or moderate-income, with an annual household income which does not exceed 80% of the area median income, adjusted for family size, as published by the U.S. Department of Housing and Urban Development (HUD). Household assets cannot be more than \$10,000 in excess of the homebuyer's cash contribution toward the purchase of the property.

- D. Homebuyer Contribution. A homebuyer shall make a cash contribution of at least 1% of the purchase price, or the minimum required by the lender, whichever is higher.
- E. City Employees. City employees and their spouses are not eligible to participate in the Homebuyer Assistance Fund.

II. PARTICIPATING SELLERS

Persons selling a home to be assisted through the Homebuyer Assistance Fund shall agree to comply with federal, state, and local requirements as applicable, including the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

III. ELIGIBLE PROPERTIES

Properties to be purchased are eligible under the following conditions:

- A. Zoning and Location. Properties shall be zoned to permit residential use, including mixed-use structures, and located within the City of Grand Rapids.
- B. Type of Structure. Eligible structures include single-family detached and attached houses, two-family structures, condominiums, and manufactured homes. Structures shall be sited on a permanent foundation, with a permanent utility hook-up.
- C. Occupancy Status. All properties shall either be vacant, occupied by the seller, or occupied by the homebuyer. Two-family structures are eligible as described in the Administrative Guidelines. A tenant shall not be displaced by a sale assisted with homebuyer assistance funds.
- D. Appraised Value/Purchase Price. The appraised value and purchase price of a house shall not exceed HUD established limits.
- E. Trade/Termite Inspections. All properties shall be inspected, with written reports provided to the homebuyer, by a qualified home inspector to include plumbing, electrical, mechanical, and structural components and a termite inspection prior to the closing.
- F. Property Standards. Eligible properties shall meet applicable federal, state, and/or local housing standards and codes at the time of initial occupancy, depending on source of funds used for assistance. Homebuyer assistance shall not be used for repairs or rehabilitation of properties.

IV. FINANCIAL ASSISTANCE

- A. Minimum and Maximum Loan Amount. The homebuyer must need a minimum of \$1,000. The maximum loan may not exceed \$7,500.

- B. Eligible Costs. The Homebuyer Assistance Fund shall be used for down payment, customary and reasonable closing costs, and certain pre-paid costs, as further defined in the Administrative Guidelines.
- C. Permanent Financing. Homebuyer assistance funds shall only be used in conjunction with a conventional or government-insured mortgage loan through an approved lender. Funds shall not be used to assist in the purchase of property through a land contract.
- D. Mortgage and Promissory Note. The homebuyer assistance loan shall be secured by a second mortgage and promissory note, with a loan term of sixty (60) months. The loan shall be forgiven in increments based pro-rata on each complete month the homebuyer has resided in the house, in accordance with recapture provisions established by the City. The loan is subject to said recapture provisions if the homebuyer moves and/or sells the property within five (5) years, or in the event of foreclosure by the lender or other transfer in lieu of foreclosure.
- E. Reservation of Funds/Written Agreement. The City shall reserve and disburse funds to the homebuyer in accordance with established procedures. The Managing Director of Community Services or his/her designee is authorized to enter into a Homebuyer Agreement with the homebuyer on behalf of the City.
- F. Availability of Funding. Funds must be available before a funding reservation may be made.

V. LENDER PARTICIPATION

Lenders who wish to participate in the Homebuyer Assistance Fund shall enter into a Memorandum of Understanding with the City regarding their responsibilities. The Managing Director of Community Services or his/her designee is authorized to enter into a Memorandum of Understanding on behalf of the City.

VI. REGULATIONS

This Policy shall automatically adopt by reference federal, state, or local program rules, regulations, or laws, as applicable.

VII. APPEALS

Applicants or lenders may appeal any administrative interpretation of this policy, or may request a relief variance from the strict application of a provision of this policy. Appeals may be directed to the Managing Director of Community Services, provided the action is consistent with the intent of the program and does not violate applicable federal, state, or local rules, regulations, or laws.

VIII. DELINQUENT ACCOUNTS

Financial assistance recipients who do not comply with the conditions of their mortgage and promissory note shall have their account forwarded to the Delinquency Control Committee.

IX. DEFINITIONS

Definitions of terms used in this Policy shall be found in the Administrative Guidelines.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 7, 2017

TO: Greg Sundstrom
City Manager

FROM: Suzanne M. Schulz, AICP
Managing Director of Design, Development and Community Engagement

SUBJECT: Housing Advisory Committee Recommendation #3 – Incentives for Small Scale Development

The Housing Advisory Committee recommended the City develop incentives for small scale residential development. Small scale development is also referred to as “missing middle” housing consisting of multi-unit housing types such as duplexes, fourplexes, bungalow courts and mansion apartments that are not bigger than a large house.

From a zoning perspective, ordinance amendments are required to reduce barriers for this development type. Proposed changes include modifying the development approval process and modifying current site layout and building placement standards.

Based on early feedback from the development community, proposed zoning changes include:

- Reduce minimum dwelling unit width from 18 feet to 14 feet.
- Allow the construction of two-family residential developments by-right in the LDR zone district when located on a corner parcel or within twelve-hundred (100) feet from a TBA, TOD, TCC or C zone district. Also, align two-family lot width and area requirements with those for single family residential units.
- Eliminate minimum lot area requirement (20,000 sq. ft.) for multi-family residential developments.
- Allow the construction of multi-family residential developments by-right in the LDR zone district when all of the following criteria is met:
 - Located within one-hundred (100) feet from a TBA, TOD, TCC or C zone district
 - No more than 4 units per building
 - Compliance with maximum building width and footprint standards
 - Development complies with form standards

These changes are designed to work in conjunction with a Design Guidelines Manual so that the preservation of existing neighborhood character is considered in each by-right development. Design guidelines would need to be codified. Additional form-based architectural requirements may increase initial construction costs, but the long term benefit of neighborhood design will help keep property values stable.

Recent neighborhood feedback has informed us that current building form standards have failed to adequately protect existing neighborhood character. The Planning Department has received

complaints on lack-luster front stoops, flat facades (lack of architectural articulation) and incompatible design. The development of neighborhood Design Guidelines Manual with subsequent zoning changes could help address concerns. In meeting with housing developers, there was sentiment expressed that requirements for high-quality building materials on facades and additional character elements would be acceptable.

Before these changes are made, the community should consider:

- Will this change affect the character of the neighborhood?
- Will this change affect the City's image in general?
- This change could result in the loss of existing single-family residential dwellings in favor of new multi-family developments along major and regional streets.
- This change could result in the conversion of existing single-family housing to higher density residential structures.
- These changes will not directly increase the number of affordable housing units, but it could create conditions that support an increase in housing supply.
- Does that City have adequate enforcement capacity to support additional residential density (e.g. front yard parking, overcrowding)?

Attached is a proposed ordinance amendment that would implement the recommendation.

ARTICLE 5 RESIDENTIAL ZONE DISTRICTS

- Section 5.5.01. Residential Zone Districts: Purpose and Intent.
- Section 5.5.02. Traditional Neighborhood Residential Zone Districts: Purpose and Intent.
- Section 5.5.03. Mid-20th Century Neighborhood Residential Zone Districts: Purpose and Intent.
- Section 5.5.04. Modern Era Neighborhood Residential Zone Districts: Purpose and Intent.
- Section 5.5.05. Uses of Land.
- Section 5.5.06. Site Layout and Building Placement Requirements.
- Section 5.5.07. Building Element Requirements.

Sec. 5.5.01. Residential Zone Districts: Purpose and Intent.

- A. Residential Zone Districts are divided into Low-Density Residential (LDR) Districts and Mixed-Density Residential (MDR) Districts within the framework of the three (3) Neighborhood Classifications of Traditional Neighborhoods (TN), Mid-20th Century Neighborhoods (MCN), and Modern Era Neighborhoods (MON).
- B. LDR, Low-Density Residential District. The Low-Density Residential District is intended to create, maintain and promote a variety of housing opportunities for individual households and to maintain the desired physical characteristics of the city's existing neighborhoods.
 - 1. The density ranges for each Low-Density Residential Zone District varies based upon the Neighborhood Classification in which it is located.
 - 2. Site and building placement regulations, as well as requirements for building elements, take the built environment into consideration as many of the areas that include this Zone District are in existing developed areas.
- C. MDR, Mixed-Density Residential District. The Mixed-Density Residential District is intended to create, maintain and promote a variety of housing types in areas where development already exists or where it is desired in the future.
 - 1. The density ranges for each mixed-density Zone District varies based upon the Neighborhood Classification in which it is located, but generally accommodates moderate- to high-density housing, including detached single-family houses, attached single-family dwellings, two-family dwellings, and multiple-family residential buildings.
 - 2. Site and building placement regulations, as well as requirements for building elements, have taken the built environment into consideration. The Master Plan recommendations in Section 10.0 *Development Character* and Section 10.9 *Higher Quality Medium and High-Density Residential Design* shall be used in site design, except where it is impractical or inconsistent with the neighborhood.

Sec. 5.5.02. Traditional Neighborhood Residential Zone Districts: Purpose and Intent.

- A. TN-LDR, Traditional Neighborhood—Low-Density Residential Zone District. The TN-LDR District is intended to protect established development patterns, consisting predominantly of medium-low density residential development in the form of detached single-family houses and two-family dwellings sited on individual lots. Pockets of medium- to high-density residential development are generally found along transit routes, near to business districts and along major streets. The redevelopment of sites shall remain consistent with this pattern of development.

- B. TN-MDR, Traditional Neighborhood—Mixed-Density Residential Zone District. The TN-MDR District is intended to provide a variety of housing choices in a spatially diverse manner while protecting established development patterns. Mixed-density neighborhoods are generally found along transit routes, near to business districts and along major streets. They often act as a transition between lower density residential development and non-residential uses. Redevelopment shall remain consistent with this pattern of development. The redevelopment of former commercial sites is a significant objective through context sensitive architectural designs and features common to the area.

Sec. 5.5.03. Mid-20 Century Neighborhood Residential Zone Districts: Purpose and Intent.

- A. MCN-LDR, Mid-20th Century Neighborhood - Low-Density Residential Zone District. The MCN-LDR District is intended to protect the established development pattern, consisting predominantly of low-density residential development characterized by single-family detached houses on individual lots with garages located to the side or rear of the main building. New development and building renovation shall be compatible with the valued characteristics of the existing built environment. To that end, a coordinated variety in design is encouraged. The repeated use of identical facade designs shall be avoided.
- B. MCN-MDR, Mid-20th Century Neighborhood - Mixed-Density Residential District. The MCN-MDR District is intended to provide a variety of housing choices in a spatially diverse manner. The established development pattern, consisting predominantly of low-density residential development characterized by two-family dwellings and small multiple family buildings, shall act as a transition between lower density residential development and non-residential uses. Context-sensitive architectural designs and features common to the area shall be used in the redevelopment of former commercial sites.

Sec. 5.5.04. Modern Era Neighborhood Residential Zone Districts: Purpose and Intent.

- A. MON-LDR, Modern Era Neighborhood - Low-Density Residential Zone District. The MON-LDR District is intended to reflect the low-density development pattern of single-family detached houses on large lots. The repeated use of identical facade designs shall be avoided. The preservation of natural features such as wetlands, woods and steep slopes are important components shall be included in development plans for a site.
- B. MON-MDR, Modern Era Neighborhood - Mixed-Density Residential Zone District. The MON-MDR District is intended to permit the moderate- to high-density single-use development pattern that presently exists; however, it strongly encourages the redevelopment of these properties into a mixed-density format where a variety of housing densities and styles are provided. The preservation of natural features such as wetlands, woods and steep slopes are important components and shall be included in development plans for a site.

Sec. 5.5.05. Uses of Land.

- A. Land Uses. Uses are allowed in residential Zone Districts in accordance with Table 5.5.05.B. Uses: Residential Zone Districts. Article 16 Definitions shall be referred to for clarity on the uses as listed. The following key is to be used in conjunction with the Use Table.
 - 1. Permitted Uses. Uses permitted by right in the Zone District, subject to compliance with all other applicable requirements of this Chapter. These uses are identified with a "P."

2. **Special Land Uses.** Uses which may be allowed subject to review and approval by the Planning Commission in accordance with Section 5.12.09., and all other applicable requirements of this Chapter. These uses are identified with an "S."
3. **Existing Uses.** Uses that were in existence prior to November 5, 2007 may continue to exist as non-conforming uses. These uses are identified with an "E." See Section 5.3.05.F.
4. **Uses Not Allowed.** Uses are prohibited in that Zone District. These uses are identified with an "X".
5. **Use Regulations.** Certain allowed uses, whether Permitted Uses or Special Land Uses, are subject to compliance with Article 9 or other provision of this Chapter or other City Code. These uses are identified under "Use or Other Regulations." A cell marked with "—" under this heading indicates that there are no additional use requirements. However, there may be other applicable regulations in this Chapter or other City Code for the uses listed that are not noted in the Use Table.
6. **Unlisted Uses.** Uses not listed in the Table 5.6.06.B. are also prohibited unless the Director determines that the use is similar to other uses listed either as a Permitted Use or Special Land Use in accordance with Section 5.4.04.
7. **Site Development.** Vehicle and bicycle parking requirements and pedestrian circulation requirements are in Article 10 Transportation and Mobility. Landscaping requirements are in Article 11 Landscaping and Green Infrastructure. Sign requirements are in Article 15 Signs.

B. Allowed Uses Table.

Table 5.5.05.B. Uses: Residential Zone Districts					
Use Category	Specific Use	TN, MCN, MON		Use or Other Regulations	
		LDR	MDR		
RESIDENTIAL					
Household Living	Single-family dwelling, detached	P	P	5.2.07.	
	Single-family dwelling, attached	S	P	5.9.06.	
	Two-family dwelling - existing	E	P	5.3.05.F.	
	Two-family dwelling - new construction	P/S	P	5.5.05.C., 5.5.06.	
	Multiple family dwelling	Small (4 or less units/building)	P/X	P	5.5.05.D., 5.9.20.
		Other (5 or more units/building)	S/X	P	5.5.05.D., 5.9.20
	Manufactured housing community	X	P	5.9.17.	
	Adult foster care	Family home (1-6 residents)	P	P	5.9.04.
		Small group home (7-12 residents)	S	S	
		Large group home (13-20 residents)	X	S	
	Assisted living center	S	S	—	
	Nursing/convalescent home	S	S	—	
	Residential rehabilitation facility	S	S	5.9.29.	
	Rooming or boarding house	S	S	5.9.30., Chapter 116	
Single room occupancy (sro)	X	S	5.9.32.		
Transitional or emergency shelter	X	S	5.9.36.		
Accessory Uses	Accessory dwelling unit	S	S	5.9.03.	
	Accessory structure	P	P	5.2.08.	
	Child care home	Family home (1-6 children)	P	P	—
		Group home (7-12 children)	S	S	—
	Home occupation (Class A and Class B)	P	P	5.9.14., Chapter 116	
EDUCATIONAL, GOVERNMENT AND INSTITUTIONAL					
Educational	All educational uses	S	S	—	
	Technical, vocational, and trade school	S	S	—	
Government and Institutional	Adult day care center	X	S	5.9.04.	
	Cemetery	P	P	—	
	Child care center	S	S	5.9.09.	
	Community center	S	S	—	
	Community garden	P	P	—	
	Hospital	S	S	—	
	Library	P	P	—	
	Park, playground, plaza, square, urban open	P	P	5.11.14.	
	Police and fire station	S	P	—	
	Religious institution	S	S	—	
Social service facility (w/o residential care)	S	S	5.9.34.		

Table 5.05.B. Uses: Residential Zone Districts					
Use Category	Specific Use		TN, MCN, MON		Use or Other Regulations
			LDR	MDR	
COMMERCIAL, INDUSTRIAL AND UTILITIES					
Commercial	Bed and breakfast		S	P	5.9.08., Chapter 116
	Golf course, country club		P	P	—
	Live-work unit		S	S	5.9.16.
Industrial or Transportation	Mineral extraction		S	S	5.9.21.
	Off-street parking, non-residential		S/X	S	5.5.05.E.
Utilities	Electrical substations and private utilities		P	P	5.9.11.
	Wireless communication facilities	Co-located antenna	P	P	5.9.41.
		Freestanding/tower	X	X	—
P = Permitted; S = Special Land Use; E = Existing; X = Not Permitted; “—” = Not Applicable					

C. Two-Family Residential Use Restrictions.

- a. The construction of a two-family residential dwelling is a Permitted Use within the LDR zone district when the parcel is located within one-hundred (100) linear feet of a TBA, TOD, TCC or C zone district as measured from the closest point of the parcels along the public right-of-way or where located on a corner parcel.

D. Multiple-Family Residential Use Restrictions.

- 1. The appropriateness of multi-family residential development within the City's neighborhoods is dependent on location and building form. For this reason, the review process of multiple-family development varies within each residential zone district.
 - a. Within the MDR zone districts, multiple-family residential dwellings are a permitted use, subject to the use regulations of Section 5.9.20.
 - b. Within the LDR zone districts, in addition to the use regulations of Section 5.9.20, the following review standards shall apply:
 - i. Permitted Use. The construction of a Small Multiple-Family Residential development as defined in Article 16, is considered a permitted use when the parcel is located within one-hundred (100) linear feet of a TBA, TOD, TCC or C zone district as measured from the closest point of the parcels along the public right-of-way.
 - ii. Not Permitted. Within the Roosevelt Park Neighborhood, Grandville Avenue provides a unique cadence of commercial and residential experiences along the corridor represented by pockets of Traditional Business Areas (primarily at corner properties) and longer stretches of detached single-family residential dwellings. The neighborhood desires to maintain this character. The ASP strongly promotes multi-family development in the TBA Zone District to insure a diversity of housing types and the desired density near transit nodes. In light of the ASP recommendations, within the established

- boundaries of the approved ASP, Multiple-Family Dwellings are not a permitted use within the TN-LDR Zone District.
- iii. Special Land Use. The construction of a Multiple-Family Residential development not meeting the requirements of 5.5.05.D.1.a. and 5.5.05.D.1.b. above shall be reviewed as a Special Land Use.

E. Off-Street Parking Restrictions.

Within the Grandville Avenue ASP, a parking hold line was established to delineate appropriate locations for non-residential off-street parking locations.

1. Surface parking lots that extend beyond the TBA Zone District hold line shall be prohibited
2. Off-street parking facilities as a principal use of a lot, is not permitted within the TN-LDR Zone District.

Sec. 5.5.06. Site Layout and Building Placement Requirements.

- A. Site Layout and Building Placement Table. All development in Residential Zone Districts must comply with the requirements in Table 5.5.06.A. unless otherwise expressly stated, or unless a different requirement is contained in an applicable Overlay District. Lot area and lot width requirements listed in Table 5.5.06.A. shall be used where there is not an established lot size.

Table 5.5.06.A. Site Layout and Building Placement: Residential Zone Districts

Neighborhood Classification		TN		MCN		MON		Use or Other Regulations
Zone District		LDR	MDR	LDR	MDR	LDR	MDR	
Minimum Lot Area (sq. ft./unit – except as noted)								
Detached single-family, interior		3,800 ¹	2,500 ¹	5,000 ¹	3,000 ¹	7,000 ¹	3,500 ¹	5.5.06.B.
Detached single-family, corner		5,000	3,000	6,000	4,000	8,000	4,500	
Attached single-family		3,000	2,250	3,500	3,000	4,500	4,000	5.5.06.B. 5.5.08.
Two-family (total)		6,000 ¹	5,000 ¹	7,000 ¹	6,000 ¹	9,000 ¹	8,000 ¹	5.5.06.B.
Multiple family/ group living	Minimum (sq. ft./unit)	2,000	1,250	2,500	1,500	2,750	1,750	5.5.09.
	Minimum lot area (total sq. ft.)	-	-	20,000	20,000	25,000	25,000	5.9.20.
Non-residential uses		6,000	6,000	6,000	6,000	6,000	6,000	5.6.07.B.
Minimum Lot Width (ft.)								
Detached single-family, interior		36 ¹	36 ¹	42 ¹	42 ¹	60 ¹	60 ¹	5.5.06.C.
Detached single-family, corner		50	50	70	60	70	70	
Attached single-family (per unit)		30	25	35	30	45	40	
Two-family		60 ¹	50 ¹	70 ¹	60 ¹	90 ¹	80 ¹	
Multiple family/group living		90	80	100	90	100	100	
Non-residential uses		80	80	80	80	100	100	—
Minimum Setbacks and Yards for Residential Uses (ft.)								
Required Building Line (RBL)		27 ¹	22 ¹	35 ¹	30 ¹	—	—	5.5.06.D.
Front setback		—	—	—	—	30	20	
Interior Side Setback	One side	5	5	7	5	7	7	5.5.06.E.
	Total both sides	14	14	18	14	18	20	
Corner Side Setback	One side	5	5	7	5	10	7	5.5.06.E.
	Total both sides	20	20	20	20	25	20	
Rear Setback		25	20	25	30	40	30	5.5.06.F.
Minimum Setbacks and Yards for Non-Residential Uses (ft.)								
Front setback		20	20	25	25	25	25	5.5.06.D.
Side setback		10	10	10	10	20	20	5.5.06.E.
Rear setback		25	25	30	30	30	30	5.5.06.F.
See Section 5.11.11.C. for minimum buffer widths where non-residential uses abutting residential uses.								
Building Facade Along RBL (%)		60	60	50	50	—	—	5.5.06.G.

Table 5.5.06.A. Site Layout and Building Placement: Residential Zone Districts							
Neighborhood Classification	TN		MCN		MON		Use or Other Regulations
Zone District	LDR	MDR	LDR	MDR	LDR	MDR	
Minimum Green Space at Grade (% of lot area)							
Detached single-family	40	30	50	40	60	50	5.5.06.H.
Attached single-family	40	20	50	30	60	40	
Two-family	35	20	40	25	50	30	
Multiple family	30	20	30	25	30	30	
Non-residential uses	30	30	30	30	30	30	
Minimum Tree Canopy (% of lot area)							
Multiple-family/group living	37	34	48	41	51	35	5.11.09.
Non-residential uses	37	34	48	41	51	35	
¹ This dimension shall apply in areas not established, per Sections 5.2.05.C. and 5.5.06.B-D.							
"—" = Not Applicable							

B. Lot Area.

1. The minimum lot area requirement may not permit allowed densities on every lot. Other factors, such as off-street parking, height limits, dwelling unit sizes and lot configuration may limit the built density.
2. Lot Areas Not Established. On blocks where lot areas are not established, Table 5.5.06.A. Site Layout and Building Placement shall apply.
3. Established Lot Areas. On blocks where lot areas are established, the following shall apply:
 - a. Detached Single Family Dwellings.
 - i. For detached single-family dwellings on interior lots, the lot area shall be at least the median lot area of interior single-family lots on the same block and. For the purposes of this calculation, the same block is defined as both block faces, in the same Zone District, not to exceed five (5) lots on each side of the subject parcel and five (5) lots directly across the street on which there is at least one (1) conforming main structure.
 - ii. For detached single-family dwellings on corner lots, the minimum lot area in Table 5.5.06.A. shall apply.
 - b. Two Family Dwellings.
 - i. For two-family dwellings meeting the locational requirement of Section 5.5.05.C.a, the minimum lot area may be equal to the median lot area of single-family lots on

the same block and are not eligible for any lots area reductions as provided in Section 5.5.06.B.3.b.iii and 5.5.06.B.3.b.iv.

- ii. Except as otherwise permitted above, for two-family dwellings, the minimum lot area shall be thirty (30) percent larger than the median lot area of single-family lots on the same block. For the purposes of this calculation, the same block is defined as both block faces, in the same Zone District, not to exceed five (5) lots on each side of the subject parcel and five (5) lots directly across the street.
- iii. Reduction (up to one [1]). The minimum lot area may be reduced by an additional ten (10) percent beyond that required in b.ii. above where all of the following conditions apply:
 - (a) Both units are priced at or below thirty (30) percent of the area median household income (as determined by the American Community Survey of the U.S. Census Bureau), as adjusted for family size, for the census tract in which the development is located, with affordability maintained for at least fifteen (15) years.
 - (b) The units are comparable in size, amenities and location with other similar units in the same block.
 - (c) The property owner agrees to the submission of annual reports to the City regarding certification of eligible tenants and purchasers, annual certification of rental property and monitoring of affordable rental housing requirements.
- iv. Reduction (up to two [2]). The minimum lot area may be reduced by an additional ten (10) percent for each dwelling unit that is designed and constructed to meet the Type B Unit accessibility requirements of the ANSI A117.1. standard.
- v. Reductions may be combined for a cumulative reduction of up to thirty (30) percent.

Table 5.5.06.B.3. Use of Minimum Lot Area/Width Reductions Two Family Dwellings - LDR and MDR Zone Districts

Reductions Used	Required % of Lot Area/Width Above Median Single-Family Lot Requirements
None	30%
1	20%
2	10%
3	None

4. Multiple Family Developments and Group Living.

- a. Minimum Lot Area. The minimum lot area in Table 5.5.06.A. shall apply to multiple-family developments and group living, except for adult foster care family homes which shall comply with the requirements for detached single family dwellings.

C. Lot Width.

1. Lot Widths Not Established. On blocks where lot widths are not established, Table 5.5.06.A. Site Layout and Building Placement shall apply.
2. Established Areas. On blocks where lot widths are established, the following shall apply.
 - a. Detached Single-Family Dwellings.
 - i. For detached single-family dwellings on interior lots, the lot width shall be at least the median lot width of interior single-family lots on the same block. For the purposes of this calculation, the same block is defined as both block faces, and in the same Zone District, not to exceed five (5) lots on each side of the subject parcel and five (5) lots directly across the street.
 - ii. For detached single-family dwellings on corner lots, the minimum lot width in Table 5.5.06.A. shall apply.
 - b. Two-Family Dwellings.
 - i. For two-family dwellings meeting the locational requirements of Section 5.5.05.C.a, the minimum lot width may be equal to the median lot width of single-family lots on the same block and are not eligible for any lots width reductions as provided in Sections 5.5.06.B.3.b.iii. and iv.
 - ii. Except as otherwise permitted in b.i. above, for two-family dwellings on interior lots, the minimum lot width shall be thirty (30) percent larger than the median lot width of single-family lots on the same block. For the purposes of this calculation, the same block is defined as both block faces, in the same Zone District, not to exceed five (5) lots on each side of the subject parcel and five (5) lots directly across the street. In no case shall the lot width be less than the minimum established in Table 5.5.06.A. except as provided in Sections 5.5.06.B.3.b.iii. and iv.
 - iii. For two-family dwellings on corner lots, the minimum lot width in Table 5.5.06.A. shall apply except as provided in Sections 5.5.06.B.3.b.iii. and iv.
 - c. Multiple Family and Group Living. The minimum lot width in Table 5.5.06.A. shall apply except for adult foster care family homes which shall comply with the regulations applicable to detached single family dwellings.
 - d. Administrative Departure. An Administrative Departure of two (2) feet may be approved. In no case shall the lot width be smaller than the minimum established in Table 5.5.06.A.

D. Front Setbacks and Required Building Line (RBL).

1. Front Setbacks Not Established - TN Traditional Neighborhood and MCN Mid-20th Century Neighborhoods. On blocks where the front setback or RBL is not established, the RBL in Table 5.5.06.A. Site Layout and Building Placement shall apply.
2. Established Areas. On blocks where the front setback or building line is established, the following shall apply:

- a. For all residential dwellings on all lots, the Required Building Line (RBL) shall be equal to, or the median of, the front setbacks of existing main buildings on the same block. For the purposes of this calculation, the same block is defined as both block faces, in same Zone District, not to exceed five (5) lots on each side of the subject parcel and five (5) lots directly across the street. In no case shall the RBL be less than the minimum established in Table 5.5.06.A.
- b. Where an established RBL is not present, the minimum setback defined in Table 5.5.06.A. shall apply.
- c. An Administrative Departure up to ten (10) feet of the established RBL may be permitted to accommodate individual site conditions, such as mature trees, topography, or other similar physical condition or where the setbacks of existing buildings on the subject block are inconsistent. The Required Building Line may be determined by referencing the front setbacks of the adjacent properties.

E. Side Yard Setback.

1. Side Yard Setbacks. Table 5.5.06.A. Site Layout and Building Placement shall apply to side yard setbacks.
2. Side Yard Setbacks Between Districts.
 - a. Residential. In no case shall side yard setbacks be less than five (5) feet on each lot between two (2) residential Zone Districts or uses, unless specified otherwise.
 - b. Residential and Non-Residential. A minimum distance of ten (10) feet shall be maintained on each lot between residential and non-residential Zone Districts or uses.
3. Exceptions for Attached Single-Family Dwellings. Exceptions to the side yard requirements for attached single-family dwellings are provided in Section 5.9.06.
4. Corner Lots. Corner lots shall have two (2) front yards, two (2) side yards, and no rear yard.
5. Administrative Departure. An Administrative Departure up to two (2) feet in a side yard setback may be permitted to accommodate individual site conditions, such as healthy mature trees, topography, or other similar physical condition.

F. Rear Yard Setback.

1. Rear Yard Setbacks. Table 5.5.06.A. Site Layout and Building Placement shall apply to rear yard setbacks.
2. Administrative Departure. An Administrative Departure up to five (5) feet in a rear yard setback may be permitted to accommodate individual site conditions, such as mature trees, topography, or other similar physical condition

G. Building Facade Along Required Building Line. The building facade along the RBL shall meet the requirements of Table 5.5.06.A.

H. Minimum Required Greenspace at Grade.

1. Purpose. The minimum greenspace requirements are designed to ensure a sufficient amount of area of greenspace for recreation and nature, as well as to provide pervious surface to assist in stormwater management.
 2. Applicability. The minimum required greenspace, as defined by Article 16, shall apply to each lot in its entirety, including driveways.
 3. Stormwater Credit. No more than twenty-five (25) percent of pervious surfaces, such as grass pavers, uncovered decks, brick pavers with a sand base, pervious concrete and asphalt, may be applied toward the greenspace requirements of this Section.
 4. Front Yards. Front yards shall consist of greenspace, and impervious surfaces shall be limited to driveways and private sidewalks.
 5. Multiple-Family Exception. A reduction of not more than twenty-five (25) percent of the required greenspace listed in Table 5.5.06.A. for a multiple-family property is permitted for development projects with the submission of a stormwater mitigation plan that retains one hundred (100) percent of all stormwater on site, as approved by the City's Environmental Protection Services Department (EPSD); and submittal of a LEED checklist and proof of registration that demonstrates the intent to apply for LEED building certification, or other generally recognized sustainable building certification.
 6. Multiple-Family Administrative Departure. An Administrative Departure for a multiple-family property may be approved to permit permanent planters, vegetated walls and green roofs that are readily accessible and safe for residential occupants to be included in greenspace calculations. These items shall be measured in square feet of surface area.
- I. Residential Bonuses.
1. Purpose. The Master Plan calls for a range of housing types and price points within neighborhoods to accommodate all residents regardless of income, special need or place in life cycle. Developments can receive bonuses as outlined in this Section by providing additional accessibility and housing that is affordable to a wide range of residents.
 2. Housing Bonuses. Bonuses are available for two-family and multiple family developments in accordance with the provisions of Table 5.5.06.I.2.

Table 5.5.06.I.2. Summary of Available Residential Bonuses

Condition		Districts	Incentive/Bonus	Bonus
Accessible Housing	Two-family residential	LDR, MDR	5.5.06.I.3.a	Reduced minimum lot area/width
	Multiple-family residential		5.5.06.I.3.b	Reduced lot area per dwelling
Mixed-Income Residential	Two-family residential	LDR	5.5.06.I.4.a	Reduced minimum lot area/width
Mixed-Income Residential	Multiple-family residential	LDR, MDR	5.5.06.I.4.b	Reduced lot area per dwelling

3. Accessible Housing. Bonuses are available for two-family and multiple family developments when units are designed and constructed to meet the ANSI A117.1 standards for Type B accessible units when the following conditions are met.
 - a. Two-Family Developments. The minimum lot area for two-family residential developments may be reduced where the conditions of Section 5.5.06.B.3.b.iii. are met.
 - b. Multiple-Family Developments. The minimum lot area for a multiple family development may be reduced by up to five hundred (500) square feet per dwelling unit when at least twenty-five (25) percent of the units are accessible.

4. Mixed-Income Housing. Bonuses are available in accordance with the provisions of Table 5.5.06.I.2. when the following conditions are met.
 - a. Two-Family Developments. The minimum lot area for two-family residential developments may be reduced where the conditions of Section 5.5.06.B.3.b.ii. are met.
 - b. Multiple-Family Developments. The minimum lot area for a multiple family development may be reduced by up to five hundred (500) square feet per dwelling unit for a project that satisfies the following criteria:
 - i. Project is located within three hundred (300) feet of a transit line;
 - ii. At least twenty (20) dwelling units are developed as part of the project;
 - iii. If rental units, not less than fifteen (15) percent nor more than thirty (30) percent of the total number of units are priced for households at or below sixty (60) percent of Area Median Income, as adjusted for family size, with rental charges remaining affordable for at least fifteen (15) years.
 - iv. If owner units, not less than fifteen (15) percent nor more than thirty (30) percent of the total number of units are priced for households at or below eighty (80) percent of Area Median Income, as adjusted for family size.
 - v. The remaining units are priced at market rate.
 - vi. The affordable units shall be comparable in unit sizes, amenities and location with the market rate units.
 - vii. The property owner agrees to the submission of annual reports to the City regarding certification of eligible tenants and purchasers, annual certification of rental property and monitoring of affordable rental housing requirements.

Sec. 5.5.07. Building Element Requirements.

A. Building Elements Table. All development in the Residential Zone Districts shall comply with the requirements in Table 5.5.07.A. Building Elements unless otherwise expressly stated, or unless a different requirement is contained in an applicable Overlay District.

Table 5.5.07.A. Building Elements: Residential Zone Districts								
Neighborhood Classification		TN		MCN		MON		Use or Other Regulations
Zone District		LDR	MDR	LDR	MDR	LDR	MDR	
Maximum Height								
Residential Permitted Use	Stories	2 ½	3	2 ½	3	2 ½	3 ½	5.5.07.B.1.
	Feet	35	45	35	45	35	52	
Residential SLU	Stories	3	4	3	6	3	8	5.5.07.B.2
	Feet	45	60	45	90	45	120	
Non-Residential	Stories	3	3	3	3	3	3 ½	5.5.07.B.1.
	Feet	45	45	45	45	45	52	
Materials								
Residential		R	R	R	R	R	R	5.5.07.C.
Non-residential		R	R	R	R	R	R	
Facade Variation								
Multiple-Family and Non-residential		R	R	R	R	—	—	5.5.07.D.
Building Orientation		R	R	R	R	—	—	5.5.07.E.
Entrance		R	R	R	R	—	—	5.5.07.E.
Transparency (% of building wall area)								
Front	All residential	20	20	15	15	15	15	5.5.07.F.
Side	Detached, attached single-family	3 windows minimum at 6 sq. ft. each						—
	Two-family, multiple-family	10	10	10	10	10	10	—
Non-Residential	Front	40	40	40	40	40	40	—
	Side	20	20	20	20	10	10	—
Transitional Features		R	R	R	R	R	R	5.5.07.G.
Streetscape Design		R	R	R	R	R	R	5.11.13.

S = Special Land Use; R = Rules Apply; "-" = Not Applicable.

B. Building Height.

1. See Section 5.2.. Building Height for additional information and exceptions.
2. Residential building heights may be increased from the requirements of Table 5.5.07.A. by Special Land Use approval. The Planning Commission shall take into consideration the neighborhood context, scale, massing and compatibility of the proposed structure in making its decision.

C. Materials.

1. Permitted Materials.

- a. Durable building materials, simple configurations and solid craftsmanship are required.
- b. Walls visible from public streets, exclusive of wall areas devoted to meeting transparency requirements, shall be constructed of: high quality, durable materials, including: brick; fiber cement siding, high-quality finished metal; wood lap, aluminum or vinyl siding; and split-faced block, stucco or stone.
- c. EIFS is permitted for accents only.
- d. To provide visual depth and strong shadow lines, clapboard siding must have a minimum butt thickness of a quarter ($\frac{1}{4}$) of an inch.

2. Where more than one (1) facade material is proposed vertically, the 'heavier' material in appearance shall be incorporated below the 'lighter' material (e.g. masonry below siding).

3. Roofing Materials.

- a. Roofing materials shall be those used and installed in a manner customary for residential construction, shall be compatible in character and scale with the residential structure on which it is being installed, shall be installed according to the manufacturer's specifications, shall have no visible fasteners, and shall be uniform in type and appearance within each uninterrupted roof plane.
- b. Acceptable roof materials include three hundred (300) pound or better, dimensional asphalt composite shingles, wood shingles and shakes, metal tiles or standing seam, slate, and ceramic tile. The approving authority may permit "engineered" wood or slate with an approved sample and examples of successful, high quality local installations.
- c. Corrugated roofing materials are not permitted.

4. Repairs and replacements shall be completed with materials similar in color and appearance to the existing materials.

5. Orientation. Building materials in TN Zone Districts shall have a traditional, horizontal orientation.

6. Administrative Departure. Other materials of equivalent or better quality, including high quality synthetic materials, may be approved, if determined appropriate for the building, site, and area with an approved sample and examples of successful, high quality local installations

D. Facade Variation. The following requirements shall apply to multiple-family dwellings and non-residential buildings in Zone Districts within TN and MCN Neighborhood Classifications.

1. Uninterrupted Facade. The maximum linear length of an uninterrupted building facade facing a public street and/or park shall be thirty (30) feet. Building wall offsets (projections and recesses), cornices, plinths, quoins, varying building materials or pilasters shall be used to break up the mass of a single building.

2. Vents, air conditioners and other utility elements shall not be part of any street-facing building facade. Where these elements are part of other facades, particular care must be taken to render these elements less visible to public view through architectural integration or other means of screening.
3. Administrative Departures. Administrative Departures may be granted for:
 - a. A reduction of up to five (5) feet of the thirty (30) foot requirement may be approved, depending on actual building design, entrance placement, and other factors that make the requirement impractical.
 - b. Other methods to provide adequate articulation, provided that the visual effect of articulation is maintained. Examples of acceptable variations may include architectural or artistic details or features, a variation in color or materials and enhanced ornamentation around building entranceways.
 - c. Locations of vents, air conditioners, and other utility elements where physical conditions of the site dictate a location on the street-facing facade.

E. Entrances

1. Orientation.
 - a. Interior Lots. For interior lots, the primary building entrance shall be located in the front facade parallel to the street or urban open space.
 - b. Corner Lots. For corner lots, the primary entrance shall face the street from which the structure derives its street address.
 - c. Administrative Departure. Alternative orientations may be considered where consistent with existing adjacent development.
2. Primary Entrances. Primary entrances for all residential structures shall be clearly defined by at least one (1) of the following:
 - a. A projecting or recessed entrance. A recessed entrance is required if the entrance is within five (5) feet of the lot line; the entrance recess shall not be less than the width of the door(s) when opened outward.
 - b. Stoop or enclosed or covered porch, provided that an enclosed porch shall comply with required setbacks, except as provided in E.3. below.
 - c. Transom and/or side light window panels framing the door opening.
 - d. Architectural trim framing the door opening.
 - e. Administrative Departure. Other methods, such as unique color treatments, additional moldings with expression lines, or bays of unique width, may be approved with an Administrative Departure provided the same effect is achieved.
3. TN Neighborhood Classification – Porches and Stoops. In addition to the above, residential dwellings located in Zone Districts within the TN Neighborhood Classification shall be subject to Section 5.2.07.F. and the following requirements:

- a. The primary entrance facing the street shall include a stoop or a front porch.
 - b. Projections into RBLs and Front Yards.
 - i. For lots with an RBL, a stoop may be built up to six (6) feet (not including steps) forward of the RBL, and shall be at least be three (3) feet wide. An unenclosed front porch may be built up to six (6) feet (not including steps) forward of the RBL.
 - ii. For lots with a setback, an unenclosed porch or stoop (not including steps) may project into the front yard by no more than ten (10) feet, but shall be no closer than five (5) feet to the front sidewalk.
 - c. Porches, not including steps, shall be at least six (6) feet deep to provide for usable seating and circulation, and be at least one-third ($\frac{1}{3}$) the width of the front facade of the residential structure (not including the garage), but in no case shall be less than eight (8) feet wide.
 - d. Building materials shall be compatible with the main building.
 - e. Porch fixtures such as columns, pillars, posts and railings shall be coated with stain or paint if materials made of wood are used.
 - f. Administrative Departures may be granted for the following.
 - i. A decrease in the required porch projection up to two (2) feet if, due to required building setbacks, the required projection cannot be satisfied.
 - ii. Porch or entrance enclosures may be permitted where individual site conditions dictate the need for enclosure or where the enclosure and its placement is consistent with others on the same block face, for the same use and in the same Zone District. In all cases, at least eighty (80) percent transparency shall be maintained.
 - iii. Entrances to dwellings to accommodate persons with mobility impairments.
4. Non-Residential Structures. Non-residential structures in Residential Zone Districts shall comply with the requirements of Section 5.6.08.F. for entrances.
- F. Transparency.
- 1. General Requirements. The General Provision requirements of Section 5.2.14. Building Transparency shall apply.
 - 2. Residential Buildings. Residential buildings shall have windows on all exterior walls of the structure. The size and placement of windows on the facade shall be generally uniform.
 - a. TN Residential Dwellings. For all residential dwellings in Zone Districts within the TN Neighborhood Classification, at least twenty (20) percent of the area of the front facade shall consist of windows or primary entrance doors which permit a view from the dwelling to the street.
 - b. MCN and MON Residential Dwellings. For all residential dwellings in Zone Districts within MCN and MON Neighborhood Classifications, at least fifteen (15) percent of the area of the front facade shall consist of windows or primary entrance doors which permit a view from the dwelling to the street.

- c. Single-Family Detached and Attached Dwellings (e.g. row houses and townhouses).
 - i. At least three (3) windows with a minimum of six (6) square feet each are required on the building's side walls (those adjoining the front facade).
 - ii. Administrative Departure. An Administrative Departure may be granted for side wall transparency for single-story dwellings where it is determined that the requirement cannot be met due to the interior design of the dwelling.
 - d. Two-Family and Multiple-Family Dwellings. For two-family dwellings and multiple-family dwellings, at least ten (10) percent of the area of the building's side walls (those adjoining the front facade) shall consist of windows.
3. Non-Residential Buildings.
- a. For non-residential building facades facing public streets, parks and through block walkways, at least forty (40) percent of the facade area shall consist of window and door openings.
 - b. In the TN and MCN Neighborhood Classifications, at least twenty (20) percent of the area of a building's side walls (those adjoining the front facade) must consist of windows.
 - c. In the MON Neighborhood Classification, at least ten (10) percent of the area of a building's side walls (those adjoining the front facade) must consist of windows.

G. Transitional Features.

1. Purpose. Transitional features are architectural elements, site features and alterations to building massing that are used to provide a transition between higher intensity uses and low- or moderate-density residential uses. These features assist in mitigating potential conflicts between those uses in lieu of conventional landscape buffers or large setbacks. It is the intent of these standards to:
 - a. Reduce land consumption;
 - b. Create a compatible mixed-use environment;
 - c. Limit interruptions in vehicular and pedestrian connections created by efforts to segregate densities and uses; and
 - d. Establish or maintain vibrant pedestrian- and transit-oriented areas where differing uses and densities can operate in close proximity to one another.
2. Applicability. Transitional features shall be required in the following circumstances.
 - a. Where buildings or structures would be one (1) or more stories higher than adjacent residential buildings or structures.
 - b. Where non-residential uses are situated adjacent to residential buildings or structures.
 - c. Where higher-intensity land uses that would adversely affect the livability of an area.

- d. As a condition of any zoning approval required by Article 12 when necessary to ensure that the appropriate review standards are satisfied.
3. Transitional Features. The following transitional features may be required either singly or in combination.
- a. Landscape Buffer. The Director or approving body for a required zoning approval, as applicable, may require the use of a landscape buffer (Section 5.11.12.) in lieu of, or in addition to, a transitional feature where such landscape buffer would be sufficient to reduce potentially adverse impacts between incompatible uses, densities or different building types.
 - b. Uses. A continuum of use intensity, where moderate intensity uses are sited between high-intensity uses and low-intensity uses, may be required for multi-building developments on one (1) or more lots. An example would be a duplex between a single-family home and an apartment building.
 - c. Height and Massing. Building height and massing shall be reduced in the form of building step-backs, recess lines or other techniques so that large structures are compatible in scale with smaller, adjacent structures.
 - d. Architectural Features. Similarly sized and patterned architectural features such as windows, doors, arcades, pilasters, cornices, wall offsets, building materials, and other building articulations included on the lower-intensity use shall be incorporated as transitional features.
4. Parking and Loading. Where possible, off-street parking, loading, service and utility areas shall be located away from a lower-intensity use.

ARTICLE 9 USE REGULATIONS

Sec. 5.9.02. Applicability.

- A. Use Regulations and Approval Process of Table 5.9.02.
 - 1. Director Review. All uses shall be in accordance with the provisions of Section 5.12.16.
 - 2. Counter Reviews. All uses listed shall be in accordance with the provisions of Section 5.12.16.
 - 3. Special Land Uses. All uses listed shall be in accordance with the provisions of Section 5.12.09. Unless otherwise stated in this Article, the Planning Commission shall have the authority to waive or alter the Use Regulations contained in this Article provided the standards of Section 5.12.12.E. are substantially met.

Sec. 5.9.20. Multiple-Family Dwellings.

- A. Applicability. The following requirements apply to multiple-family dwellings, not including attached single-family dwellings, within any Residential Zone District, unless otherwise noted.
- B. Location.
 - 1. Except as otherwise permitted in Section 5.5.05.D.1.b.i. multiple-family dwellings within the LDR and MDR zone districts shall be located on a Regional Street, Major City Street or City Collector Street, or within two hundred (200) feet of a Regional or Major Street as defined in the City's *Street Classification Policy*.
 - 2. For parcels within the TOD Zone District, a ground floor residential use is a Permitted Use, except that a Special Land Use approval shall be required when the use is proposed within one hundred (100) feet of a Major or Regional Street.
- C. Conversions. Existing single-family and two-family dwellings shall not be converted to a multiple-family dwelling except as provided in Sections 5.2.07. and 5.5.08.
- D. Open Space.
 - 1. Minimum Required Greenspace or Urban Open Space.
 - a. In the MCN and MON district, every residential unit shall have a minimum of sixty-five (65) square feet of greenspace or urban open space and the required open space must be provided on the same lot as the dwelling unit(s) it serves.
 - b. The open space area shall be substantially covered with grass, ground cover, shrubs, plants, trees or usable outdoor space open features, such as walkways or patios.
 - c. The open space area shall not be less than twelve (12) feet in any dimension.
 - d. The open space area must be usable, and cannot be occupied by mechanical equipment, dumpsters or service areas.
 - 2. Required Rear Yard. In the MCN and MON districts, the required rear yard open space shall be within the rear yard, at ground level or, if on a terrace or patio, within four (4) feet

of ground level. Where structures are in the rear yard setback and do not exceed six (6) feet in height, required open space may be provided directly above the structures.

- E. Driveways and Parking. No driveways or off-street parking spaces (open or enclosed) shall be within the required rear yard space. Bollards, curbs, wheel stops or other similar features shall be provided to ensure that required rear yard open space is not used for off-street parking, loading or vehicle circulation.
- F. Building Elements.
 - 1. In addition to the Building Element standards of Section 5.5.07, where Small Multiple-Family residential developments are a Permitted Use within the LDR zone districts, the following standards must be met:
 - a. Building Footprint. The maximum building footprint of the primary structure shall be no greater than one-hundred and fifty percent (150) of the median building footprint of single-family structures on the same block. For the purposes of this calculation, the same block is defined as both block faces, in the same Zone District, not to exceed five (5) lots on each side of the subject parcel and five (5) lots directly across the street.
 - b. Building Width. The maximum building width of the primary structure shall be no greater than one-hundred and fifty percent (150) of the median building footprint of single-family structures on the same block. For the purposes of this calculation, the same block is defined as both block faces, in the same Zone District, not to exceed five (5) lots on each side of the subject parcel and five (5) lots directly across the street.
 - c. Building Separation. Where more than one structure is proposed, the minimum building separation shall be a minimum of ten (10) feet.
 - d. Entrances. In addition to the requirements of Section 5.5.07.E, one entrance on a multiple-family structure facing a Primary Street shall be allowed.

ARTICLE 16 DEFINITIONS

Sec. 5.16.02. - Definitions.

H. Definitions—H.

HEDGE

A row of evergreen or deciduous shrubs planted close enough to form a solid barrier.

HEIGHT, BUILDING

See BUILDING HEIGHT.

HEIGHT, FENCE OR WALL

The vertical distance between finished grade and the highest point of the fence or wall to the top of the fence or wall, including posts, finials, or other supporting structures.

HEIGHT, STRUCTURE

When not a building, the vertical distance between the finished grade and the uppermost part of the structure.

HELIPORT

A landing area regularly used for landing and takeoff of helicopters, including landing pad, support buildings and equipment for refueling, parking, maintenance or repair.

HELISTOP

A landing area regularly used for landing and takeoff of helicopters, without the support services provided by a heliport, such as fueling stations, helicopter storage or other service or maintenance facilities for routine use.

HISTORIC STRUCTURE

A building or structure of historic value as designated in Chapter 68 Historic Preservation Commission of the City Code and/or designated by the county, State or Federal government as historic landmarks or structures.

HOME OCCUPATION

A business, profession, occupation or trade that is conducted within an owner-occupied principal dwelling unit for the economic gain or support of a resident of the dwelling unit and is incidental and secondary to the residential use.

HOSPITAL

A facility providing medical, psychiatric or surgical services for sick or injured persons primarily on an inpatient basis, including accessory facilities for outpatient and emergency treatment, diagnostic and testing services, laboratories, training, research and administration, and services to patients, employees or visitors.

HOUSEHOLD LIVING (DWELLING UNIT)

Residential occupancy of a dwelling unit by one (1) household, family or person. . Typical uses include those listed below. Household living does not include the facilities defined under GROUP LIVING.

1. DWELLING UNIT, ACCESSORY. A secondary and clearly subordinate dwelling unit that is contained within a detached single-family dwelling (primary dwelling unit), included within an accessory structure, or separate from but located on the same lot as a detached single-family dwelling. Also known as a "granny flat."
2. DWELLING UNIT, ATTACHED SINGLE-FAMILY. A single-family dwelling attached by a common vertical wall. This term includes town houses and row houses.
3. DWELLING UNIT, DETACHED SINGLE-FAMILY. A principal structure intended for occupancy by a single household, on a separate lot or parcel, and not sharing common structural elements with any other structure intended for occupation by another household.
4. DWELLING UNIT, HOME OCCUPATION. See HOME OCCUPATION.
5. DWELLING UNIT, LIVE-WORK. See LIVE-WORK UNIT.
6. DWELLING UNIT, MICRO-UNIT. A dwelling unit, included as part of a multi-unit development and located in a Mixed-Use Commercial zone district, with a total gross floor area of no more than four hundred and seventy-five (475) square feet.
7. DWELLING UNIT, MULTIPLE-FAMILY OR MULTI-FAMILY. A building or lot containing three (3) or more dwelling units, each of which is totally separated from the other units, any two (2) or more of which may be provided with a common entrance or hall. Includes dwelling units on upper stories of a structure with non-residential uses on other stories.
 - a. DWELLING UNIT, MULTIPLE-FAMILY, SMALL. A building containing four (4) or less separate dwelling units.
 - b. DWELLING UNIT, MULTIPLE-FAMILY, OTHER. A building containing five (5) or more separate dwelling units.
8. DWELLING, TWO-FAMILY (DUPLEX). A building on a single lot containing two (2) dwelling units, each of which is totally separated from the other.
9. MANUFACTURED HOUSING COMMUNITY. See MANUFACTURED HOUSING (HOME) COMMUNITY


I.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 14, 2017

TO: Gregory A. Sundstrom
City Manager

FROM: Kara L. Wood 
Managing Director, Economic Development Services

SUBJECT: Housing Advisory Committee Recommendation #4 - Modifications to City Commission Policy 900-45 (Neighborhood Enterprise Zones)

Attached is a modification to City Commission Policy 900-45 to (a) establish baseline qualification criteria beyond those required in PA 147 of 1992, (b) reduce the standard term of a Neighborhood Enterprise Zone exemption, and (c) modify the City Investment Criteria to focus on the highest priority criteria, eliminating lower priority criteria consistent with the recommendations of the Housing Advisory Committee.

In February, 2016, the City Commission approved amendments to the NEZ policy as a result of the *Great Housing Strategies: Addressing Current and Future Housing Needs* (the "Plan") which was adopted by the City Commission on December 8, 2015. The Plan included eight goals and thirty-five actions that provide a framework for addressing current and future housing needs in Grand Rapids.

One of the actions that was identified to support the goal was to modify City economic development programs and affordable housing tools and policies to accomplish the goal of mixed-income neighborhoods. As it relates to programs administered by the Economic Development Department, the policies governing the following three programs were amended:

- Neighborhood Enterprise Zone Program (NEZ - PA 147 of 1992)
- Obsolete Property Rehabilitation Act Program (OPRA – PA 146 of 2000)
- Brownfield Redevelopment Program (PA 381 of 1996)

The amendments established new qualification criteria for the programs by requiring a proposed project to contribute to City Investment Criteria in order to achieve increased financial incentives through any of the three programs. The City Investment Criteria included many different goals that have been identified in a variety of City plans.

Since February, when the NEZ policy was amended to include the City Investment Criteria, two (2) of three (3) approved NEZ projects included bonus years for achievement of City

Investment Criteria; however, only one of the bonuses was provided for activity that was not already part of the proposed project.

This suggested that in most instances, the financial benefit that could be obtained from the incentive bonus is insufficient to encourage modifications to projects to meet the City Investment Criteria, particularly those that are higher cost/higher impact. Further, it suggested that the 12 year "standard" NEZ exemption has been at least sufficient to allow developers to finance redevelopment projects.

As suggested by the Housing Advisory Committee, evaluation and modification of City Investment Criteria could focus on high priority items, such as affordable housing, and could eliminate those items that the majority of projects include by default (i.e. Type B accessible units).

Attached is a draft revised City Commission policy which incorporates amendments that suggests a reduced base level of financial incentive support at nine (9) years and allows for up to fifteen (15) years of total financial incentive under the program, if there is a commitment to affordable housing for the term of the NEZ, diversity in housing type, enhanced mobility and/or priority contracting. In addition, other City Investment Criteria including Sustainable Development, Architectural and Site Design and Public Access to the Grand River, were eliminated as those criteria only has one project request increased financial incentive for them and have been included in projects by default.


The proposed nine (9) year base NEZ certificate anticipates projects that are in need of financial incentives are stabilized after nine years and the increased incentive is achieved if one or more of the City Investment Criteria are committed. The nine year base policy modification was reviewed with investment bankers and developers and they suggested that the shortened term will still bring value to a project that can be included in the financing package, and that it would not inherently create significant barriers to project financing on a universal scale.

The draft revision has been reviewed by the City Attorney's office.

KLW

Attachments

CITY COMMISSION POLICY

GRAND RAPIDS  MICHIGAN	NUMBER: 900-45	HISTORY	
	DATE: March 16, 2004	FILE #	DATE
	FILE NUMBER: 82923	82923	Nov 12, 2013
	DEPARTMENT: Economic Development	85444	Feb 23, 2016

SUBJECT: NEIGHBORHOOD ENTERPRISE ZONES (NEZ)

PURPOSE: To define program goals and requirements for the designation of a neighborhood enterprise zone

POLICY:

I. Introduction

The Neighborhood Enterprise Zone Act (Act 147 of 1992, as amended)(the “Act) provides a tax incentive for a defined period of time for new construction or substantial rehabilitation of residential structures, and under certain circumstances, for rental apartments. The stated purpose of the legislation is to: improve the housing stock in distressed or declining urban areas where little or no new construction is occurring and where housing is in need of repair. The legislation is intended to spur residential investment where it might not otherwise occur. Properties benefiting from a Neighborhood Enterprise Zone (NEZ) exemption must be located within an NEZ established by the City Commission. The Act provides for the establishment of Geographic NEZs or Project Specific NEZs.

II. NEZ Goals

The City’s goals in designating an area as a Neighborhood Enterprise Zone are to:

1. Revitalize existing neighborhoods and promote the creation of new residential areas;
2. Promote new construction and the rehabilitation of housing;
3. Encourage investment within the Community Development General Target Area;

4. Advance City strategies for homeownership, economic development, mixed income development, housing type diversity, utilization of public transit and mobility focused initiatives, infill, and elimination of blight;
5. Utilize vacant and underutilized properties;
6. Increase the value of real property; and
7. Implement the Master Plan, Sustainability Plan, Economic Development and Community Development strategies, and achieve Downtown Grand Rapids, Inc. priorities, where applicable.

III. Qualification Criteria for Geographic NEZ Designations

1. Property Eligibility Criteria

- A. The property to be included in an NEZ shall be located in the City's General Target Area, and shall be determined by mutual agreement of the relevant Neighborhood Association(s) and City staff, and shall contain not less than ten contiguous platted parcels of land.
- B. For an area to be proposed to be included in a Geographic NEZ, a minimum of 25% of the platted parcels must contain residential structures that have a current estimated true cash value of less than \$80,000, or be vacant property with potential for residential development.
- C. Prior to designation of an NEZ, an area-specific plan or other plan must demonstrate the need for new housing construction and the substantial rehabilitation of residential structures to revitalize a geographic area. Need may be established by the identification of vacant and underutilized properties, housing code violations, property ownership or other means. The benefit of revitalizing the proposed area should be described. Benefits may be economic or social, such as a reduction in crime. The plan must also be consistent with NEZ requirements to provide housing for all persons, regardless of income.
- D. Geographic NEZs are intended to be independent from other geographically based tax incentive programs (e.g. Renaissance Zones and tax increment finance authority districts). Any proposed use of the NEZ program that overlaps with another geographically based tax increment finance authority shall require review by the board or committee providing oversight to the existing program and explicit approval of the City Commission.

2. Applicant Eligibility

- A. An application to establish a Geographic NEZ shall be filed by the relevant Neighborhood Association(s). Only where no Neighborhood Association exists, applications may be accepted from a Non-Profit Organization, or other community stakeholder group that has proven to the satisfaction of the City Commission their intent to improve the conditions of the neighborhood.

- B. Any applicant must be in good standing with the City, including any contractual relationships and must not be in default to the City on any obligations.
- C. The applicant must be able to commit to actively marketing the program. If the applicant is not able to make this commitment, neighborhood association, other community-based organization or development authority must be identified that is able to make that commitment.

3. Project Eligibility for NEZ Certificate

- A. Eligible properties shall be determined based on application of the Neighborhood Enterprise Zone Act (Act 147 of 1992, as amended) and City Ordinance.
- B. Rehabilitated structures may be owner or non-owner occupied, provided a specific minimum threshold investment is satisfied. Prior to rehabilitation, existing properties that have a primary residential use may not have a true cash value (T.C.V.) of more than \$80,000 per unit.
- C. Newly created units do not have a cap on their value. This definition and the following table *Summary of Improvement Requirements and Tax Abatements* may change from time to time, based on amendments to the Neighborhood Enterprise Zone Act (Act 147 of 1992, as amended).
- D. An application fee will be charged for each individual application for exemption within a Geographic NEZ. The amount of the fee will be established by resolution of the City Commission.

Summary of Improvement Requirements and Tax Abatements				
Abatement Type:	Ownership:	Improvement Type:	Minimum Investment:	Tax Abatement:*
New	Owner occupant	New construction or a portion of a new structure w/1 or 2 units	No Minimum	Taxed at the State-issued NEZ rate
New	Rental	New construction, mixed use	No Minimum	Taxed at the State-issued NEZ rate
Rehab	Owner occupant	Rehab of an existing structure with 1-8 units & T.C. V. of <\$80,000 per unit	> \$5,000 per unit (licensed contractor) or; > \$3,000 per unit (non-licensed contractor/owner)	Taxed at pre-rehab value at current rate
Rehab	Non-Owner Occupant	Rehab of an existing structure with 1-8 units & T.C.V. of <\$80,000 per unit	> \$7,500 per unit (licensed contractor) or; > \$4,500 per unit (non-licensed contractor/owner)	Taxed at pre-rehab rate

** The NEZ tax abatement applies to improvement only, land is still taxed at ad valorem rates. The effective date of the NEZ certificate is the first day of the tax year following the year in which the new facility or rehabilitated facility is substantially completed and, for a new facility, occupied by an owner as a principal residence. For a rehabilitated facility, a certificate that the improvements meet housing code requirements is needed.*

IV. Qualification Criteria for Project Specific NEZ Designations

1. Property Eligibility Criteria

- A. The proposed NEZ shall be located in a zone district which permits commercial use by right, or be in an area that has commercial use identified as the preferred future land use in the City's Master Plan.
- B. Where a neighborhood association exists, an applicant must obtain in writing the support of the neighborhood association for the designation of the property as an NEZ.

2. Applicant Eligibility

In order for the City Commission to consider an application for an NEZ district for a specific project, the applicant (defined as the individual(s) and/or the entity which owns or proposes to own the property) must meet the following criteria:

- A. The applicant must have a legal interest in the property for which an abatement is being sought, or must provide documentation evidencing its ability to acquire the property (i.e. binding purchase agreement).
- B. The applicant represents that the project would not have been considered without the exemption certificate.
- C. The applicant must be compliant with the City's income tax ordinance.
- D. The applicant must not be delinquent on any financial obligations to the City
- E. The applicant must not have any outstanding written orders or violations for any property under its control or ownership that is located in the City
- F. Before an application which has been approved by the City Commission will be forwarded to the State Tax Commission for approval, the applicant shall have filed a completed Michigan Department of Treasury Form 2766 – Property Transfer Affidavit L-4260 with the City Assessor related to its acquisition of the property. The Property Transfer Affidavit shall be considered incomplete if the purchase price of the real estate is not entered on the form.
- G. All applicants must enter into a Memorandum of Understanding with the City of Grand Rapids.

3. Project Eligibility Criteria

In order for the City Commission to consider a project for an NEZ abatement, the proposed project must meet the following criteria:

- A. The project must propose a mixed-use development with commercial space on the ground floor in conformance with any requirements of the zoning ordinance.

- B. The project must propose to contain a minimum of ten residential rental *facilities* (as defined in the Act).
- C. The project was not started prior to the City Commission's establishment of the NEZ District and filing of an NEZ Certificate application.
- D. There are no delinquent taxes on the facility or the structure being renovated.
- E. All projects must be in compliance with the zoning ordinance, have received the necessary approvals, or propose to come into compliance with the zoning ordinance as part of the project.
- F. Environmental Requirement: The City's Environmental Services Department will review the history of the property/applicant for environmental concerns and report the results to Economic Development.
- G. Fair Housing Practice: If the project is for commercial housing, the applicant must agree to the Fair Housing Practices and assure equal opportunity to all persons as described in Chapter 160 of the City Code.
- H. If the applicant's project exceeds \$600,000 or total employment upon completion of project is likely to equal or exceed fifteen (15) persons, then they must receive certification of equal opportunity practices from the City's Office of Diversity and Inclusion according to the following guidelines. If the project is below \$600,000 and employment is not likely to exceed 15, then the company is not required to be certified.
 - i. Documented statistical analysis of the applicant's workforce by Equal Employment Opportunity (EEO) job classifications, indicating the number of employees in each such classification by race and sex shall be submitted to the City's Office of Diversity and Inclusion. If such analysis demonstrates that the applicant has employed Minorities (African Americans, Hispanics, Asians, and Native Americans) and Women in "relative proportion" to their respective availability in the civilian workforce within the Grand Rapids/Muskegon/Holland Metropolitan Statistical Area (MSA), the applicant's commitment to equal opportunity employment practices shall be presumed. For purposes of this Policy, "relative proportion" shall mean employment by race and sex of at least 80% of the percentage of the respective available workforce, as certified by the City's Office of Diversity and Inclusion, or
 - ii. An applicant who is unable to demonstrate presumed commitment to equal opportunity employment based upon the statistical analysis of its workforce, as set forth in (i) above, shall provide clearly documented evidence which demonstrates that the applicant has utilized all reasonable good faith methods of recruitment, training and promotion of Minorities and Women for its workforce. Such evidence shall be for the previous five (5) years, or the length of time the applicant has been in business, whichever is shorter. The City's Office of Diversity and Inclusion shall review such evidence of good faith effort and report its findings and conclusions to the City Commission, or
 - iii. Applicants who are unable to demonstrate their past commitment to

equal opportunity employment under subparagraphs (i) and (ii) above, may demonstrate their present and future commitment to such employment through the adoption of a voluntary affirmative action plan structured to overcome manifest racial and gender imbalance in the composition of their workforce. Such affirmative action plan shall comply with Federal law. Such a plan must be in a form acceptable to the City's Office of Diversity and Inclusion, which Department will assist the applicant in developing such a plan if requested.

a. Federal Recognition of Affirmative Action Plan:

If an agency of the federal government has approved the affirmative action plan of the applicant firm within the previous twelve months, then the City shall accept said plan as approved for purposes hereunder provided the following conditions are met:

- 1) The applicant has submitted to the City a certification signed by a firm officer stating the federal approval.
- 2) The applicant firm submits to the City a copy of the federally approved affirmative action plan, providing the information required by the City's Office of Diversity and Inclusion, including a breakdown of the applicant's current workforce.

iv. The applicant's good faith compliance with such plan shall be monitored by the City on an annual basis throughout the duration of the tax abatement, or until the successful attainment of the plan's affirmative action goals, whichever first occurs. The City's Office of Diversity and Inclusion shall provide periodic compliance reports to the City Commission on all such affirmative action plans. Any firm, which has not evidenced good faith compliance with any such plan, shall not be eligible for further obsolete commercial property tax abatement.

v. Any application for an Obsolete Commercial Property Exemption Certificate shall be accompanied by a covenant of non-discrimination and commitment to equal employment opportunity executed by the applicant.

vi. Unless this Policy is waived as provided for hereunder, the City Commission shall act upon the application until the City's Office of Diversity and Inclusion has certified that such applicant is either exempt from this policy, or has complied with Sections (i) or (ii) or (iii) or (iv).

I. An application fee will be charged for each request to establish a Project Specific NEZ. In addition, an application fee will be charged for each application for an NEZ exemption certificate. The amounts of these fees will be established by City Commission resolution.

V. Term

The Act provides that the duration of an NEZ abatement can be from six to fifteen years at the discretion of the City. The City has established a nine-year term as the default for NEZ

exemptions. This nine-year standard NEZ exemption will be considered the base level of support for projects that meet the relevant Qualification Criteria (above) and the criteria contained in the Act.

The City Commission may increase the term of an NEZ exemption to a maximum of fifteen (15) years, if the project meets one or more of the City Investment Criteria (below). Additional years will be added to the duration of the exemption as defined in the table below.

PROJECT EVALUATION	LEVEL OF INCENTIVE
<i>Base Level of Support (Does not meet any City Investment Criteria)</i>	<i>9 Year Exemption</i>
<i>Affordable Housing</i>	<i>+ 6 Years</i>
<i>Housing Type Diversity</i>	<i>+ 3 Years</i>
<i>Enhance Mobility</i>	<i>+ 3 Years</i>
<i>MLBE Contracting</i>	<i>+ 3 - 6 Years</i>

VI. City Investment Criteria

The City Investment Criteria described below have been identified in various plans developed with input from the Grand Rapids community, and have been prioritized in this Policy in order to incentivize outcomes desired by the City and the Grand Rapids community.

In order for a project to be considered for a level of support in excess of the nine-year base level, the project must meet one or more of the following City Investment Criteria.

1. Affordable Housing

- A. At least 20% of the units are affordable to individuals or families earning less than 80% of the Area Median Income (AMI). These units may be affordable due a financing mechanism (i.e. Low-Income Housing Tax Credits) or be "affordable by design" (which, for purposes of this policy, is defined as having total occupancy costs that are below 80% of Area Median Income rental limits according to the most recent rent limits published by the Michigan State Housing Development Authority for Kent County. Total occupancy costs include rent, plus the allowances for basic utilities included in the most recently published Allowances for Tenant-Furnished Utilities provided by the U.S. Department of Housing and Urban Development), this provision to be construed in conformance with the Michigan Public Act 226 of 1988 (MCL 123.411). Affordability must be maintained for the duration of the approved term of the exemption.

2. Housing Type Diversity

- A. Provides a housing type (single-family attached, single-family detached,

duplex, or multi-family) that is less than 20% of the existing housing in a census tract, according to the most recent decennial census, or if the census data is more than 5-years old, according to the most recent American Community Survey data.

4. Enhance Mobility

- A. For projects located within ¼ mile of a Bus Rapid Transit Station, or within 500 feet of a permanent covered bus shelter, provide transit passes to each resident and employees for the first two years of project occupancy.
- B. Project provides land (by conveyance or easement) for, and/or finances improvements related to a Bus Rapid Transit Station or other covered/sheltered transit stop.
- C. TOD Development or TMD Initiatives
 - i. Provide space for carpool/carshare
 - ii. Parking cash out
 - iii. Pedestrian, bike and transit accommodations
 - iv. Minimize Parking (consistent with TOD, screened behind building, or on-street)
 - v. Project located within Vital Streets Transit Corridors

5. MLBE Contracting

- A. Applicant submits an plan in a format provided by the City that indicates their strategy and intentions for contracting with Micro-Local Business Enterprises (as defined in the City's Administrative Guidelines for Equal Business Opportunity for Construction)
 - i. Level One (+3 Year) participation sets aspiration goals of achieving 10% of the total construction dollars spent with MLBEs
 - ii. Level Two (+ 6 Year) participation sets aspirational goals of achieving 20% of the total construction dollars spent with MLBEs

VII. Application and Review Process

- 1. Applications must be submitted electronically through the City of Grand Rapids' Citizen Access website.
- 2. Economic Development staff, with assistance from other City departments as necessary, will review the application for compliance with eligibility requirements and determine whether any City Investment Criteria are met.
- 3. If a project is within a tax increment financing authority district, staff will seek a recommendation from the authority's governing board.
- 4. Information regarding the project, including location, dollar amount of project, and employment impact will be published as part of the public hearing notice.
- 5. The application for an NEZ exemption certificate is not effective unless approved by the State Tax Commission.

VIII. Compliance

1. Reporting and compliance requirements will be detailed in the Memorandum of Agreement.
2. A developer will be required, at a minimum, to submit an annual report containing information requested by the City necessary to determine whether the project was completed as contemplated in the original application.
3. If the term of the NEZ exemption was determined based on an applicant's representation of certain aspects of the project (i.e. LEED certification), evidence of completion will be required and will be described in the MOA.
4. For projects containing residential rental housing, certification of compliance with Chapter 140 of Title VIII of the Code of the City is required for each residential unit.
5. The project must be operated and maintained in compliance with all other applicable City codes and ordinances.

IX. Termination of Tax Exemption

If a developer is found to be in default of the terms of the Agreement, in violation of any City code or ordinance related to the property, or with any eligibility requirement contained in the Act or this Policy, the NEZ exemption may be terminated at the City Commission's discretion. An NEZ exemption may also be terminated if rehabilitation of the property has not been completed within the time frame agreed upon by the applicant and the City, or the operation of the facility is not consistent with the original intent of Act 147, or the owner/operator is in violation of the Fair Housing Practices as described in Chapter 160 of the City Code.

Accompanying each application for an NEZ certificate located in a Project Specific NEZ, a signed and notarized request to revoke the NEZ exemption must be provided by the applicant to the City. Should the applicant be found in default as described in the preceding paragraph, the City shall notify the applicant of such default and will provide a 30 day period for the NEZ certificate holder to remedy the default.

In the event that the default is not or cannot be remedied, the City shall submit the letter requesting revocation to the State Tax Commission.

X. Evaluation

Staff shall provide the City Commission with a yearly report on the NEZ Program, which will include, at a minimum, the following:

1. List of projects approved
2. Projected and actual job and investment data
3. Estimated amount of property taxes abated and paid, and new City income tax generated
4. Quantitative analysis of projects achieving one or more City Investment Criteria

The City Commission will utilize this information to annually determine the effectiveness of the Policy in achieving the City's Investment Goals. The City Commission, at its sole

discretion, shall determine whether modifications to this policy are necessary to increase the effectiveness of its NEZ program in achieving desired outcomes.

XI. Policy Waiver

The City Commissioner may waive this Policy, or any portion of it, when the Commission deems it in the best interest of the City.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 14, 2017

TO: Gregory A. Sundstrom
City Manager

FROM: Kara L. Wood *K. Wood*
Managing Director, Economic Development Services

SUBJECT: Housing Advisory Committee Recommendation #5-Voluntary Equitable Development Agreements (VEDA) Draft Policy

Attached is a draft City Commission policy to provide for three party agreements between the City, an investor, and a community-based organization that would allow the community, the City and investors to voluntarily commit to various goals and joint interests in order to create a pathway for the investment to proceed for the benefit of each of the parties pursuant to an agreement memorialized in writing. The VEDA would detail the joint commitments of each party and specify the standards and conditions that will govern development of the property.

As suggested by the Housing Advisory Committee, these agreements would allow for community involvement through a process driven by the needs of the community.


Attached is a draft revised City Commission policy which incorporates goals, eligibility criteria, application process, review and compliance, which could govern the use of VEDAs and the City Commission's process for considering execution of such agreements.

The draft revision has been reviewed by the City Attorney's office.

KLW

Attachments

CITY COMMISSION POLICY

GRAND RAPIDS  MICHIGAN	NUMBER: 900-XX	HISTORY FILE # DATE
	DATE: November X, 2017	
	FILE NUMBER: XXXXX	
	DEPARTMENT: Economic Development	

SUBJECT: VOLUNTARY EQUITABLE DEVELOPMENT AGREEMENTS (VEDA)

PURPOSE: To provide for three party agreements between the City, an Investor, and a community-based organization that would allow the community, the City and investors to voluntarily commit to various goals and joint interests in order to create a pathway for the investment to proceed for the benefit of each of the parties pursuant to an agreement memorialized in writing. The VEDA would detail the joint commitments of each party and specify the standards and conditions that will govern development of the property.

POLICY:

I. Introduction

The Housing Advisory Committee recommendations included establishing a policy to allow investors to voluntarily commit to various goals, which would create a pathway for the investment to proceed for the benefit of each of the parties pursuant to an agreement memorialized in writing.

II. Goals

The City's goals in providing for Voluntary Equitable Development Agreements include, but not limited to:

1. Investment in Vital Streets Transit Corridors
2. Support for alternative transportation and parking options
3. Housing type diversity and affordability
4. Micro Local Business Enterprise (MLBE) contracting
5. Local hiring
6. Advancement of neighborhood Area Specific Plans

7. Job Training Opportunities
8. Employment Opportunities
9. Asset Limited, Income Constrained, Employed (ALICE) wage goals
10. Planning phases of development and future phases
11. Apprenticeship programming
12. Prevent displacement

III. Eligibility Criteria for Voluntary Equitable Development Agreements

1. Property Eligibility

- A. All private development on City-owned property
- B. Public or private projects with total projects costs in excess of \$10 million dollars.
- C. Any public or private projects seeking investment from the City's Affordable Housing Fund.

2. Applicant Eligibility

- A. The application must be filed in partnership with the relevant Neighborhood Association(s). Only where no Neighborhood Association exists, applications may be accepted from a Non-Profit Organization, or other community stakeholder group that has proven to the satisfaction of the City Commission their intent to improve the conditions of the neighborhood.
- B. Any applicant and the partner organization must be in good standing with the City, including any contractual relationships and must not be in default to the City on any obligations.
- C. The applicants must be able to commit to actively engaging in a citizen participation framework to gather public input and negotiate in good faith.
- D. In order for the City Commission to consider an application for an NEZ district for a specific project, the applicant (defined as the individual(s) and/or the entity which owns or proposes to own the property) must meet the following criteria:
 - i. The applicant must have a legal interest in the property for which a VEDA is being sought, or must provide documentation evidencing its ability to acquire the property (i.e. binding purchase agreement).
 - ii. The applicant must be compliant with the City's income tax ordinance.
 - iii. The applicant must not be delinquent on any financial obligations to the City
 - iv. The applicant must not have any outstanding written orders or violations for any property under its control or ownership that is located in the City
 - v. Before a VEDA which has been approved by the City Commission will be executed by the City, the applicant shall have filed a completed Michigan Department of Treasury Form 2766 – Property Transfer Affidavit L-4260 with the City Assessor related to its acquisition of the property. The Property Transfer Affidavit shall be considered

incomplete if the purchase price of the real estate is not entered on the form.

3. Application Eligibility/Fee

- A. An application to initiate a VEDA requires the project to meet any and all statutory criteria of the economic development incentives being sought and City Commission policy.
- B. An application fee will be charged for each individual application, and will be payable by the investor. The amount of the fee will be established annually by resolution of the City Commission.

4. Project Eligibility Criteria

In order for the City Commission to consider a project for a VEDA, the proposed project must meet the following eligibility criteria:

- A. The project must propose a project in conformance with any requirements of the zoning ordinance.
- B. The project was not started prior to the City Commission's approval of the VEDA and filing of an application.
- C. There are no delinquent taxes on the facility or the structure.
- D. All projects must be in compliance with the zoning ordinance, have received the necessary approvals, or propose to come into compliance with the zoning ordinance as part of the project.
- E. Environmental Requirement: The City's Environmental Services Department will review the history of the property/applicant for environmental concerns and report the results to Economic Development.
- F. Fair Housing Practice: If the project is for commercial housing, the applicant must agree to the Fair Housing Practices and assure equal opportunity to all persons as described in Chapter 160 of the City Code.
- G. An applicant must receive certification of equal opportunity practices from the City's Office of Diversity and Inclusion according to the following guidelines.
 - i. Documented statistical analysis of the applicant's workforce by Equal Employment Opportunity (EEO) job classifications, indicating the number of employees in each such classification by race and sex shall be submitted to the City's Office of Diversity and Inclusion. If such analysis demonstrates that the applicant has employed Minorities (African Americans, Hispanics, Asians, and Native Americans) and Women in "relative proportion" to their respective availability in the civilian workforce within the Grand Rapids/Muskegon/Holland Metropolitan Statistical Area (MSA), the applicant's commitment to equal opportunity employment practices shall be presumed. For purposes of this Policy, "relative proportion" shall mean employment by race and sex of at least 80% of the percentage of the respective available workforce, as certified by the City's Office of Diversity and Inclusion, or

- ii. An applicant who is unable to demonstrate presumed commitment to equal opportunity employment based upon the statistical analysis of its workforce, as set forth in (i) above, shall provide clearly documented evidence which demonstrates that the applicant has utilized all reasonable good faith methods of recruitment, training and promotion of Minorities and Women for its workforce. Such evidence shall be for the previous five (5) years, or the length of time the applicant has been in business, whichever is shorter. The City's Office of Diversity and Inclusion shall review such evidence of good faith effort and report its findings and conclusions to the City Commission, or
- iii. Applicants who are unable to demonstrate their past commitment to equal opportunity employment under subparagraphs (i) and (ii) above, may demonstrate their present and future commitment to such employment through the adoption of a voluntary affirmative action plan structured to overcome manifest racial and gender imbalance in the composition of their workforce. Such affirmative action plan shall comply with Federal law. Such a plan must be in a form acceptable to the City's Office of Diversity and Inclusion, which Department will assist the applicant in developing such a plan if requested.
 - a. Federal Recognition of Affirmative Action Plan:
If an agency of the federal government has approved the affirmative action plan of the applicant firm within the previous twelve months, then the City shall accept said plan as approved for purposes hereunder provided the following conditions are met:
 - 1) The applicant has submitted to the City a certification signed by a firm officer stating the federal approval.
 - 2) The applicant firm submits to the City a copy of the federally approved affirmative action plan, providing the information required by the City's Office of Diversity and Inclusion, including a breakdown of the applicant's current workforce.
- iv. The applicant's good faith compliance with such plan shall be monitored by the City on an annual basis throughout the duration of the tax abatement, or until the successful attainment of the plan's affirmative action goals, whichever first occurs. The City's Office of Diversity and Inclusion shall provide periodic compliance reports to the City Commission on all such affirmative action plans. Any firm, which has not evidenced good faith compliance with any such plan, shall not be eligible for further obsolete commercial property tax abatement.
- v. Any application for a VEDA shall be accompanied by a covenant of non-discrimination and commitment to equal employment opportunity executed by the applicant.
- vi. Unless this Policy is waived as provided for hereunder, the City

Commission shall act upon the application until the City's Office of Diversity and Inclusion has certified that such applicant is either exempt from this policy, or has complied with Sections (i) or (ii) or (iii) or (iv).

H. An application fee will be charged for each request to establish a VEDA. The amounts of this fees will be established by City Commission resolution.

V. Term

The term of the VEDA will be up to the number of years committed in City financial incentives or as long as required by City Commission approval.

VI. Application and Review Process

1. Application(s) for the requested economic development incentives must be submitted electronically through the City of Grand Rapids' Citizen Access website.
2. Economic Development staff, with assistance from other City departments as necessary, will review the application for compliance with eligibility requirements and determine whether a VEDA is necessitated and any applicable Act requirements are met.
3. An agreed upon community engagement process will be conducted by the three parties to negotiate the terms of the agreement. The three parties will establish leadership teams to represent the various groups in the negotiations.
4. If a project is within a tax increment financing authority district, staff will seek a recommendation from the authority's governing board, and the tax increment financing authority board will assign a member of the board to participate in the negotiations described in section 3 above.
5. Information regarding the project, including location, dollar amount of project, and employment impact will be published as part of the public hearing notice related to the incentives being sought.
6. The VEDA is not effective unless approved by the City Commission.

VII. Compliance

1. Reporting and compliance requirements will be detailed in the VEDA.
2. The investor and community partner will be required, at a minimum, to submit an annual report containing information requested by the City necessary to determine whether the project is being completed in accordance with the terms of the VEDA.
3. If the term of the VEDA was determined based on an applicant's representation of certain aspects of the project (i.e. Affordable Housing), evidence of completion and/or ongoing compliance will be required and the process for ensuring compliance will be described in the VEDA.
4. For projects containing residential rental housing, certification of compliance with Chapter 140 of Title VIII of the Code of the City is required for each residential unit.
5. The project must be operated and maintained in compliance with all other applicable City codes and ordinances.

VIII. Termination of VEDA

If a party to the VEDA is found to be in default of the terms of the VEDA, in violation of any City code or ordinance related to the property, or with any eligibility requirement contained in any program's legislation or this Policy, the VEDA and any awarded financial incentives may be terminated at the City Commission's discretion. A VEDA may also be terminated if the project has not been completed within the time frame agreed upon by the parties, or the operation of the project is not consistent with the original intent of the VEDA, or the owner/operator is in violation of the Fair Housing Practices as described in Chapter 160 of the City Code.

Should any party be found in default as described in the preceding paragraph, the City shall notify the applicant of such default and will provide a 30 day period for the party to remedy the default.

In the event that the default is not or cannot be remedied, the City shall terminate the VEDA and related incentives.

IX. Evaluation

Staff shall provide the City Commission with a yearly report on the active VEDAs, which will include, at a minimum, the following:

1. List of projects approved within VEDAs
2. Projected and actual job and investment data
3. Estimated amount of property taxes abated and paid, and new City income tax generated
4. Quantitative analysis of projects achieving one or more City Investment Criteria

The City Commission will utilize this information to annually determine the effectiveness of the Policy in achieving the City's Investment Goals. The City Commission, at its sole discretion, shall determine whether modifications to this policy are necessary to increase the effectiveness of its programs in achieving desired outcomes.

X. Policy Waiver

The City Commissioner may waive this Policy, or any portion of it, when the Commission deems it in the best interest of the City.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 14, 2017

TO: Greg Sundstrom
City Manager

FROM: Suzanne M. Schulz, AICP
Managing Director of Design, Development and Community Engagement

SUBJECT: Housing Advisory Committee Recommendation #6 – Density Bonus

The Housing Advisory Committee recommended the City consider a Zoning Ordinance amendment that would modify or add to existing residential density bonuses so to incentivize residential developments with units priced at or below a determined Area Median Income (AMI).

The current residential density bonus within the zoning ordinance was written to incentivize mixed-income housing projects. The ordinance does not have a housing bonus that incentivizes more traditional affordable housing projects such as that which is developed with Low Income Housing Tax Credits (LIHTC). In fact, the current requirement for the mixed-income housing bonus cannot be used for LIHTC funded projects because the percentages within the ordinance are at odds with the funding source.

On November 6, 2017 planning staff met with housing providers to discuss changes to the ordinance. Attached is a proposed ordinance amendment that would implement their suggestions.

The proposed amendment would modify the requirements as follows:

1. Add an Affordable Housing Bonus within Articles 5 (Residential Zone Districts) and 6 (Mixed-Commercial Zone Districts) with requirements that a project must:
 - a. Be located within 300 feet of a transit line
 - b. At least 20 units are developed as part of the project
 - c. Rental units: not less than 30% of the total number of units are provided at or below 60% AMI
 - d. Owner units: not less than 30% of the total number of units are provided at or below 80% AMI

ARTICLE 5 RESIDENTIAL ZONE DISTRICTS

Sec. 5.5.06. Site Layout and Building Placement Requirements.

I. Residential Bonuses.

1. Purpose. The Master Plan calls for a range of housing types and price points within neighborhoods to accommodate all residents regardless of income, special need or place in life cycle. Developments can receive bonuses as outlined in this Section by providing additional accessibility and housing that is affordable to a wide range of residents.
2. Housing Bonuses. Bonuses are available for two-family and multiple family developments in accordance with the provisions of Table 5.5.06.I.2.

Table 5.5.06.I.2. Summary of Available Residential Bonuses				
Condition		Districts	Incentive/Bonus	Bonus
Accessible Housing	Two-family residential	LDR, MDR	5.5.06.I.3.a	Reduced minimum lot area/width
	Multiple-family residential		5.5.06.I.3.b	Reduced lot area per dwelling
Affordable Housing	Multiple-family residential	LDR, MDR	5.5.06.I.4.a	Reduced lot area per dwelling
Mixed-Income Residential	Two-family residential	LDR	5.5.06.I.5.a	Reduced minimum lot area/width
Mixed-Income Residential	Multiple-family residential	LDR, MDR	5.5.06.I.5.b	Reduced lot area per dwelling

3. Accessible Housing. Bonuses are available for two-family and multiple family developments when units are designed and constructed to meet the ANSI A117.1 standards for Type B accessible units when the following conditions are met.
 - a. Two-Family Developments. The minimum lot area for two-family residential developments may be reduced where the conditions of Section 5.5.06.B.3.b.iii. are met.
 - b. Multiple-Family Developments. The minimum lot area for a multiple family development may be reduced by up to five hundred (500) square feet per dwelling unit when at least twenty-five (25) percent of the units are accessible.
4. Affordable Housing Bonuses. Bonuses are available in accordance with the provisions of Table 5.5.06.I.2. when the following conditions are met.
 - a. Multiple-Family Developments. The minimum lot area for a multiple family development may be reduced by up to five hundred (500) square feet per dwelling unit for a project that satisfies the following criteria:
 - i. Project is located within three hundred (300) feet of a transit line;
 - ii. At least twenty (20) dwelling units are developed as part of the project;

- iii. If rental units, not less than thirty (30) percent of the total number of units are priced for households at or below sixty (60) percent of Area Median Income, as adjusted for family size, with rental charges remaining affordable for at least fifteen (15) years.
 - iv. If owner units, not less than thirty (30) percent of the total number of units are priced for households at or below eighty (80) percent of Area Median Income, as adjusted for family size.
 - v. The remaining units are priced at market rate.
 - vi. The affordable units shall be comparable in unit sizes, amenities and location with the market rate units.
 - vii. The property owner agrees to the submission of annual reports to the City regarding certification of eligible tenants and purchasers, annual certification of rental property and monitoring of affordable rental housing requirements.
5. Mixed-Income Housing. Bonuses are available in accordance with the provisions of Table 5.5.06.I.2. when the following conditions are met.
- a. Two-Family Developments. The minimum lot area for two-family residential developments may be reduced where the conditions of Section 5.5.06.B.3.b.ii. are met.
 - b. Multiple-Family Developments. The minimum lot area for a multiple family development may be reduced by up to five hundred (500) square feet per dwelling unit for a project that satisfies the following criteria:
 - viii. Project is located within three hundred (300) feet of a transit line;
 - ix. At least twenty (20) dwelling units are developed as part of the project;
 - x. If rental units, not less than fifteen (15) percent nor more than thirty (30) percent of the total number of units are priced for households at or below sixty (60) percent of Area Median Income, as adjusted for family size, with rental charges remaining affordable for at least fifteen (15) years.
 - xi. If owner units, not less than fifteen (15) percent nor more than thirty (30) percent of the total number of units are priced for households at or below eighty (80) percent of Area Median Income, as adjusted for family size.
 - xii. The remaining units are priced at market rate.
 - xiii. The affordable units shall be comparable in unit sizes, amenities and location with the market rate units.
 - xiv. The property owner agrees to the submission of annual reports to the City regarding certification of eligible tenants and purchasers, annual certification of rental property and monitoring of affordable rental housing requirements.

ARTICLE 6 MIXED-USE COMMERCIAL ZONE DISTRICTS

B. Building Height.

1. Height Limitations.

- a. Height requirements, including bonus height provisions, are subject to the provisions of Section 5.8.02. OD-DH Downtown Height Overlay Districts.
- b. Building heights in all other Mixed-Use Commercial Districts shall not exceed the maximum number of stories as listed in Table 5.6.08.A Building Elements.

- 2. Bonus Allowances. Buildings may qualify for a bonus height and other allowances based upon the Gross Floor Area (GFA) of the development devoted to the features and the activity established in Table 5.6.08.B.3 Bonus Table. Bonus height allowances may be used in combination provided that building heights shall not exceed the maximum number of stories in Table 5.6.08.A. Building Elements.

Activity/Facility Provided	District	Activity Bonus		Bonus
Urban Open Space (5.6.08.B.2.a.)	TCC, TBA, TOD, C	Minimum site area	25%	1 story
			50%	2 stories
Mixed-Income Housing (5.6.08.B.2.d.)	TCC, TBA, TOD, C	Minimum lot area/dwelling unit may be reduced by up to 500 sq. ft. per unit for providing a mix of affordable and market rate		# of units
		Mix of affordable and market rate dwelling units		1 story
Transit Station (5.6.08.B.2.e.)	TOD, PRD	Transit station along the assigned Bus Rapid Transit (BRT) route as approved by The Rapid		3 stories
Micro-Unit (5.6.08.B.2.f)	TCC, TBA, TOD, C	Minimum lot area per dwelling unit waived		# of units
Affordable Housing	TCC, TBA, TOD, C	Minimum lot area/dwelling unit may be reduced by up to 500 sq. ft. per unit for affordable units		# of units

Bonus heights for the TN-CC Zone District are described in Section 5.8.02.C. under the OD-DH Overlay District.

- a. Urban Open Space Bonus. To qualify for this bonus provision, at least the minimum noted urban open space shall be provided on the site, with public access directly from the sidewalk at ground level. The façade along the RBL requirement of Section 5.6.08.D. may be reduced to twenty (20) percent (e.g. a 90% requirement may be reduced to 70%) by the Director if deemed necessary to accommodate the installation of qualifying urban open space. The Director shall grant only that reduction necessary to accommodate the urban open space.
- b. Ground Floor Retail Bonus. Development projects may qualify for this bonus provision where retail uses have access directly from the sidewalk at ground level. For purposes of this Section, retail use shall include the use groups as defined in Section 5.16.02.U. under Commercial Retail Sales and Restaurants.

- c. Residential Use Bonus.
 - i. Height Bonus. Development projects shall receive a bonus height allowance if residential use is included in the project. To qualify for this bonus, the development shall include one (1) or more floors devoted to dwelling units, as defined in Section 5.16.02.H. Household Living. This shall not include a dwelling unit for a caretaker or other employee of the development.
 - ii. Density Bonus. Qualifying development projects may reduce the minimum lot area per dwelling by up to one hundred and seventy (170) square feet per unit provided that the off-street parking requirements of Section 5.10.04.C are satisfied, unless otherwise reduced by the Director or the Planning Commission in accordance with Section 5.10.05.
 - iii. Parking Reductions. For density bonus requests, the Director may reduce off-street parking requirements by a maximum of twenty (20) percent in accordance with Section 5.10.05. Parking reductions of greater than twenty (20) percent shall require Special Land Use approval.
- d. Mixed-Income Housing Bonus. Two (2) bonus options are available for development projects that satisfy the criteria below. The minimum lot area per dwelling unit in a multiple family development may be reduced by up to five hundred (500) square feet per unit; and/or one (1) additional story above the maximum permitted by the Zone District.
 - i. Project is located within three hundred (300) feet of a transit line, as measured from the nearest lot line to the right-of-way of the street along which the transit line runs;
 - ii. The development includes at least twenty (20) dwelling units;
 - iii. Not less than fifteen (15) percent nor more than thirty (30) percent of the total number of rental units are priced for households at or below sixty (60) percent of Area Median Income, as adjusted for family size, with rental charges priced by the same method for at least fifteen (15) years.
 - iv. Not less than fifteen (15) percent nor more than thirty (30) percent of the total number of ownership units are priced for households at or below eighty (80) percent of Area Median Income, as adjusted for family size.
 - v. The remaining units are priced at market rate.
 - vi. The affordable units shall be comparable in unit sizes and amenities to the market rate units, and shall be evenly distributed throughout the development.
 - vii. Provisions shall be made for the annual certification of eligible tenants and purchasers, certification of rental property and monitoring of affordable housing requirements. A density agreement shall be approved by the City Commission.
- e. Transit Station Bonus. The transit station bonus shall only be approved as part of a submittal for a large development project at a location recognized by The Rapid as a desirable transit station for bus rapid transit (BRT) or trolley. A notarized statement from the Rapid verifying that the proposed transit station location and design is

acceptable is required. The minimum dollar amount dedicated for this purpose shall be commensurate with the median cost of land per buildable square foot in the general vicinity. Transit station development shall reflect the intent of urban open space requirements in Section 5.11.14. Development of the station shall be accomplished using one (1) of the following methods.

- i. Construction by the developer shall require the submittal of appropriate drawings, detailed construction commitments, a construction schedule, and a performance guarantee meeting the requirements of Section 5.14.04 for completion of the improvements, to be approved by the City Engineer and the transit authority.
 - ii. Cash contribution for transit station improvements that are to be undertaken by agencies such as The Rapid, shall enter into an agreement with the City of Grand Rapids and the agency undertaking the improvement. All agreements shall be in a form approved by the City Attorney.
- f. **Micro-Unit Density Bonus.** The minimum lot area per dwelling unit in a multiple family development may be waived when all of the following conditions are met.
- i. The unit has a GFA of no more than four hundred seventy-five (475) square feet;
 - ii. The primary entrance of the building containing the unit(s) is located no more than three hundred (300) feet from a transit station or stop;
 - iii. In addition to required vehicle parking per Section 5.10.04.C., two (2) bike spaces per unit are provided, and;
 - iv. The unit shall be subject to the occupancy limitations of the International Property Maintenance Code, as amended.
- g. **Affordable Housing Bonuses.** Bonuses are available in accordance with the provisions of Table 5.6.08.B.3. when the following conditions are met.
- i. **Multiple-Family Developments.** The minimum lot area for a multiple family development may be reduced by up to five hundred (500) square feet per dwelling unit for a project that satisfies the following criteria:
 1. Project is located within three hundred (300) feet of a transit line;
 2. At least twenty (20) dwelling units are developed as part of the project;
 3. If rental units, not less than thirty (30) percent of the total number of units are priced for households at or below sixty (60) percent of Area Median Income, as adjusted for family size, with rental charges remaining affordable for at least fifteen (15) years.
 4. If owner units, not less than thirty (30) percent of the total number of units are priced for households at or below eighty (80) percent of Area Median Income, as adjusted for family size.
 5. The remaining units are priced at market rate.

6. The affordable units shall be comparable in unit sizes, amenities and location with the market rate units.
 7. The property owner agrees to the submission of annual reports to the City regarding certification of eligible tenants and purchasers, annual certification of rental property and monitoring of affordable rental housing requirements.
3. Administrative Departures. An Administrative Departure from building height requirements may be permitted for:
 - a. A reduction in the minimum height requirement for auto-oriented uses and for buildings in those Zone Districts where seventy (70) percent or more of existing buildings and structures located on the same block are single story.
 - b. Reconstruction to the former building height (that exceeds the maximum permitted height in Table 5.6.08.A.) where a building is partially destroyed by an Act of God. The determination shall consider factors such as the extent of destruction, character of the building and its surroundings and cost of reconstruction.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 14, 2017

TO: Greg Sundstrom, City Manager

COMMITTEE: Committee of the Whole
LIAISON: Greg Sundstrom, City Manager


FROM: Jessica L. Wood
Director of Municipal Legal Affairs

SUBJECT: Recommendation #7 of Housing Advisory Committee –
Adoption of New Policy Entitled Property Acquisition and
Management Policy

As a result of the Housing Advisory Committee recommendations, please find attached a draft policy contemplating that the City purchase or otherwise acquire property interests in property to be used for affordable housing.

In this market-based approach, the City would exercise its authority under PA 279 of 1909 as amended, to acquire property interests in property in order to increase the availability of housing in the City while proactively determining where the City needs to make strategic investments to maintain neighborhood character.

CITY COMMISSION POLICY

GRAND RAPIDS  MICHIGAN	NUMBER: 900-XX	HISTORY FILE # DATE
	DATE: November X, 2017	
	FILE NUMBER: XXXXX	
	DEPARTMENT: Executive	

SUBJECT: PROPERTY ACQUISITION AND MANAGEMENT POLICY

PURPOSE: To provide for the City’s acquisition of property interests in order to manage and control property for the purposes of expanding the availability of affordable housing within the City in conjunction with other tools and programs.

POLICY:

I. Introduction

The Housing Advisory Committee recommendations included establishing policies which would result in more affordable housing, through the offering of affordable rents and the purchase and restoration or resale of residential properties to public and private partners who would offer and maintain affordable housing. To this end, the Housing Advisory Committee encouraged the City to actively manage and control properties in which it holds a property interest in order to expand the availability of housing and affordable housing within the City.

II. Goals

The City’s goals in acquiring properties and managing or controlling properties in which it holds a property interest are to:

1. Expand the availability of housing within the City generally.
2. Expand the availability of affordable housing within the City.
3. Proactively determine where the City needs to make strategic investments to maintain neighborhood character.

III. Criteria for Acquisition

All acquisition of property interests must be made pursuant to written contract and may involve retaining the property as City-owned, or entering public – private partnerships with other governmental entities, non-profits, or private parties, as authorized by the Home Rule City Act and applicable statutes. The City shall retain an acquired property interest for the duration of any contracts, during which the City would retain a form of management or control over the property and, if the property is sold, would require that the property be sold at an affordable price or offered for affordable rental rates. The terms of the agreement would be recorded and would require the buyers to give the City a recorded property interest and to improve, sell, or rent the property in accordance with the City's affordability requirements on terms set forth within the contract.

The City may utilize existing state or federal programs to acquire property interests or may simply do so in accordance with its Affordable Housing Community Fund Policy and the Home Rule City Act.

V. Policy Waiver

The City Commissioner may waive this Policy, or any portion of it, when the Commission deems it in the best interest of the City.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 6, 2017

TO: Greg Sundstrom
City Manager

FROM: Suzanne M. Schulz, AICP
Managing Director of Design, Development and Community Engagement

SUBJECT: Housing Advisory Committee Recommendation #8 – Allow Accessory Dwelling Units by Right

The Housing Advisory Committee recommended the City consider a Zoning Ordinance amendment that would allow for the development of Accessory Dwelling Units (ADU's) by-right within the residential zone districts. Attached is a proposed ordinance amendment that would implement this recommendation.

The current ordinance permits ADU's as a Special Land Use, subject to the use restrictions of Article 9. As amended, ADU's would be permitted by-right within the Low Density Residential (LDR) and Mixed-Density Residential zone districts, subject to the use restrictions of Article 9. Article 9 regulations have been modified as follows:

1. Modify minimum lot area of 5,000 square feet to lots meeting the minimum lot area for the applicable zone district.
2. Regulate maximum building height for detached ADU's
3. Permit two-story detached ADUs
4. Increase floor area ratio between ADU and the primary structure
5. Eliminate maximum occupancy and number of bedrooms

The proposed modifications were made following two neighborhood input sessions (October 23, 2017 and November 2, 2017) and research of comparable communities such as the City of Portland OR, City of Seattle WA and publications from AARP and the American Planning Association.

ARTICLE 2 GENERAL PROVISIONS

Sec. 5.2.08. Accessory Structures.

- A. Permits. All accessory structures shall require a Zoning Permit prior to construction.
- B. Mixed-Use Commercial Zone Districts, Neighborhood Office Service District, and Special Districts.
 - 1. Accessory structures shall comply with applicable setback and height restricts specified for the Zone District in which the accessory use or structure is located.
 - 2. Not more than one (1) detached accessory building is permitted per lot. The area of the permitted accessory building shall not exceed twenty-five (25) percent of the ground level gross floor area of the main building.
- C. Principal Use Required.
 - 1. Unless otherwise expressly allowed in this Chapter, accessory structures shall be permitted and maintained only in conjunction with a principal use and a main building or structure on the same lot.
 - 2. Accessory structures may only be constructed at the same time as or after the construction of the main building or structure on the same lot.
 - 3. If the main building or structure is destroyed, demolished or removed, any accessory buildings or structures on the same lot shall be removed within sixty (60) days, unless a permit for construction of a new main building has been approved.
- D. Public Right-of-Way or Easement. In no instance shall an accessory structure be within a public right-of-way or easement, unless otherwise permitted in an easement agreement.
- E. Architectural Compatibility.
 - 1. Any accessory structure that is one hundred twenty (120) square feet or larger shall be similar in architecture to the main building in its form and slope of roof. Exterior finish materials shall be those materials customarily used for residential construction, and shall be similar in placement and orientation to the main building.
 - 2. No accessory structure shall be constructed with a tubular frame construction or with canvas, plastic film, or similar exterior material that does not provide long-term durability.
- F. Carport. A carport shall comply with the location requirements applicable to either an attached or detached accessory structure.
- G. Residential Accessory Buildings.
 - 1. Single-Family and Two-Family Dwellings.
 - a. One (1) detached and one (1) attached accessory structure is permitted.
 - b. Except as permitted in Section 5.9.03 and as noted below, the height and combined gross floor area for all attached and detached accessory structures shall not exceed the dimensions based on the requirements of Table 5.2.08.G.1.

Table 5.2.08.G.1. Residential Accessory Structures for Single- and Two-Family and Non-Residential Uses		
Lot Area (sq. ft.)	GFA (sq. ft.) Total	Height (ft.)
Traditional Neighborhood (TN)		
Less than 5,000	624	14
5,000—7,499	832	14
7,500—10,999	936	14
11,000—21,999	1,000	16
22,000 or more	1,200	16
Mid-Century Neighborhood (MCN)		
Less than 5,000	624	14
5,000—7,499	832	14
7,500—10,999	936	14
11,000—21,999	1,000	16
22,000 or more	1,200	16
Modern Neighborhood (MON)		
Less than 5,000	832	14
5,000—7,499	936	14
7,500—10,999	1,000	16
11,000—21,999	1,200	16
22,000 or more	1,500	16
All Neighborhoods		
Lots of 1 acre or more	1,200 (each structure) by Administrative Departure (see Section 5.2.08.G.3.)	16

2. Multiple-Family Uses.

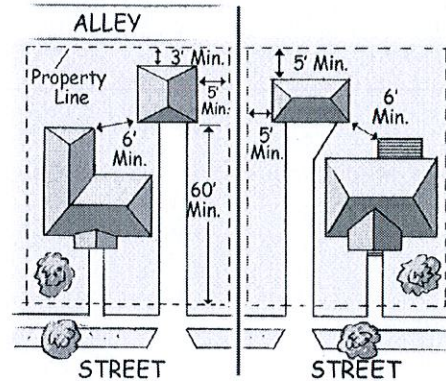
- a. Accessory structures may exceed the gross floor area of Table 5.2.08.G.1. for total garage or carport space up to the necessary GFA to meet the required number of parking spaces in Article 10. All other requirements of this Chapter shall be met.
- b. Administrative Departures. An Administrative Departure may be approved to permit additional GFA for garage or carport space for multiple-family uses above the minimum requirements of Article 10 for up to two (2) spaces per dwelling unit, provided the applicant can demonstrate a need for the space and all other requirements of this Chapter are met.

H. Detached Structures.

1. The structure shall be placed at or behind the front wall of the main building, and at least six (6) feet from the main building, excluding decks and patios. The structure shall be at least three (3) feet from a side lot line or another accessory structure, excluding decks and patios.

2. Interior lots.

- a. If less than sixty (60) feet from the front lot line, a detached accessory structure shall not encroach into the required front yard and side yard setbacks.
- b. If sixty (60) feet or more from the front lot line and no nearer the front lot line than the main building, the wall(s) of a detached accessory structure shall be a minimum of three (3) feet from the side and rear lot lines.



5.2.08.H. Accessory Structures, Detached

- c. City building codes require fire safety measures if less than five (5) feet from the lot line.

3. Corner, Through and Waterfront Lots.

- a. Corner Lots. Detached accessory buildings shall not be within a front yard and shall be set back a minimum of three (3) feet from a side lot line.
- b. Through and Waterfront Lots.
 - i. Side yard setback requirements shall be met.
 - ii. For through lots, front yard setbacks shall be met on the frontage deemed by the Director to be the less predominant frontage as provided Section 5.2.05.E.2.
 - iii. For waterfront lots, all front yard setbacks shall be met.

4. Alley. An accessory structure shall be at least three (3) feet from an alley right-of-way. See also Section 5.10.03.F. regarding driveways.

5. The following shall not be counted toward the number or area of permitted detached accessory structures.

- a. Trellises, pergolas arbors or other similar structures;
- b. Gazebos that are two-hundred and fifty (250) square feet in area or smaller;
- c. Landscape features, such as small ponds, outdoor kitchens, spas, and fire pits;
- d. Sport courts;
- e. Swimming pools or hot tubs and changing rooms that are two-hundred and fifty (250) square feet in area or smaller,
- f. Solar panels;
- g. Decks, patios; and

- h. Other similar structures as determined by the Director.
6. Administrative Departure. An Administrative Departure may be approved to allow the wall(s) of a detached accessory structure to within one (1) foot of the side or rear lot line, where topography, natural features, or other site constraints exist, where there are no detrimental effects on adjacent properties, and where applicable fire safety provisions of the City's building codes are met. A property survey and scaled site plan shall be submitted.
- I. Additional Accessory Structures.
 - 1. In addition to the accessory structure(s) provided for in this Section, one (1) accessory structure, such as an enclosed play structure or storage structure, of one hundred twenty (120) square feet or less and up to fourteen (14) feet high may be permitted in the rear yard on a lot with a residential use. A setback of at least three (3) feet from any lot line shall be provided.
 - 2. For community gardens and other similar uses, one (1) accessory structure of one hundred twenty (120) square feet or less and up to fourteen (14) feet high may be erected for storage of supplies and materials related to the use. An additional structure of the same size and height may be added for properties exceeding three (3) acres. The structure(s) shall meet all setback requirements of the Zone District.
 - J. Prohibited Structures.
 - 1. No mobile home, trailer, vehicle, tank, boat, container, railroad car, dumpster, barrels, crate, furniture, tent, junk object or salvage materials or similar items shall be used as an accessory structure or storage structure.
 - 2. Living or sleeping quarters, temporary or permanent, in an accessory structure or other building (except as an Accessory Dwelling Unit as provided in Section 5.9.03), travel trailer, motor home or other recreation vehicle, auto chassis, boat or portable building, are prohibited.
 - K. Minimum Greenspace. Accessory structures are subject to minimum greenspace calculations as established within each Zone District.

ARTICLE 5 RESIDENTIAL ZONE DISTRICTS

B. Allowed Uses Table.

Use Category	Specific Use	TN, MCN, MON		Use or Other Regulations	
		LDR	MDR		
RESIDENTIAL					
Household Living	Single-family dwelling, detached	P	P	5.2.07.	
	Single-family dwelling, attached	S	P	5.9.06.	
	Two-family dwelling - existing	E	P	5.3.05.F.	
	Two-family dwelling - new construction	S	P	5.5.06.	
	Multiple family dwelling	S	P	5.9.20.	
	Manufactured housing community	X	P	5.9.17.	
	Adult foster care	Family home (1-6 residents)	P	P	5.9.04.
		Small group home (7-12 residents)	S	S	
		Large group home (13-20 residents)	X	S	
	Assisted living center	S	S	—	
	Nursing/convalescent home	S	S	—	
	Residential rehabilitation facility	S	S	5.9.29.	
	Rooming or boarding house	S	S	5.9.30., Chapter 116	
	Single room occupancy (sro)	X	S	5.9.32.	
Transitional or emergency shelter	X	S	5.9.36.		
Accessory Uses	Accessory dwelling unit	P	P	5.9.03.	
	Accessory structure	P	P	5.2.08.	
	Child care home	Family home (1-6 children)	P	P	—
		Group home (7-12 children)	S	S	—
	Home occupation (Class A and Class B)	P	P	5.9.14., Chapter 116	
	Social service facility (w/o residential care)	S	S	5.9.34.	
P = Permitted; S = Special Land Use; E = Existing; X = Not Permitted; "—" = Not Applicable					

ARTICLE 9 USE REGULATIONS

Sec. 5.9.02. Applicability.

A. Use Regulations and Approval Process of Table 5.9.02.

1. Director Review. All uses shall be in accordance with the provisions of Section 5.12.16.
2. Counter Reviews. All uses listed shall be in accordance with the provisions of Section 5.12.16.
3. Special Land Uses. All uses listed shall be in accordance with the provisions of Section 5.12.09. Unless otherwise stated within this Article, the Planning Commission shall have the authority to waive or alter the Use Regulations contained in this Article provided the standards of Section 5.12.12.E. are substantially met.

Table 5.9.02. Use Regulations and Approval Process				
Use	Section	Counter Review	Director Review	Special Land Use
Accessory dwelling units	5.9.03.	—	CC, TCC, TBA, TOD, C, NOS, LDR, MDR	—

Sec. 5.9.03. Accessory Dwelling Units (ADU).

A. The following ADU use regulations shall not be waived or altered by the Planning Commission.

1. Not more than one (1) Accessory Dwelling Unit (ADU) may be included within a detached single-family dwelling (primary dwelling unit), or accessory structure, or separate from but located on the same lot as a detached single-family dwelling.
2. Minimum Lot Area. An ADU may be developed on lots meeting the minimum lot size for the applicable zone district.
3. Residential Density. The ADU shall be excluded from maximum residential density requirements.
4. Building Height.
 - a. The portion of a single family detached dwelling with an ADU, when newly added, shall not exceed the permissible main building height of the Zone District.
 - b. The maximum permitted height for a detached ADU is twenty-five (25) feet where the applicable zone district setback requirements for a primary structure are met. Where zone district setback requirements for a primary structure cannot be satisfied, the detached ADU shall be no higher than (20) feet.
5. Maximum Floor Area. The maximum permitted floor area for an accessory structure that contains an ADU may be increased by one hundred (100) percent solely for the construction of a second-floor unit.

6. Front Yard Prohibited. If not part of the main building, the ADU shall not be in the front yard.
7. Minimum/Maximum ADU Size. The ADU shall not exceed forty (40) percent of the gross floor area of the primary dwelling unit, but in any case shall be at least four hundred (400) square feet and not larger than eight hundred fifty (850) square feet in gross floor area.
8. Owner Occupancy. One (1) of the dwelling units shall be owner-occupied. If the ADU is leased, it shall be registered with the City as required in Chapter 140 of the City Code.
9. Leasing or Rental. No ADU shall be leased or rented for less than thirty (30) days and shall not be used as a short-term rental.
10. Alterations or New Construction. Any alterations to existing buildings or structures or the construction of a new structure to accommodate the ADU shall be designed to maintain the architectural design, style, appearance and character of the main building as a detached single-family dwelling, including but not limited to entrances, roof pitch, siding and windows.
11. Deed Restriction. A deed restriction enforceable by the City shall be recorded prior to the issuance of a building permit stipulating that the ADU will not be conveyed separately from the primary dwelling unit. An alternative form of security may be substituted if it meets the intent of this provision and is approved by the City Attorney.

ARTICLE 10 TRANSPORTATION AND MOBILITY

Table 5.10.04.C. Off-Street Parking Requirements

Use Category	Use		Zone District*			Measurement/ Additional Requirements
			* See Section 5.10.04.F. for TN-CC Requirements			
			TN-TCC; TN-TOD	TN-MDR; TN-TBA; MCN-TOD; MON-TOD	All Other Zone Districts	
Number of Parking Spaces						
RESIDENTIAL						
Household Living	Single-family dwelling	Detached	1.5	2/	2.0	Per dwelling unit
		Attached	1.5	1.5	2.0	
	Two-family dwelling		1.5	1.5	2.0	
	Multiple-family dwelling		1	1.25	1.5	Per dwelling unit plus .25 per bedroom above 2 bedrooms
	Age-restricted housing		2 per 3 dwelling units			80% of units restricted to age 65 or older
	Lodging, extended stay		.75	1	1	Per room plus accessory uses, plus .25/room above 1 bed
Group Living	Nursing/convalescent home		.5	.75	1	Per bed
	Rooming/boarding houses		1	1	1	Per room
	Single room occupancy		.5	.75	.75	Per dwelling unit
	All other Group Living		.25	.25	.5	Per bed plus 1 per employee
Accessory Uses	Accessory dwelling unit		1	1	1	Per dwelling unit plus 1 per bedroom over 2 bedrooms
<p>Note: The listing of various uses under each Zone District grouping is not intended to imply that those uses are permitted in every Zone District. The Use Table for each Zone District must be consulted for allowed uses.</p> <p>* See Section 5.10.04.F. for TN-CC parking requirements.</p> <p>sq. ft. = square feet; GFA = gross floor area; "-" = Not applicable</p>						

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 6, 2017

TO: Greg Sundstrom
City Manager

FROM: Suzanne M. Schulz, AICP
Managing Director of Design, Development and Community Engagement

SUBJECT: Housing Advisory Committee Recommendation #9 – Non-Condo Zero Lot Line Units (Attached Single-Family Residential)

The Housing Advisory Committee recommended the City consider a Zoning Ordinance amendment that would modify attached single-family residential dwelling unit requirements for the purposes of encouraging this development type within residential zone districts. Attached is a proposed ordinance amendment that would implement the recommendation.

The current ordinance permits attached single-family residential dwellings as a Special Land Use within the Low Density Residential (LDR) zone district and as a Permitted Use within the Mixed Density Residential (MDR) zone district. All attached single-family residential developments are subject to the use restrictions of Article 9, Section 5.9.06 of the Zoning Ordinance. As amended, ADU's would be permitted by-right within the Low Density Residential (LDR) and Mixed-Density Residential zone districts, subject to the use restrictions of Article 9.

The proposed amendment language would:

1. Permit attached single-family residential dwelling units by-right within the LDR zone district where the following criteria is met (otherwise regulated as a Special Land Use):
 - a. Less than four (4) attached units per structure are proposed.
 - b. The parcel is within one-hundred (100) linear feet of a TBA, TOD, TCC or C zone district as measured from the closest point of the parcels along the public right-of-way.
2. Reduce minimum dwelling unit width from eighteen (18) feet to fourteen (14) feet.
3. Eliminate a requirement for minimum lot width, allowing dwelling unit width to control.
4. Reduce minimum lot area from 3,000 square feet (in TN-LDR) to 1,500 square feet and from 2,250 square feet (in TN-MDR) to 1,250 square feet.

Two neighborhood input sessions were held on October 23, 2017 and November 2, 2017; and a meeting with housing developers and architects was conducted on November 6, 2017. Input from these sessions assisted in crafting the suggested language. Neighborhood association representatives expressed concern about over-parking and lacking code compliance enforcement resources.

ARTICLE 5 RESIDENTIAL ZONE DISTRICTS

- Section 5.5.01. Residential Zone Districts: Purpose and Intent.
- Section 5.5.02. Traditional Neighborhood Residential Zone Districts: Purpose and Intent.
- Section 5.5.03. Mid-20th Century Neighborhood Residential Zone Districts: Purpose and Intent.
- Section 5.5.04. Modern Era Neighborhood Residential Zone Districts: Purpose and Intent.
- Section 5.5.05. Uses of Land.
- Section 5.5.06. Site Layout and Building Placement Requirements.
- Section 5.5.07. Building Element Requirements.

Sec. 5.5.01. Residential Zone Districts: Purpose and Intent.

- A. Residential Zone Districts are divided into Low-Density Residential (LDR) Districts and Mixed-Density Residential (MDR) Districts within the framework of the three (3) Neighborhood Classifications of Traditional Neighborhoods (TN), Mid-20th Century Neighborhoods (MCN), and Modern Era Neighborhoods (MON).
- B. LDR, Low-Density Residential District. The Low-Density Residential District is intended to create, maintain and promote a variety of housing opportunities for individual households and to maintain the desired physical characteristics of the city's existing neighborhoods.
 - 1. The density ranges for each Low-Density Residential Zone District varies based upon the Neighborhood Classification in which it is located.
 - 2. Site and building placement regulations, as well as requirements for building elements, take the built environment into consideration as many of the areas that include this Zone District are in existing developed areas.
- C. MDR, Mixed-Density Residential District. The Mixed-Density Residential District is intended to create, maintain and promote a variety of housing types in areas where development already exists or where it is desired in the future.
 - 1. The density ranges for each mixed-density Zone District varies based upon the Neighborhood Classification in which it is located, but generally accommodates moderate- to high-density housing, including detached single-family houses, attached single-family dwellings, two-family dwellings, and multiple-family residential buildings.
 - 2. Site and building placement regulations, as well as requirements for building elements, have taken the built environment into consideration. The Master Plan recommendations in Section 10.0 *Development Character* and Section 10.9 *Higher Quality Medium and High-Density Residential Design* shall be used in site design, except where it is impractical or inconsistent with the neighborhood.

Sec. 5.5.02. Traditional Neighborhood Residential Zone Districts: Purpose and Intent.

- A. TN-LDR, Traditional Neighborhood—Low-Density Residential Zone District. The TN-LDR District is intended to protect established development patterns, consisting predominantly of medium-low density residential development in the form of detached single-family houses and two-family dwellings sited on individual lots. Pockets of medium- to high-density residential development are generally found along transit routes, near to business districts and along major streets. The redevelopment of sites shall remain consistent with this pattern of development.

- B. TN-MDR, Traditional Neighborhood—Mixed-Density Residential Zone District. The TN-MDR District is intended to provide a variety of housing choices in a spatially diverse manner while protecting established development patterns. Mixed-density neighborhoods are generally found along transit routes, near to business districts and along major streets. They often act as a transition between lower density residential development and non-residential uses. Redevelopment shall remain consistent with this pattern of development. The redevelopment of former commercial sites is a significant objective through context sensitive architectural designs and features common to the area.

Sec. 5.5.03. Mid-20 Century Neighborhood Residential Zone Districts: Purpose and Intent.

- A. MCN-LDR, Mid-20th Century Neighborhood - Low-Density Residential Zone District. The MCN-LDR District is intended to protect the established development pattern, consisting predominantly of low-density residential development characterized by single-family detached houses on individual lots with garages located to the side or rear of the main building. New development and building renovation shall be compatible with the valued characteristics of the existing built environment. To that end, a coordinated variety in design is encouraged. The repeated use of identical facade designs shall be avoided.
- B. MCN-MDR, Mid-20th Century Neighborhood - Mixed-Density Residential District. The MCN-MDR District is intended to provide a variety of housing choices in a spatially diverse manner. The established development pattern, consisting predominantly of low-density residential development characterized by two-family dwellings and small multiple family buildings, shall act as a transition between lower density residential development and non-residential uses. Context-sensitive architectural designs and features common to the area shall be used in the redevelopment of former commercial sites.

Sec. 5.5.04. Modern Era Neighborhood Residential Zone Districts: Purpose and Intent.

- A. MON-LDR, Modern Era Neighborhood - Low-Density Residential Zone District. The MON-LDR District is intended to reflect the low-density development pattern of single-family detached houses on large lots. The repeated use of identical facade designs shall be avoided. The preservation of natural features such as wetlands, woods and steep slopes are important components shall be included in development plans for a site.
- B. MON-MDR, Modern Era Neighborhood - Mixed-Density Residential Zone District. The MON-MDR District is intended to permit the moderate- to high-density single-use development pattern that presently exists; however, it strongly encourages the redevelopment of these properties into a mixed-density format where a variety of housing densities and styles are provided. The preservation of natural features such as wetlands, woods and steep slopes are important components and shall be included in development plans for a site.

Sec. 5.5.05. Uses of Land.

- A. Land Uses. Uses are allowed in residential Zone Districts in accordance with Table 5.5.05.B. Uses: Residential Zone Districts. Article 16 Definitions shall be referred to for clarity on the uses as listed. The following key is to be used in conjunction with the Use Table.
 - 1. Permitted Uses. Uses permitted by right in the Zone District, subject to compliance with all other applicable requirements of this Chapter. These uses are identified with a "P."

2. **Special Land Uses.** Uses which may be allowed subject to review and approval by the Planning Commission in accordance with Section 5.12.09., and all other applicable requirements of this Chapter. These uses are identified with an "S."
3. **Existing Uses.** Uses that were in existence prior to November 5, 2007 may continue to exist as non-conforming uses. These uses are identified with an "E." See Section 5.3.05.F.
4. **Uses Not Allowed.** Uses are prohibited in that Zone District. These uses are identified with an "X".
5. **Use Regulations.** Certain allowed uses, whether Permitted Uses or Special Land Uses, are subject to compliance with Article 9 or other provision of this Chapter or other City Code. These uses are identified under "Use or Other Regulations." A cell marked with "—" under this heading indicates that there are no additional use requirements. However, there may be other applicable regulations in this Chapter or other City Code for the uses listed that are not noted in the Use Table.
6. **Unlisted Uses.** Uses not listed in the Table 5.6.06.B. are also prohibited unless the Director determines that the use is similar to other uses listed either as a Permitted Use or Special Land Use in accordance with Section 5.4.04.
7. **Site Development.** Vehicle and bicycle parking requirements and pedestrian circulation requirements are in Article 10 Transportation and Mobility. Landscaping requirements are in Article 11 Landscaping and Green Infrastructure. Sign requirements are in Article 15 Signs.

B. Allowed Uses Table.

Table 5.5.05.B. Uses: Residential Zone Districts					
Use Category	Specific Use	TN, MCN, MON		Use or Other Regulations	
		LDR	MDR		
RESIDENTIAL					
Household Living	Single-family dwelling, detached	P	P	5.2.07.	
	Single-family dwelling, attached	P/S	P	5.5.05.C., 5.9.06.	
	Two-family dwelling - existing	E	P	5.3.05.F.	
	Two-family dwelling - new construction	S	P	5.5.06.	
	Multiple family dwelling	S/X	P	5.5.05.D., 5.9.20.	
	Manufactured housing community	X	P	5.9.17.	
	Adult foster care	Family home (1-6 residents)	P	P	5.9.04.
		Small group home (7-12 residents)	S	S	
		Large group home (13-20 residents)	X	S	
	Assisted living center	S	S	—	
	Nursing/convalescent home	S	S	—	
	Residential rehabilitation facility	S	S	5.9.29.	
	Rooming or boarding house	S	S	5.9.30., Chapter 116	
	Single room occupancy (sro)	X	S	5.9.32.	
	Transitional or emergency shelter	X	S	5.9.36.	
Accessory Uses	Accessory dwelling unit	S	S	5.9.03.	
	Accessory structure	P	P	5.2.08.	
	Child care home	Family home (1-6 children)	P	P	—
		Group home (7-12 children)	S	S	—
	Home occupation (Class A and Class B)	P	P	5.9.14., Chapter 116	
EDUCATIONAL, GOVERNMENT AND INSTITUTIONAL					
Educational	All educational uses	S	S	—	
	Technical, vocational, and trade school	S	S	—	
Government and Institutional	Adult day care center	X	S	5.9.04.	
	Cemetery	P	P	—	
	Child care center	S	S	5.9.09.	
	Community center	S	S	—	
	Community garden	P	P	—	
	Hospital	S	S	—	
	Library	P	P	—	
	Park, playground, plaza, square, urban open	P	P	5.11.14.	
	Police and fire station	S	P	—	
	Religious institution	S	S	—	
	Social service facility (w/o residential care)	S	S	5.9.34.	
	COMMERCIAL, INDUSTRIAL AND UTILITIES				

Table 5.5.05.B. Uses: Residential Zone Districts

Use Category	Specific Use		TN, MCN, MON		Use or Other Regulations
			LDR	MDR	
Commercial	Bed and breakfast		S	P	5.9.08., Chapter 116
	Golf course, country club		P	P	—
	Live-work unit		S	S	5.9.16.
Industrial or Transportation	Mineral extraction		S	S	5.9.21.
	Off-street parking, non-residential		S/X	S	5.5.05.E
Utilities	Electrical substations and private utilities		P	P	5.9.11.
	Wireless communication facilities	Co-located antenna	P	P	5.9.41.
		Freestanding/tower	X	X	—

P = Permitted; S = Special Land Use; E = Existing; X = Not Permitted; “—” = Not Applicable

C. Attached Single-Family Residential Use Restrictions.

1. Where four (4) or less units are constructed in a row, Attached Single-Family Residential dwelling units is a Permitted Use within the LDR zone district when the parcel is located within one-hundred (100) linear feet of a TBA, TOD, TCC or C zone district as measured from the closest point of the parcels along the public right-of-way.
2. Where more than five (5) units are constructed in row, Attached Single-Family Residential dwelling units are a Special Land Use within the LDR zone district.

D. Multiple-Family Residential Use Restrictions.

1. Purpose. Within the Roosevelt Park Neighborhood, Grandville Avenue provides a unique cadence of commercial and residential experiences along the corridor represented by pockets of Traditional Business Areas (primarily at corner properties) and longer stretches of detached single-family residential dwellings. The neighborhood desires to maintain this character. The ASP strongly promotes multi-family development in the TBA Zone District to insure a diversity of housing types and the desired density near transit nodes.
2. Applicability. In light of the ASP recommendations, within the established boundaries of the approved ASP, Multiple-Family Dwellings are not a permitted use within the TN-LDR Zone District.

E. Off-Street Parking Restrictions

Within the Grandville Avenue ASP, a parking hold line was established to delineate appropriate locations for non-residential off-street parking locations.

1. Surface parking lots that extend beyond the TBA Zone District hold line shall be prohibited
2. Off-street parking facilities as a principal use of a lot, is not permitted within the TN-LDR Zone District.

Sec. 5.5.06. Site Layout and Building Placement Requirements.

- A. Site Layout and Building Placement Table. All development in Residential Zone Districts must comply with the requirements in Table 5.5.06.A. unless otherwise expressly stated, or unless

a different requirement is contained in an applicable Overlay District. Lot area and lot width requirements listed in Table 5.5.06.A. shall be used where there is not an established lot size.

Table 5.5.06.A. Site Layout and Building Placement: Residential Zone Districts								
Neighborhood Classification	TN		MCN		MON		Use or Other Regulations	
Zone District	LDR	MDR	LDR	MDR	LDR	MDR		
Minimum Lot Area (sq. ft./unit – except as noted)								
Detached single-family, interior	3,800 ¹	2,500 ¹	5,000 ¹	3,000 ¹	7,000 ¹	3,500 ¹	5.5.06.B.	
Detached single-family, corner	5,000	3,000	6,000	4,000	8,000	4,500		
Attached single-family	1,500	1,250	3,500	3,000	4,500	4,000	5.5.06.B. 5.5.08.	
Two-family (total)	6,000 ¹	5,000 ¹	7,000 ¹	6,000 ¹	9,000 ¹	8,000 ¹	5.5.06.B.	
Multiple family/ group living	Minimum (sq. ft./unit)	2,000	1,250	2,500	1,500	2,750	1,750	5.5.09.
	Minimum lot area (total sq. ft.)	20,000 ²	20,000 ²	20,000	20,000	25,000	25,000	5.9.20.
Non-residential uses	6,000	6,000	6,000	6,000	6,000	6,000	5.6.07.B.	
Minimum Lot Width (ft.)								
Detached single-family, interior	36 ¹	36 ¹	42 ¹	42 ¹	60 ¹	60 ¹	5.5.06.C.	
Detached single-family, corner	50	50	70	60	70	70		
Attached single-family (per unit)	-	-	35	30	45	40		
Two-family	60 ¹	50 ¹	70 ¹	60 ¹	90 ¹	80 ¹		
Multiple family/group living	90	80	100	90	100	100		
Non-residential uses	80	80	80	80	100	100	—	
Minimum Setbacks and Yards for Residential Uses (ft.)								
Required Building Line (RBL)	27 ¹	22 ¹	35 ¹	30 ¹	—	—	5.5.06.D.	
Front setback	—	—	—	—	30	20		
Interior Side Setback	One side	5	5	7	5	7	5.5.06.E.	
	Total both sides	14	14	18	14	18		20
Corner Side Setback	One side	5	5	7	5	10	5.5.06.E.	
	Total both sides	20	20	20	20	25		20
Rear Setback	25	20	25	30	40	30	5.5.06.F.	
Minimum Setbacks and Yards for Non-Residential Uses (ft.)								
Front setback	20	20	25	25	25	25	5.5.06.D.	
Side setback	10	10	10	10	20	20	5.5.06.E.	
Rear setback	25	25	30	30	30	30	5.5.06.F.	
See Section 5.11.11.C. for minimum buffer widths where non-residential uses abutting residential uses.								
Building Facade Along RBL (%)	60	60	50	50	—	—	5.5.06.G.	

Table 5.5.06.A. Site Layout and Building Placement: Residential Zone Districts							
Neighborhood Classification	TN		MCN		MON		Use or Other Regulations
Zone District	LDR	MDR	LDR	MDR	LDR	MDR	
Minimum Green Space at Grade (% of lot area)							
Detached single-family	40	30	50	40	60	50	5.5.06.H.
Attached single-family	40	20	50	30	60	40	
Two-family	35	20	40	25	50	30	
Multiple family	30	20	30	25	30	30	
Non-residential uses	30	30	30	30	30	30	
Minimum Tree Canopy (% of lot area)							
Multiple-family/group living	37	34	48	41	51	35	5.11.09.
Non-residential uses	37	34	48	41	51	35	
¹ This dimension shall apply in areas not established, per Sections 5.2.05.C. and 5.5.06.B-D. ² See Section 5.5.06.B.4.							
"—" = Not Applicable							

B. Lot Area.

1. The minimum lot area requirement may not permit allowed densities on every lot. Other factors, such as off-street parking, height limits, dwelling unit sizes and lot configuration may limit the built density.
2. Lot Areas Not Established. On blocks where lot areas are not established, Table 5.5.06.A. Site Layout and Building Placement shall apply.
3. Established Lot Areas. On blocks where lot areas are established, the following shall apply:
 - a. Detached Single Family Dwellings.
 - i. For detached single-family dwellings on interior lots, the lot area shall be at least the median lot area of interior single-family lots on the same block and. For the purposes of this calculation, the same block is defined as both block faces, in the same Zone District, not to exceed five (5) lots on each side of the subject parcel and five (5) lots directly across the street on which there is at least one (1) conforming main structure.
 - ii. For detached single-family dwellings on corner lots, the minimum lot area in Table 5.5.06.A. shall apply.
 - b. Two Family Dwellings.
 - i. For two-family dwellings, the minimum lot area shall be thirty (30) percent larger than the median lot area of single-family lots on the same block. For the purposes of this calculation, the same block is defined as both block faces, in the same Zone

District, not to exceed five (5) lots on each side of the subject parcel and five (5) lots directly across the street.

- ii. Reduction (up to one [1]). The minimum lot area may be reduced by an additional ten (10) percent beyond that required in b.i. above where all of the following conditions apply:
 - (a) Both units are priced at or below thirty (30) percent of the area median household income (as determined by the American Community Survey of the U.S. Census Bureau), as adjusted for family size, for the census tract in which the development is located, with affordability maintained for at least fifteen (15) years.
 - (b) The units are comparable in size, amenities and location with other similar units in the same block.
 - (c) The property owner agrees to the submission of annual reports to the City regarding certification of eligible tenants and purchasers, annual certification of rental property and monitoring of affordable rental housing requirements.
- iii. Reduction (up to two [2]). The minimum lot area may be reduced by an additional ten (10) percent for each dwelling unit that is designed and constructed to meet the Type B Unit accessibility requirements of the ANSI A117.1. standard.
- iv. Reductions may be combined for a cumulative reduction of up to thirty (30) percent.

Table 5.5.06.B.3. Use of Minimum Lot Area/Width Reductions Two Family Dwellings - LDR and MDR Zone Districts

Reductions Used	Required % of Lot Area/Width Above Median Single-Family Lot Requirements
None	30%
1	20%
2	10%
3	None

4. Multiple Family Developments and Group Living.

- a. Minimum Lot Area. The minimum lot area in Table 5.5.06.A. shall apply to multiple-family developments and group living, except for adult foster care family homes which shall comply with the requirements for detached single family dwellings.
- b. Multiple-Family Developments - Minimum Lot Area Reductions. In the TN Districts, a Special Land Use to reduce the minimum lot area for a multiple family development may be considered where it is demonstrated that the proposed development complies with the Purpose and Intent of the District and where all other requirements of this Chapter have been satisfied.

C. Lot Width.

1. Lot Widths Not Established. On blocks where lot widths are not established, Table 5.5.06.A. Site Layout and Building Placement shall apply.
2. Established Areas. On blocks where lot widths are established, the following shall apply.
 - a. Detached Single-Family Dwellings.
 - i. For detached single-family dwellings on interior lots, the lot width shall be at least the median lot width of interior single-family lots on the same block. For the purposes of this calculation, the same block is defined as both block faces, and in the same Zone District, not to exceed five (5) lots on each side of the subject parcel and five (5) lots directly across the street.
 - ii. For detached single-family dwellings on corner lots, the minimum lot width in Table 5.5.06.A. shall apply.
 - b. Two-Family Dwellings.
 - i. For new construction two-family dwellings on interior lots, the minimum lot width shall be thirty (30) percent larger than the median lot width of single-family lots on the same block. For the purposes of this calculation, the same block is defined as both block faces, in the same Zone District, not to exceed five (5) lots on each side of the subject parcel and five (5) lots directly across the street. In no case shall the lot width be less than the minimum established in Table 5.5.06.A. except as provided in Sections 5.5.06.B.3.b.ii. and iii.
 - ii. For two-family dwellings on corner lots, the minimum lot width in Table 5.5.06.A. shall apply except as provided in Sections 5.5.06.B.3.b.ii. and iii.
 - c. Multiple Family and Group Living. The minimum lot width in Table 5.5.06.A. shall apply except for adult foster care family homes which shall comply with the regulations applicable to detached single family dwellings.
 - d. Administrative Departure. An Administrative Departure of two (2) feet may be approved. In no case shall the lot width be smaller than the minimum established in Table 5.5.06.A.

D. Front Setbacks and Required Building Line (RBL).

1. Front Setbacks Not Established - TN Traditional Neighborhood and MCN Mid-20th Century Neighborhoods. On blocks where the front setback or RBL is not established, the RBL in Table 5.5.06.A. Site Layout and Building Placement shall apply.
2. Established Areas. On blocks where the front setback or building line is established, the following shall apply:
 - a. For all residential dwellings on all lots, the Required Building Line (RBL) shall be equal to, or the median of, the front setbacks of existing main buildings on the same block. For the purposes of this calculation, the same block is defined as both block faces, in same Zone District, not to exceed five (5) lots on each side of the subject parcel and five (5) lots directly across the street. In no case shall the RBL be less than the minimum established in Table 5.5.06.A.

- b. Where an established RBL is not present, the minimum setback defined in Table 5.5.06.A. shall apply.
- c. An Administrative Departure up to ten (10) feet of the established RBL may be permitted to accommodate individual site conditions, such as mature trees, topography, or other similar physical condition or where the setbacks of existing buildings on the subject block are inconsistent. The Required Building Line may be determined by referencing the front setbacks of the adjacent properties.

E. Side Yard Setback.

- 1. Side Yard Setbacks. Table 5.5.06.A. Site Layout and Building Placement shall apply to side yard setbacks.
- 2. Side Yard Setbacks Between Districts.
 - a. Residential. In no case shall side yard setbacks be less than five (5) feet on each lot between two (2) residential Zone Districts or uses, unless specified otherwise.
 - b. Residential and Non-Residential. A minimum distance of ten (10) feet shall be maintained on each lot between residential and non-residential Zone Districts or uses.
- 3. Exceptions for Attached Single-Family Dwellings. Exceptions to the side yard requirements for attached single-family dwellings are provided in Section 5.9.06.
- 4. Corner Lots. Corner lots shall have two (2) front yards, two (2) side yards, and no rear yard.
- 5. Administrative Departure. An Administrative Departure up to two (2) feet in a side yard setback may be permitted to accommodate individual site conditions, such as healthy mature trees, topography, or other similar physical condition.

F. Rear Yard Setback.

- 1. Rear Yard Setbacks. Table 5.5.06.A. Site Layout and Building Placement shall apply to rear yard setbacks.
- 2. Administrative Departure. An Administrative Departure up to five (5) feet in a rear yard setback may be permitted to accommodate individual site conditions, such as mature trees, topography, or other similar physical condition

G. Building Facade Along Required Building Line. The building facade along the RBL shall meet the requirements of Table 5.5.06.A.

H. Minimum Required Greenspace at Grade.

- 1. Purpose. The minimum greenspace requirements are designed to ensure a sufficient amount of area of greenspace for recreation and nature, as well as to provide pervious surface to assist in stormwater management.
- 2. Applicability. The minimum required greenspace, as defined by Article 16, shall apply to each lot in its entirety, including driveways.

3. **Stormwater Credit.** No more than twenty-five (25) percent of pervious surfaces, such as grass pavers, uncovered decks, brick pavers with a sand base, pervious concrete and asphalt, may be applied toward the greenspace requirements of this Section.
 4. **Front Yards.** Front yards shall consist of greenspace, and impervious surfaces shall be limited to driveways and private sidewalks.
 5. **Multiple-Family Exception.** A reduction of not more than twenty-five (25) percent of the required greenspace listed in Table 5.5.06.A. for a multiple-family property is permitted for development projects with the submission of a stormwater mitigation plan that retains one hundred (100) percent of all stormwater on site, as approved by the City's Environmental Protection Services Department (EPSD); and submittal of a LEED checklist and proof of registration that demonstrates the intent to apply for LEED building certification, or other generally recognized sustainable building certification.
 6. **Multiple-Family Administrative Departure.** An Administrative Departure for a multiple-family property may be approved to permit permanent planters, vegetated walls and green roofs that are readily accessible and safe for residential occupants to be included in greenspace calculations. These items shall be measured in square feet of surface area.
- I. **Residential Bonuses.**
1. **Purpose.** The Master Plan calls for a range of housing types and price points within neighborhoods to accommodate all residents regardless of income, special need or place in life cycle. Developments can receive bonuses as outlined in this Section by providing additional accessibility and housing that is affordable to a wide range of residents.
 2. **Housing Bonuses.** Bonuses are available for two-family and multiple family developments in accordance with the provisions of Table 5.5.06.I.2.

Condition		Districts	Incentive/Bonus	Bonus
Accessible Housing	Two-family residential	LDR, MDR	5.5.06.I.3.a	Reduced minimum lot area/width
	Multiple-family residential		5.5.06.I.3.b	Reduced lot area per dwelling
Mixed-Income Residential	Two-family residential	LDR	5.5.06.I.4.a	Reduced minimum lot area/width
Mixed-Income Residential	Multiple-family residential	LDR, MDR	5.5.06.I.4.b	Reduced lot area per dwelling

3. **Accessible Housing.** Bonuses are available for two-family and multiple family developments when units are designed and constructed to meet the ANSI A117.1 standards for Type B accessible units when the following conditions are met.
 - a. **Two-Family Developments.** The minimum lot area for two-family residential developments may be reduced where the conditions of Section 5.5.06.B.3.b.iii. are met.

- b. Multiple-Family Developments. The minimum lot area for a multiple family development may be reduced by up to five hundred (500) square feet per dwelling unit when at least twenty-five (25) percent of the units are accessible.
4. Mixed-Income Housing. Bonuses are available in accordance with the provisions of Table 5.5.06.I.2. when the following conditions are met.
- a. Two-Family Developments. The minimum lot area for two-family residential developments may be reduced where the conditions of Section 5.5.06.B.3.b.ii. are met.
 - b. Multiple-Family Developments. The minimum lot area for a multiple family development may be reduced by up to five hundred (500) square feet per dwelling unit for a project that satisfies the following criteria:
 - i. Project is located within three hundred (300) feet of a transit line;
 - ii. At least twenty (20) dwelling units are developed as part of the project;
 - iii. If rental units, not less than fifteen (15) percent nor more than thirty (30) percent of the total number of units are priced for households at or below sixty (60) percent of Area Median Income, as adjusted for family size, with rental charges remaining affordable for at least fifteen (15) years.
 - iv. If owner units, not less than fifteen (15) percent nor more than thirty (30) percent of the total number of units are priced for households at or below eighty (80) percent of Area Median Income, as adjusted for family size.
 - v. The remaining units are priced at market rate.
 - vi. The affordable units shall be comparable in unit sizes, amenities and location with the market rate units.
 - vii. The property owner agrees to the submission of annual reports to the City regarding certification of eligible tenants and purchasers, annual certification of rental property and monitoring of affordable rental housing requirements.

Sec. 5.5.07. Building Element Requirements.

A. Building Elements Table. All development in the Residential Zone Districts shall comply with the requirements in Table 5.5.07.A. Building Elements unless otherwise expressly stated, or unless a different requirement is contained in an applicable Overlay District.

Table 5.5.07.A. Building Elements: Residential Zone Districts								
Neighborhood Classification		TN		MCN		MON		Use or Other Regulations
Zone District		LDR	MDR	LDR	MDR	LDR	MDR	
Maximum Height								
Residential Permitted Use	Stories	2 ½	3	2 ½	3	2 ½	3 ½	5.5.07.B.1.
	Feet	35	45	35	45	35	52	
Residential SLU	Stories	3	4	3	6	3	8	5.5.07.B.2
	Feet	45	60	45	90	45	120	
Non-Residential	Stories	3	3	3	3	3	3 ½	5.5.07.B.1.
	Feet	45	45	45	45	45	52	
Materials								
Residential		R	R	R	R	R	R	5.5.07.C.
Non-residential		R	R	R	R	R	R	
Facade Variation								
Multiple-Family and Non-residential		R	R	R	R	—	—	5.5.07.D.
Building Orientation		R	R	R	R	—	—	5.5.07.E.
Entrance		R	R	R	R	—	—	5.5.07.E.
Transparency (% of building wall area)								
Front	All residential	20	20	15	15	15	15	5.5.07.F.
Side	Detached, attached single-family	3 windows minimum at 6 sq. ft. each						—
	Two-family, multiple-family	10	10	10	10	10	10	—
Non-Residential	Front	40	40	40	40	40	40	—
	Side	20	20	20	20	10	10	—
Transitional Features		R	R	R	R	R	R	5.5.07.G.
Streetscape Design		R	R	R	R	R	R	5.11.13.

S = Special Land Use; R = Rules Apply; "-" = Not Applicable.

B. Building Height.

1. See Section 5.2.08. Building Height for additional information and exceptions.
2. Residential building heights may be increased from the requirements of Table 5.5.07.A. by Special Land Use approval. The Planning Commission shall take into consideration the neighborhood context, scale, massing and compatibility of the proposed structure in making its decision.

C. Materials.

1. Permitted Materials.

- a. Durable building materials, simple configurations and solid craftsmanship are required.
- b. Walls visible from public streets, exclusive of wall areas devoted to meeting transparency requirements, shall be constructed of: high quality, durable materials, including: brick; fiber cement siding, high-quality finished metal; wood lap, aluminum or vinyl siding; and split-faced block, stucco or stone.
- c. EIFS is permitted for accents only.
- d. To provide visual depth and strong shadow lines, clapboard siding must have a minimum butt thickness of a quarter ($\frac{1}{4}$) of an inch.

2. Where more than one (1) facade material is proposed vertically, the 'heavier' material in appearance shall be incorporated below the 'lighter' material (e.g. masonry below siding).

3. Roofing Materials.

- a. Roofing materials shall be those used and installed in a manner customary for residential construction, shall be compatible in character and scale with the residential structure on which it is being installed, shall be installed according to the manufacturer's specifications, shall have no visible fasteners, and shall be uniform in type and appearance within each uninterrupted roof plane.
- b. Acceptable roof materials include three hundred (300) pound or better, dimensional asphalt composite shingles, wood shingles and shakes, metal tiles or standing seam, slate, and ceramic tile. The approving authority may permit "engineered" wood or slate with an approved sample and examples of successful, high quality local installations.
- c. Corrugated roofing materials are not permitted.

4. Repairs and replacements shall be completed with materials similar in color and appearance to the existing materials.

5. Orientation. Building materials in TN Zone Districts shall have a traditional, horizontal orientation.

6. Administrative Departure. Other materials of equivalent or better quality, including high quality synthetic materials, may be approved, if determined appropriate for the building, site, and area with an approved sample and examples of successful, high quality local installations

D. Facade Variation. The following requirements shall apply to multiple-family dwellings and non-residential buildings in Zone Districts within TN and MCN Neighborhood Classifications.

1. Uninterrupted Facade. The maximum linear length of an uninterrupted building facade facing a public street and/or park shall be thirty (30) feet. Building wall offsets (projections and recesses), cornices, plinths, quoins, varying building materials or pilasters shall be used to break up the mass of a single building.

2. Vents, air conditioners and other utility elements shall not be part of any street-facing building facade. Where these elements are part of other facades, particular care must be taken to render these elements less visible to public view through architectural integration or other means of screening.
3. Administrative Departures. Administrative Departures may be granted for:
 - a. A reduction of up to five (5) feet of the thirty (30) foot requirement may be approved, depending on actual building design, entrance placement, and other factors that make the requirement impractical.
 - b. Other methods to provide adequate articulation, provided that the visual effect of articulation is maintained. Examples of acceptable variations may include architectural or artistic details or features, a variation in color or materials and enhanced ornamentation around building entranceways.
 - c. Locations of vents, air conditioners, and other utility elements where physical conditions of the site dictate a location on the street-facing facade.

E. Entrances

1. Orientation.
 - a. Interior Lots. For interior lots, the primary building entrance shall be located in the front facade parallel to the street or urban open space.
 - b. Corner Lots. For corner lots, the primary entrance shall face the street from which the structure derives its street address.
 - c. Administrative Departure. Alternative orientations may be considered where consistent with existing adjacent development.
2. Primary Entrances. Primary entrances for all residential structures shall be clearly defined by at least one (1) of the following:
 - a. A projecting or recessed entrance. A recessed entrance is required if the entrance is within five (5) feet of the lot line; the entrance recess shall not be less than the width of the door(s) when opened outward.
 - b. Stoop or enclosed or covered porch, provided that an enclosed porch shall comply with required setbacks, except as provided in E.3. below.
 - c. Transom and/or side light window panels framing the door opening.
 - d. Architectural trim framing the door opening.
 - e. Administrative Departure. Other methods, such as unique color treatments, additional moldings with expression lines, or bays of unique width, may be approved with an Administrative Departure provided the same effect is achieved.
3. TN Neighborhood Classification – Porches and Stoops. In addition to the above, residential dwellings located in Zone Districts within the TN Neighborhood Classification shall be subject to Section 5.2.07.F. and the following requirements:

- a. The primary entrance facing the street shall include a stoop or a front porch.
 - b. Projections into RBLs and Front Yards.
 - i. For lots with an RBL, a stoop may be built up to six (6) feet (not including steps) forward of the RBL, and shall be at least be three (3) feet wide. An unenclosed front porch may be built up to six (6) feet (not including steps) forward of the RBL.
 - ii. For lots with a setback, an unenclosed porch or stoop (not including steps) may project into the front yard by no more than ten (10) feet, but shall be no closer than five (5) feet to the front sidewalk.
 - c. Porches, not including steps, shall be at least six (6) feet deep to provide for usable seating and circulation, and be at least one-third ($\frac{1}{3}$) the width of the front facade of the residential structure (not including the garage), but in no case shall be less than eight (8) feet wide.
 - d. Building materials shall be compatible with the main building.
 - e. Porch fixtures such as columns, pillars, posts and railings shall be coated with stain or paint if materials made of wood are used.
 - f. Administrative Departures may be granted for the following.
 - i. A decrease in the required porch projection up to two (2) feet if, due to required building setbacks, the required projection cannot be satisfied.
 - ii. Porch or entrance enclosures may be permitted where individual site conditions dictate the need for enclosure or where the enclosure and its placement is consistent with others on the same block face, for the same use and in the same Zone District. In all cases, at least eighty (80) percent transparency shall be maintained.
 - iii. Entrances to dwellings to accommodate persons with mobility impairments.
4. Non-Residential Structures. Non-residential structures in Residential Zone Districts shall comply with the requirements of Section 5.6.08.F. for entrances.
- F. Transparency.
- 1. General Requirements. The General Provision requirements of Section 5.2.14. Building Transparency shall apply.
 - 2. Residential Buildings. Residential buildings shall have windows on all exterior walls of the structure. The size and placement of windows on the facade shall be generally uniform.
 - a. TN Residential Dwellings. For all residential dwellings in Zone Districts within the TN Neighborhood Classification, at least twenty (20) percent of the area of the front facade shall consist of windows or primary entrance doors which permit a view from the dwelling to the street.
 - b. MCN and MON Residential Dwellings. For all residential dwellings in Zone Districts within MCN and MON Neighborhood Classifications, at least fifteen (15) percent of the area of the front facade shall consist of windows or primary entrance doors which permit a view from the dwelling to the street.

- c. Single-Family Detached and Attached Dwellings (e.g. row houses and townhouses).
 - i. At least three (3) windows with a minimum of six (6) square feet each are required on the building's side walls (those adjoining the front facade).
 - ii. Administrative Departure. An Administrative Departure may be granted for side wall transparency for single-story dwellings where it is determined that the requirement cannot be met due to the interior design of the dwelling.
 - d. Two-Family and Multiple-Family Dwellings. For two-family dwellings and multiple-family dwellings, at least ten (10) percent of the area of the building's side walls (those adjoining the front facade) shall consist of windows.
3. Non-Residential Buildings.
- a. For non-residential building facades facing public streets, parks and through block walkways, at least forty (40) percent of the facade area shall consist of window and door openings.
 - b. In the TN and MCN Neighborhood Classifications, at least twenty (20) percent of the area of a building's side walls (those adjoining the front facade) must consist of windows.
 - c. In the MON Neighborhood Classification, at least ten (10) percent of the area of a building's side walls (those adjoining the front facade) must consist of windows.

G. Transitional Features.

1. Purpose. Transitional features are architectural elements, site features and alterations to building massing that are used to provide a transition between higher intensity uses and low- or moderate-density residential uses. These features assist in mitigating potential conflicts between those uses in lieu of conventional landscape buffers or large setbacks. It is the intent of these standards to:
 - a. Reduce land consumption;
 - b. Create a compatible mixed-use environment;
 - c. Limit interruptions in vehicular and pedestrian connections created by efforts to segregate densities and uses; and
 - d. Establish or maintain vibrant pedestrian- and transit-oriented areas where differing uses and densities can operate in close proximity to one another.
2. Applicability. Transitional features shall be required in the following circumstances.
 - a. Where buildings or structures would be one (1) or more stories higher than adjacent residential buildings or structures.
 - b. Where non-residential uses are situated adjacent to residential buildings or structures.
 - c. Where higher-intensity land uses that would adversely affect the livability of an area.

- d. As a condition of any zoning approval required by Article 12 when necessary to ensure that the appropriate review standards are satisfied.
3. Transitional Features. The following transitional features may be required either singly or in combination.
 - a. Landscape Buffer. The Director or approving body for a required zoning approval, as applicable, may require the use of a landscape buffer (Section 5.11.12.) in lieu of, or in addition to, a transitional feature where such landscape buffer would be sufficient to reduce potentially adverse impacts between incompatible uses, densities or different building types.
 - b. Uses. A continuum of use intensity, where moderate intensity uses are sited between high-intensity uses and low-intensity uses, may be required for multi-building developments on one (1) or more lots. An example would be a duplex between a single-family home and an apartment building.
 - c. Height and Massing. Building height and massing shall be reduced in the form of building step-backs, recess lines or other techniques so that large structures are compatible in scale with smaller, adjacent structures.
 - d. Architectural Features. Similarly sized and patterned architectural features such as windows, doors, arcades, pilasters, cornices, wall offsets, building materials, and other building articulations included on the lower-intensity use shall be incorporated as transitional features.
 4. Parking and Loading. Where possible, off-street parking, loading, service and utility areas shall be located away from a lower-intensity use.

ARTICLE 9 USE REGULATIONS

Sec. 5.9.02. Applicability.

- A. Use Regulations and Approval Process of Table 5.9.02.
 - 1. Director Review. All uses shall be in accordance with the provisions of Section 5.12.16.
 - 2. Counter Reviews. All uses listed shall be in accordance with the provisions of Section 5.12.16.
 - 3. Special Land Uses. All uses listed shall be in accordance with the provisions of Section 5.12.09. Unless otherwise stated within this Article, the Planning Commission shall have the authority to waive or alter the Use Regulations contained in this Article provided the standards of Section 5.12.12.E. are substantially met.

Sec. 5.9.06. Attached Single-Family

- A. Attached dwellings must comply with the dimensional and design standards of Sections 5.5.06. and 5.5.07., except where these standards are expressly modified by this Section.
- B. Conversion. The conversion of attached single-family to a higher density on the same lot is prohibited, except where the building exceeds five thousand (5,000) square feet in gross floor area and the Director determines that the size of the house is out of character with other nearby residential uses, the use shall be heard as a Special Land Use by the Planning Commission to determine the appropriate number of units.
- C. Minimum Setbacks.
 - 1. Interior Lots. The minimum required interior side setback on the side of the dwelling unit containing the common wall is reduced to zero. The (interior) side and rear setback standards of the Zone District apply around the perimeter of the project.
 - 2. Corner Lots.
 - a. The interior side setback may be reduced to zero. However, the remaining side setback must comply with the standards of the Zone District.
 - b. The required building setback from one (1) front lot line may be reduced to fifteen (15) feet. This setback may be further reduced to match the predominant setbacks of adjoining structures on the same side of the street between the nearest intersecting streets or alleys, provided that a minimum setback of three (3) feet is provided in all cases.
- D. Minimum Building Width. Each dwelling shall have a minimum dimension of fourteen (14) feet in any horizontal dimension.
- E. Separation Between Walls.
 - 1. When the end wall of a row of attached single-family dwellings faces the front wall or rear wall of another row of attached dwellings, there shall be at least twenty (20) feet between the main buildings (excluding minor building projections allowed under Section 5.2.05.).

2. Driveways, walkways, and open parking areas may be located within this separation area, provided that landscaped planting areas with a minimum separation of four (4) feet from one (1) building wall are provided.

F. Building Facades on Public Streets.

1. Building Facades. Building facades that face public streets shall include elements typical of a front facade, including doors and/or windows.
2. Attached Single-Family Dwelling Facade Treatment. The front of each dwelling must be distinct through either the use of different facade materials; staggered building lines of at least two (2) feet; an identifiable permanent architectural design element such as a chimney; pilaster or column (excluding gutter spouts or siding trim); or a combination of these methods.

- G. Attached Single-Family Roof Line. The roof line of each dwelling must be distinct through either a separation of roof pitches (minimum difference at least five (5) degrees), a difference in roof direction, a difference in roof height (minimum of two [2] vertical feet), or a combination of both methods.

H. Garage Doors.

1. Attached Single-Family Garage Door Entrances.

- a. Garage door entrances for individual dwellings shall not face a public street. Alleys or interior driveways shall be used for access. This provision is not intended to prohibit garage doors that serve common parking areas.
- b. Administrative Departure. Garages for individual dwellings may be approved to face a public street where site conditions warrant. If approved, garage doors shall be set back at least twenty (20) feet from the front lot line. Garage doors shall be subject to the same transparency requirements as the building facade.

2. Maximum Width. Garage doors facing the street may not occupy more than forty (40) percent of the width of the street-facing facade of the main building. The maximum continuous, uninterrupted width of a garage door (or combination of smaller, single-car garage doors) along the street-facing facade may not exceed twenty-five (25) feet. A minimum separation of two (2) feet is required between garage doors.

3. Recess. All garage doors must be recessed at least five (5) feet from the front building wall nearest the front lot line.

I. Private Yards.

1. Minimum Area. Each attached single-family dwelling shall have at least two hundred (200) square feet of private yard with a minimum dimension of five (5) feet. All private yards shall have a minimum contiguous area of.
2. Location. For attached single-family dwellings, the private yard shall be contiguous to individual units, immediately adjacent to a wall of the dwelling it serves.
3. At Grade. Required private yards may be at grade, or within four (4) feet of grade if a terrace or patio. An Administrative Departure may be approved for a deck that is more than four (4) feet above grade.

4. Contiguous to Common Open Space. Required private yards for attached single-family dwellings may be within a common open space area provided that the common area is contiguous and directly accessible to the dwelling and the private yard area exceeds the minimum required common open space.
5. Driveways and Parking. No driveways or off-street parking spaces (open or enclosed) may be located within required private yards.

J. Attached Single Family Dwellings - Common Open Space.

1. Minimum Required Open Space. In addition to required private yards in Section 5.5.08.K., an attached single-family dwelling development of forty (40) or more units must provide a minimum of one hundred fifty (150) square feet of common open space per dwelling unit.
2. Minimum Dimensions. Required common open space must be located on the same lot as the development and in one (1) or more usable, common areas, each with minimum dimensions of twenty-five (25) feet and a minimum area of two thousand (2,000) square feet.
3. Accessibility and Landscaping. Common open space areas must be accessible to all attached single-family dwellings and must be improved with landscaping, recreational facilities, and/or walkways.
4. Trees. Trees must be planted within common open space areas at the rate of one (1) tree for every one thousand (1,000) square feet of required common open space. All trees must have a minimum two and one-half (2½) inch caliper.
5. Driveways and Parking. No driveways or off-street parking spaces (open or enclosed) may be located within the common open space. Bollards, curbs, wheel stops or other similar features shall be provided to ensure that required open space is not used for off-street parking, loading or vehicle circulation.

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 14, 2017

TO: Committee of the Whole
Greg Sundstrom, City Manager

FROM: Jessica L. Wood
Director of Municipal Legal Affairs

SUBJECT: Recommendation #11 of Housing Advisory Committee – Draft Residential Rental Application Ordinance for Discussion

As a result of the Housing Advisory Committee recommendations, please find attached a DRAFT Residential Rental Application Ordinance (the Ordinance).

A few salient features of the DRAFT ordinance are as follows:

1. The landlord must disclose the criteria being used to judge the rental application.
2. The application fees must not exceed the cost of the screening costs.
3. Complaints about excessive fees (beyond the out of pocket costs to purchase criminal background and credit history reports) would go to either the Community Development office or 311 (to be determined).
4. If an applicant pays an application fee and is denied, the landlord must notify the tenant in writing of the reasons for rejection and provide the name of any screening agency used, all within 14 days.
5. If an applicant is rejected for a reason not listed in the written criteria, the entire application fee must be returned.
6. The applicant chooses whether the application fee shall be returned by mail, or destroyed if not cashed, or held for pickup.
7. It allows a landlord to hold an application for up to 60 days, uncashed and undeposited, until prior applications have been screened and rejected or screened and declined to take the unit. If a prior applicant is screened and accepts the unit during this time, the landlord must return the fee to the applicant.
8. A violation of the ordinance would be a municipal civil infraction.

Some additions to this ordinance could also include (1) adding a cap or “not to exceed amount” to the costs allowable, and (2) adding a penalty option which would include revoking a rental compliance certificate (through our code compliance) for a one year period when excessive fees are charged, in conjunction with code compliance.

AN ORDINANCE TO ADD SECTIONS _____ THROUGH _____ OF CHAPTER
____ OF _____ OF THE CODE OF THE CITY OF GRAND RAPIDS ENTITLED

ORDINANCE NO. _____

THE PEOPLE OF THE CITY OF GRAND RAPIDS DO ORDAIN:

Sec. _____ - Rental application fee requirements.

The Grand Rapids City Commission finds that rental application fees should be regulated to protect applicants from the unnecessary and predatory collection of fees. The purpose and intent of this Chapter is to establish rules and regulations for the collection and return of rental application fees in the city.

Rental application fee: A fee paid by the applicant (prospective tenant) to a rental property owner, in order that the owner can screen the background of the applicant before signing the lease and before any contractual relationship is created.

- (1) Before taking a rental application fee, a rental property owner must disclose to the applicant, in writing, the criteria on which the application will be judged.
- (2) Application fees for rental properties shall not exceed the cost of the screening process, which may include, but is not limited to, criminal background checks in Michigan, and other states if necessary, credit history and rental history of the applicant (prospective tenant). Written information on the actual cost of the screening process shall be made available to the applicant upon request. This written information shall include the following statement: all complaints that the rental application fee exceeded the actual cost of screening should be directed to the City of Grand Rapids Clerk's office.
- (3) If the applicant was charged an application fee and the rental property owner rejects the applicant, then the rental property owner must, within fourteen (14) days, notify the applicant in writing of the reasons for rejection, including any criteria that the applicant failed to meet, and the name, address, and phone number of any tenant screening agency or other credit reporting agency used in considering the application.

- (4) The rental property owner must refund the entire application fee if an applicant is rejected for any reason not listed in the written criteria on which the application was judged.
- (5) Application forms must allow the applicant to choose which of the following methods will be used for return of the application fee under section (4):
 - a. Mailing it to the applicant's chosen address as stated on the application form;
 - b. Destroying it (if uncashed/undeposited); or
 - c. Holding the fee for retrieval by the applicant upon one business day notice.
- (6) Nothing in this section shall prohibit a rental property owner from collecting and holding an application fee for up to sixty (60) calendar days so long as the rental property owner provides a written receipt to the applicant for the fee and the fee is not cashed, deposited, or negotiated in any way until all prior rental applicants either have been screened and rejected for the unit, or have been offered the unit and have declined to take it. If a prior rental applicant is offered the unit and accepts it, the rental property owner shall return all application fees being held (not cashed, deposited, or negotiated) in the manner selected by the unchosen applicant, pursuant to section (5).
- (7) A violation of this Section shall be a municipal civil infraction punishable by a fine as established in Chapter 170 of the City Code.

****Note to Compiler: Needs a companion ordinance to put this in the table of Municipal Civil Infractions in Chapter 170****

MEMORANDUM

CITY OF GRAND RAPIDS

Date: November 14, 2017

To: Mayor Bliss and City Commissioners

From: Gregory Sundstrom, City Manager

Subject: **Housing Advisory Committee Recommendation—
Affordable Housing Fund**

The City seeks to ensure all people have an opportunity to live in healthy and safe housing in mixed-income neighborhoods. Our goal is a citywide housing inventory mix of 70% market rate and 30% affordable housing with a mix of homeownership and rental opportunities that accommodate various household sizes, abilities, and needs.

The City seeks to address significant personal income disparities and long-term equity issues by promoting personal wealth creation through homeownership. Consequently, the City seeks to engage the philanthropic and non-profit communities to establish an Affordable Housing Fund to provide incentives and tools to develop long-term affordable housing for eligible Grand Rapids residents.

The Affordable Housing Fund would be established with a partner, capable of creating and managing a fund, administering the uses of the fund, and minimizing administrative and overhead costs to maximize benefits for those with housing needs in our community.

The purpose of the Affordable Housing Fund is to invest in the creation and preservation of affordable housing units, both owned and rented. The Fund would leverage dedicated City revenues, private contributions, and interest earnings to maximize the creation of affordable housing development.

The Affordable Housing Fund board shall provide recommendations for policy changes to support affordable housing programs, allocate funding within the City Commission's priorities to applicants, and manage the application, allocation, and reporting processes for allocations from the Affordable Housing Fund.


Attached is a proposed City Commission policy—Affordable Housing Fund.

cc: Erin Banchoff
Landon Bartley
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Asante Cain
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CITY COMMISSION POLICY

 <p>GRAND RAPIDS MICHIGAN</p>	<p>NUMBER:</p>	<p>HISTORY</p> <p>FILE # DATE</p>
	<p>DATE: November 14, 2017</p>	
	<p>FILE NUMBER:</p>	
	<p>DEPARTMENT: Executive</p>	

Affordable Housing and Preservation Fund

SUBJECT AFFORDABLE HOUSING FUND

PURPOSE

Grand Rapids is experiencing a significant economic growth with historic levels of investment, both private and nonprofit, in housing. Historically, Grand Rapids has had a comparatively low cost of living which, combined with sound City financial management, great quality of life, low housing costs, short commutes, quality educational options, employment opportunities, and changing generational proclivities toward urban living, have created an acute housing shortage of all types and price points for rent and for purchase within Grand Rapids.

The City of Grand Rapids seeks to:

- Ensure all people have an opportunity to live healthy and productive lives in safe housing;
- Encourage mixed-income neighborhoods with a citywide housing inventory mix of 70% market rate and 30% affordable housing units;
- Provide a variety of housing choices that support a mix of homeownership and rental opportunities that accommodate various household sizes, abilities, and needs;
- Address significant personal income disparities and long-term equity issues by promoting personal wealth creation through homeownership;
- Establish an Affordable Housing Fund to provide incentives and tools to develop long-term affordable housing for eligible Grand Rapids residents;
- Engage the philanthropic and nonprofit communities to support the Affordable Housing Fund;
- Create multiple sustainable revenue sources and use other City resources, e.g., CDBG, HOME, City employee homebuyer assistance, to leverage the Affordable Housing Fund;
- Target Affordable Housing Fund resources to individuals and families of greatest need;
- Begin with two years of significant City financial investments, then use multiple funding mechanisms for the Affordable Housing Fund to ensure long-term sustainability; and
- Minimize administrative and overhead costs to ensure that the Affordable Housing Fund is utilized to provide maximize benefit for those with housing needs in our community.

The purpose of the Affordable Housing Fund is to:

- Invest in the creation and preservation of affordable housing units, both owned and rented, using dedicated revenues, private contributions, and interest earnings;
- Support investments that leverage and maximize the creation of affordable housing development for low and extremely low income renters, and provide financial assistance and incentives for low to moderate income homebuyers and extremely low to moderate income housing developers;

POLICY

Affordable Housing Definition

The City recognizes housing as being affordable when its annual cost is no more than 30% of the tenant's or homeowner's annual income.

The City seeks to incent the creation of rental housing for residents with household incomes of 60% or less of Area Median Income, and homeownership with financial assistance for residents with household incomes of 80% or less of Area Median Income. The Area Median Income is determined annually by the Federal government. It is an income level that has one-half of residents with higher income and one-half of residents with lower income.

Governance of the Affordable Housing Fund

The Affordable Housing Fund shall be overseen by the Affordable Housing Board. The Affordable Housing Board shall:

- Be comprised of fifteen voting members and up to five for-profit or nonprofit housing developers as ex officio non-voting members. The voting members shall have experience or expertise in affordable housing. The members shall be chosen as follows:
 - ♦ Each City Commissioner shall nominate one City resident or City property owner as a voting member;
 - ♦ The Mayor shall nominate one City resident or City property owner and three City Commissioners as voting members, and up to five for-profit or nonprofit housing developers as non-voting members;
 - ♦ The City Manager shall appoint a City staff person with accounting expertise to serve as Treasurer on the Affordable Housing Board; and
 - ♦ The Administrator of the Affordable Housing Fund shall appoint up to four City residents or property owners who have an understanding or experience with affordable housing programs as voting members;
- Be led by a Chair designated by the Mayor;
- Elect a Vice Chair and Secretary to join the Mayor's designated Chair and the City Manager's appointed Treasurer;

Duties of the Affordable Housing Board

The Affordable Housing Board shall:

- Meet as needed, no less than twice annually;
- Post its meetings with the date, time, and location of their meetings, and minutes of actions decided in their meetings;

- Make recommendations to the City Commission through the City Manager for funding appropriations and policy recommendations; and
- Provide an annual written report each April, reporting on their activities and any recommendations for policy changes to support the City's affordable housing programs.
- Receive annual funding priorities from the City Commission;
- Allocate funding within the City Commission's priorities to applicants;
- Make recommendations to the City Commission for future funding priorities;
- Manage the application, allocation, and reporting processes for allocations from the Affordable Housing Fund;
- Review affordable housing policies and best practices across the country to make recommendations to the City Commission;
- Review and report on data on the state of affordable housing in our community;

Uses of the Affordable Housing Fund

The City Manager shall work with the Affordable Housing Board and City to coordinate City housing programs with the projects supported by the Affordable Housing Fund.

Eligible applicants shall include nonprofit and for-profit affordable housing developers, and public housing authorities. For homeownership financial assistance, individuals are eligible.

All projects receiving Affordable Housing Fund funding shall provide annual reports for ten years to the Affordable Housing Board that demonstrate maintaining the affordable housing units which received Affordable Housing Fund dollars.

During the first two years, significant investments from the initial seed funding in the Affordable Housing Fund should be made to address immediate housing issues. Beginning in the third year and thereafter, no less than 85% of the Affordable Housing Fund balance at the end of a fiscal year, including interest earnings and contributions, must be retained each year and may not be programed for expenditure in that year.

The Affordable Housing Fund shall be used to:

- Create affordable rental housing or homeownership;
- Incentivize mixed-use and for-profit development projects which include affordable housing;
- Incentivize investment in affordable rental housing for residents with household incomes at or below 60% of Area Median Income;
- Incentivize homeownership for residents with household incomes at or below 80% of Area Median Income;
- Incentivize small scale and non-condo zero lot-line affordable housing development;
- Layer support for projects receiving HOME, LIHTC, or other State or Federal funding;
- Give priority to projects located adjacent to City Commission designated transit corridors;
- Fund project costs, including: pre-development, acquisition, construction, and other related costs, as well as, homeownership educational programs. The funding could provide matching funds, bridge or gap financing, grants, or loans; and
- Subsidize City fees required for developing affordable housing, i.e., water/sewer connection fees, Planning Commission fees, Board of Zoning Appeals fees, LUDS fees, and permits.

Sources for the Affordable Housing Fund

The City's goal for the Affordable Housing Fund is to provide sustainable annual appropriations from multiple sources to build and stabilize a fund corpus to generate revenue for annual affordable housing investments. This approach is intended to provide reliable and long-term sources of funding to address affordable housing.

City annual appropriations to the Affordable Housing Fund shall be based on City Income Tax growth and the health of the General Operating Fund. The City Manager shall provide a report demonstrating all new City Income Tax growth derived from projects containing housing as a component which are supported by City economic development incentives.

The Affordable Housing Fund shall:

- Be held by a community partner and invested by that entity according to their normal practices;
- Accept contributions from private individuals, philanthropic organizations, State of Michigan, County of Kent, Grand Rapids Housing Commission, federal grants, or other organizations that seek to further the creation and sustainability of affordable housing;
- Receive annual appropriations from the City of Grand Rapids. The amount of the appropriation shall be determined by a formula based on one year of the projected City Income Tax growth from each project containing housing as a component that is supported by economic development incentives. The amount from each project shall be appropriated in the fiscal year following approval of the development incentive and issuance of a Certificate of Occupancy for the development, whichever is later;
- Receive 100% of future General Operating Fund PILOT payments, appropriated in the fiscal year following approval of the PILOT and issuance of a Certificate of Occupancy for the development, whichever is later;
- Receive 20% of revenues that exceed expenditures in the General Operating Fund, based on the City final annual audit each year, appropriated in the following year; and
- Receive 100% of Affordable Housing Fund agreements, based on the value of a 2% PILOT payment year, appropriated in the fiscal year following issuance of a Certificate of Occupancy for the development.