



Fair Housing & Housing
Development

Session #3
July 18, 2024

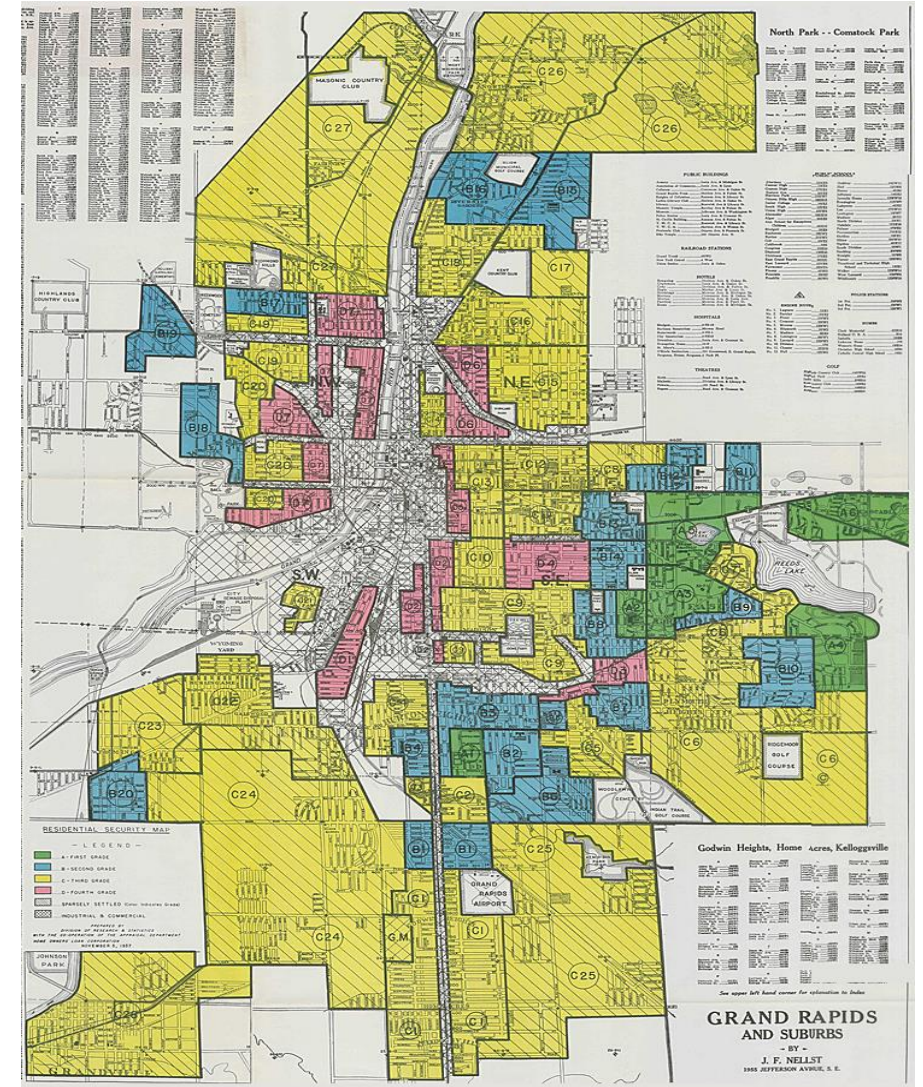
City Of Grand Rapids

GRAND RAPIDS HISTORY

“By 1954, nearly 18,000 new homes had been built in the metropolitan area, valued at \$125 million. Most of the new construction occurred outside the city limits.

Of the more than 2,000 homes built in 1954, only 600 were in Grand Rapids, while nearly two-and-a-half times that number, 1,479 were put up in the suburbs.

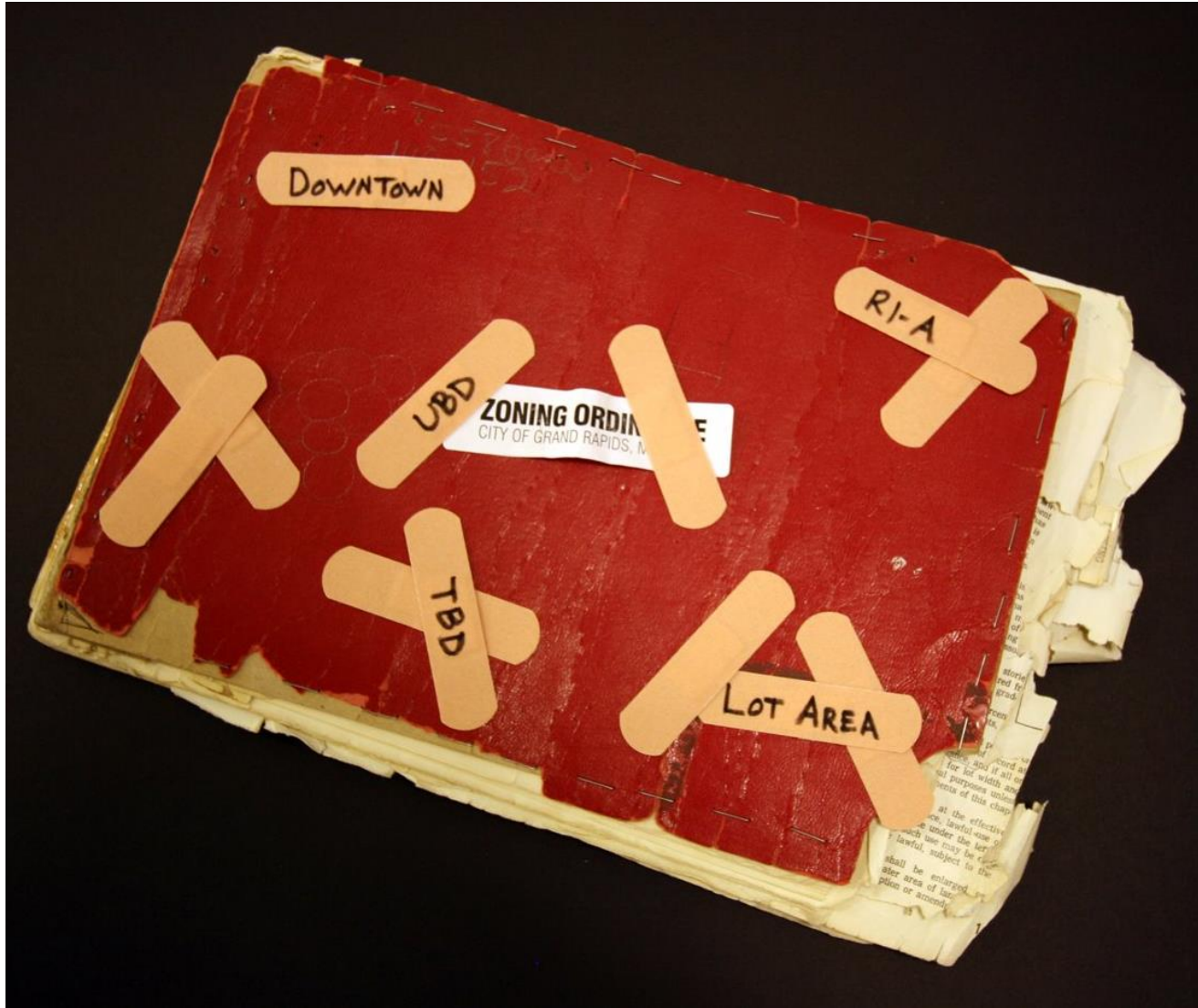
The gap between urban and suburban housing starts widened even further as the decade wore on. The trend... left cities to contend with declining tax bases, segregated and low-income neighborhoods, and vacant factories.”



1963 URBAN RENEWAL



1969 ZONING ORDINANCE



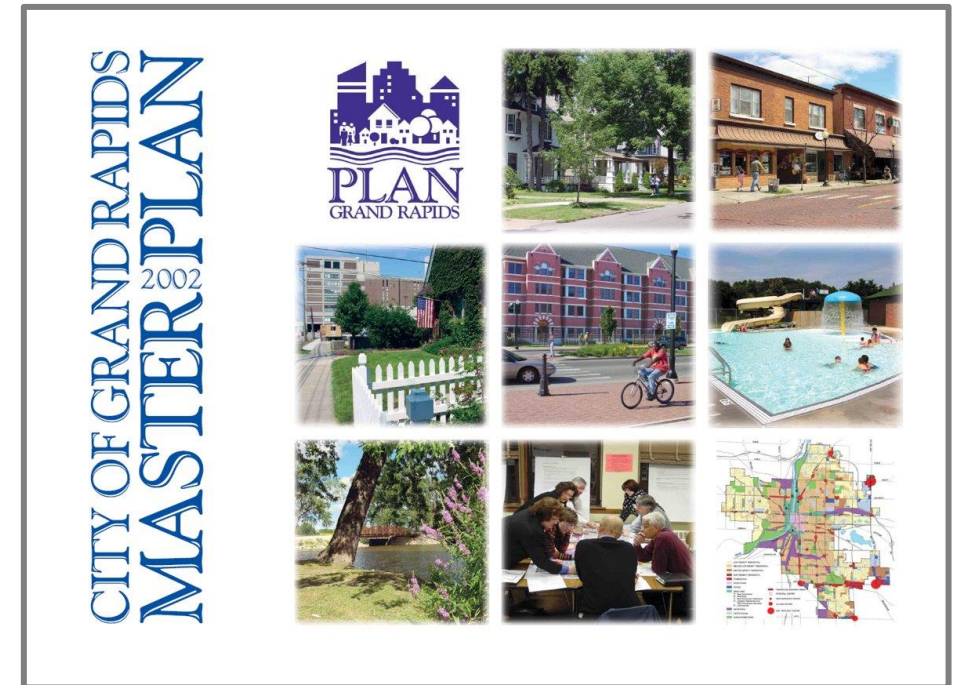
1969 City of Grand Rapids Zoning Ordinance



2002 MASTER PLAN

Promote a broad range of high-quality housing choices.

- Maintain and increase the number and variety of housing units (e.g., owner-occupied and rental serving young adults, seniors, low- and moderate-income households, special needs populations, middle- and upper- income households) to meet the diverse needs of existing residents and to attract new residents.
- Allow for new housing products: for example, small-lot single-family housing, site condominiums, live/work units, upper story residences in commercial districts and "granny flats" (accessory apartments) in single family neighborhoods where adequate parking can be provided.
- Allow for a range of housing types in all neighborhoods to provide residents the opportunity to progress through various life stages while maintaining their attachment to a particular area.



Basic premise that people should be able to choose where they want to live



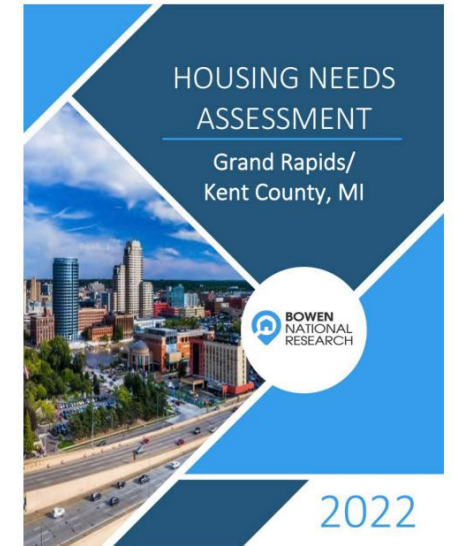
OH THE PLANNING WE HAVE DONE...



**BRIDGE TO
OUR FUTURE**

34,699
Total new units needed county-wide
by 2027 to accommodate household
growth and older home replacement.

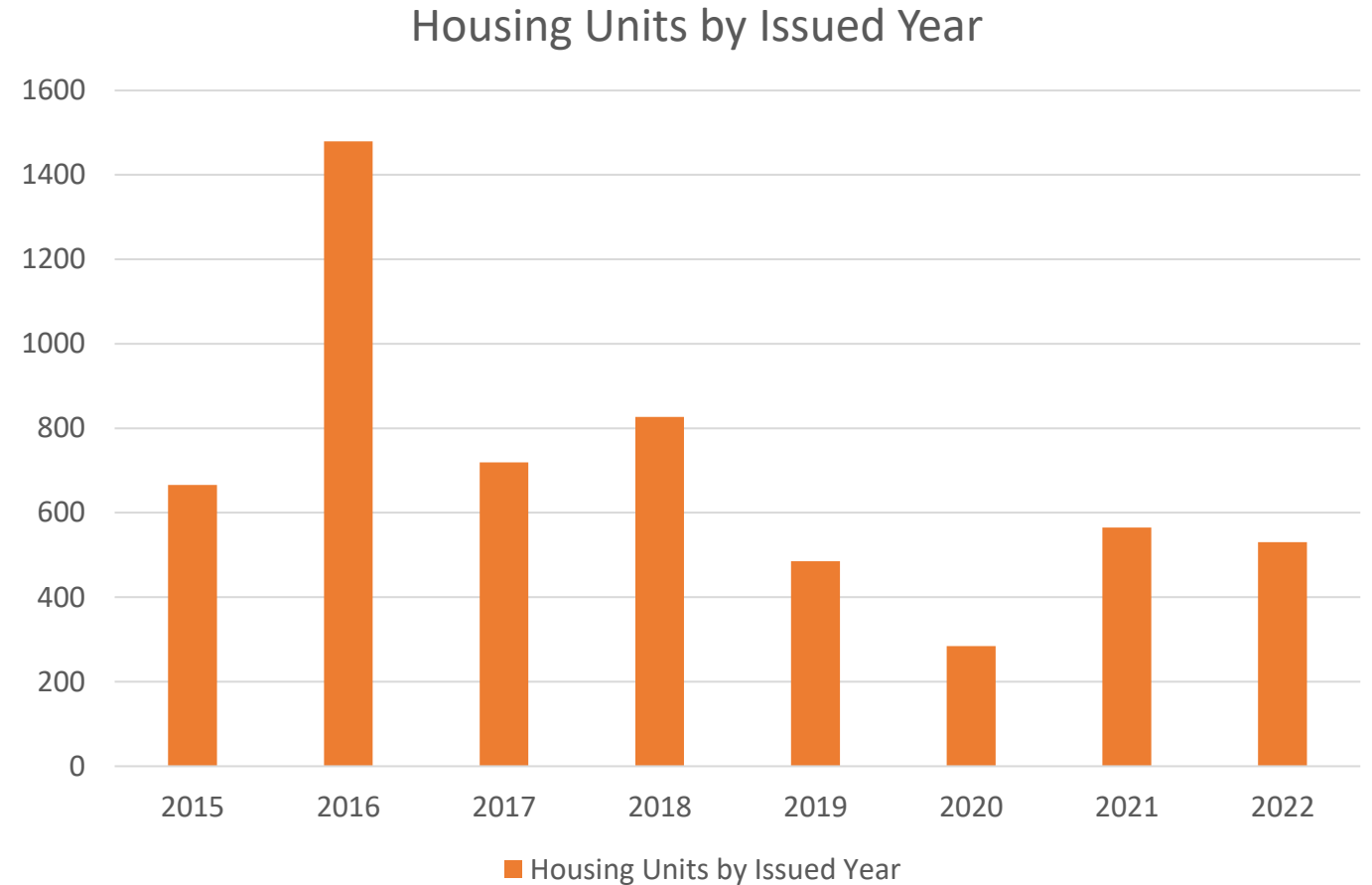
14,106
Total new units needed in the City of
Grand Rapids by 2027.



THE DATA...

HOUSING UNITS BY ISSUED YEAR

- We need **14,106** housing units by 2027.
- This averages **2,821** new units per year.
- Since 2015, the City has averaged **538** new units per year.



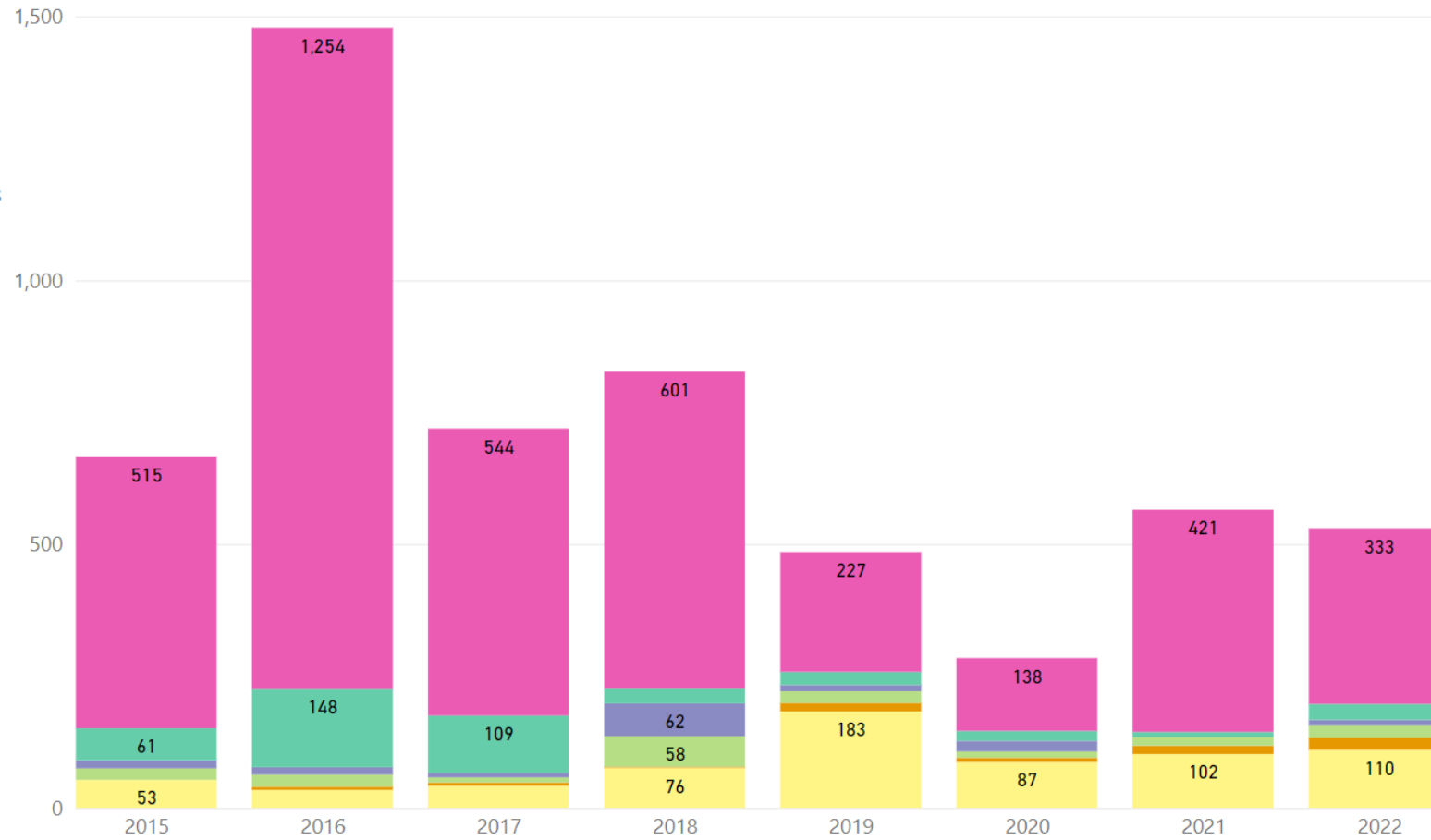
THE DATA...

HOUSING UNITS BY ISSUED YEAR AND CATEGORY

Housing Units by Issued Year and Unit Category

Unit Category

- a. 1 unit
- b. 2 units
- c. 3 to 4 units
- d. 5 to 9 units
- e. 10 to 19 units
- f. 20 or more units





Accessory Dwelling Units

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



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

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

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

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

Accessory Dwelling Units (ADUs)

- Streamlined review process and allow as a permitted use.
- Removed owner occupancy requirement.
- Modified height and setback requirements.
- Permit in association with single- and two-family dwellings.
- Eliminated parking requirement.



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

The Golden Girls were unrelated occupants.

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

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

Unrelated Occupants

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



Group Living & Unrelated Occupants

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

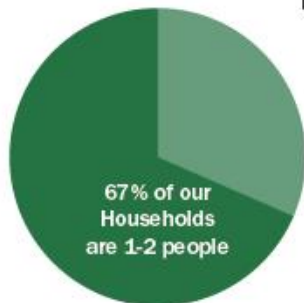
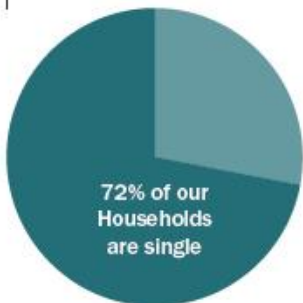
Our household arrangements have evolved and our policy should reflect that.

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

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

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

There are 76,961 Households in Grand Rapids



Group Living: Single-Room Occupancy (SRO)

- Modified SRO definition.
- Allowed small-scale SROs in residential zone districts.
- Provided a tiered review process for small, medium and large-scale SROs.
- Required a Good Neighbor Plan (GNP) when permitted as a Special Land Use.
- Increased tenancy requirement from 32 to 90 days.

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

Group Living Requirements – Transitional / Emergency Shelter

- Modified Transitional/Emergency Shelter requirements:

- Allow small-scale shelters in residential zone districts.
- Add additional use regulations.
- Require a Good Neighbor Plan when permitted as a Special Land Use.

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

Small Scale Housing



Small Scale Housing

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

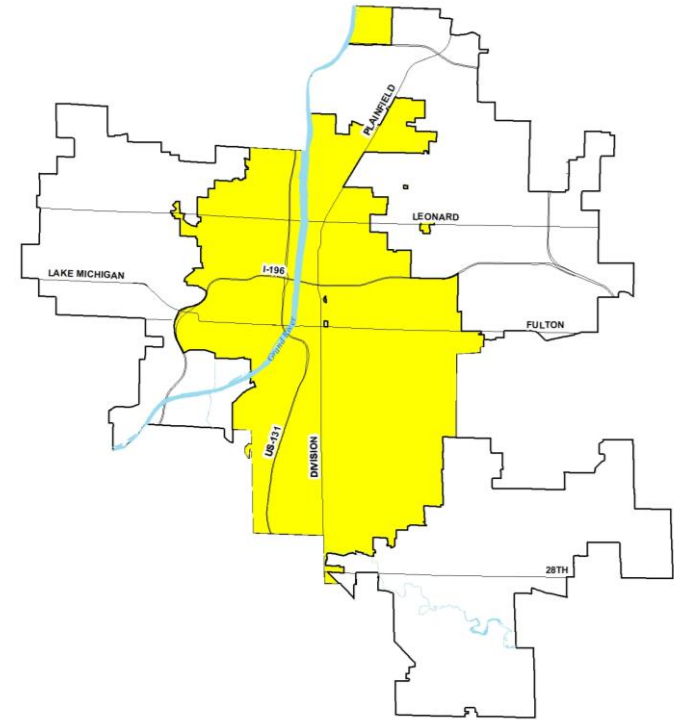
Minimum lot area requirements limit which properties can be built on. Reducing those requirements allows more lots to be buildable.

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

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

Within the TN-LDR Zone District:

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





Eliminating Parking Minimums

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

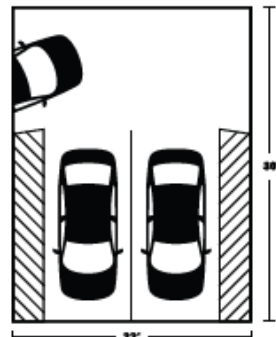
Summary of Proposed Parking Zoning Amendments

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

675 sq ft



650 sq ft



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

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

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



Parking Requirements

Planning Commission Recommended Change

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

SUMMARY OF AMENDMENTS

- Amendments focus on increasing housing supply and housing types.
- Incremental approach.
- Informed by state and national zoning reform but tailored to Grand Rapids.
- Aligns with recommendations from Great Housing Strategies, Housing NOW! and Community Master Plan (in progress).
- There are trade-offs.
- The amendments work in conjunction with other efforts.

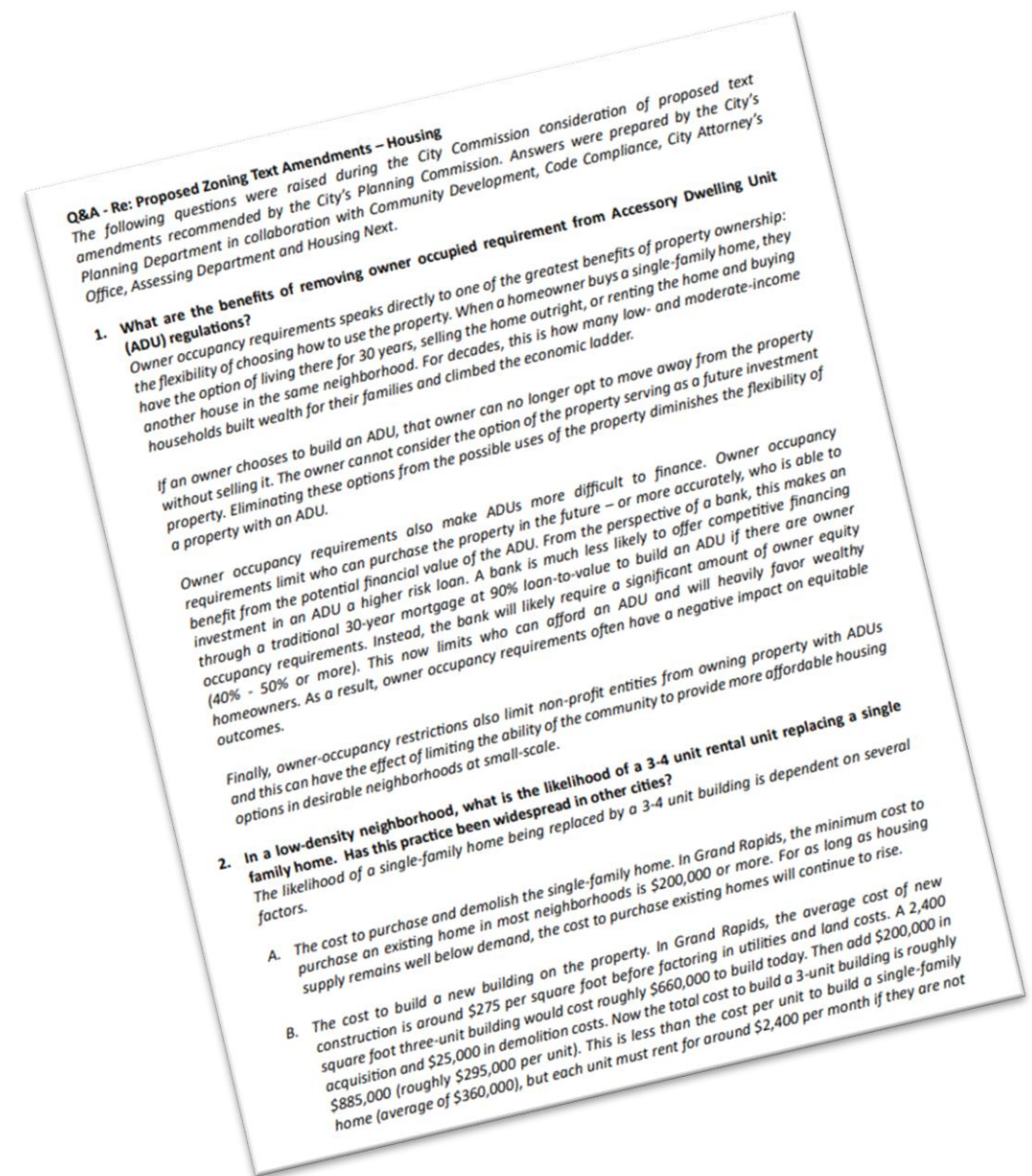


Photo Credit: Missing Middle Institute



MORE THAN ZONING...

- Staff received many questions during the process – 29. For example...
 - Relative to equity, what impacts should we expect if these amendments are adopted? Who stands to financially benefit? Who may be harmed?
 - Do these proposed changes violate Fair Housing Law?
 - What safeguards are in place to protect tenants?
- It took a team.



Zoning Math

Current median rent in GR:

1 bed: \$1,219/mo

2 bed: \$1,450/mo

3 bed: \$1,850/mo

4 bed: \$2,633/mo

Average home sale price:

\$287,000

Average vacant lot:

\$50,000

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

Single Family Home



On a 50' Lot

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

Four Plex



On a 50' Lot

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

New 4br Home

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

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

NOT FINANCIALLY FEASIBLE TODAY

Demo + Replace

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

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

NOT FINANCIALLY FEASIBLE TODAY

Add an ADU

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

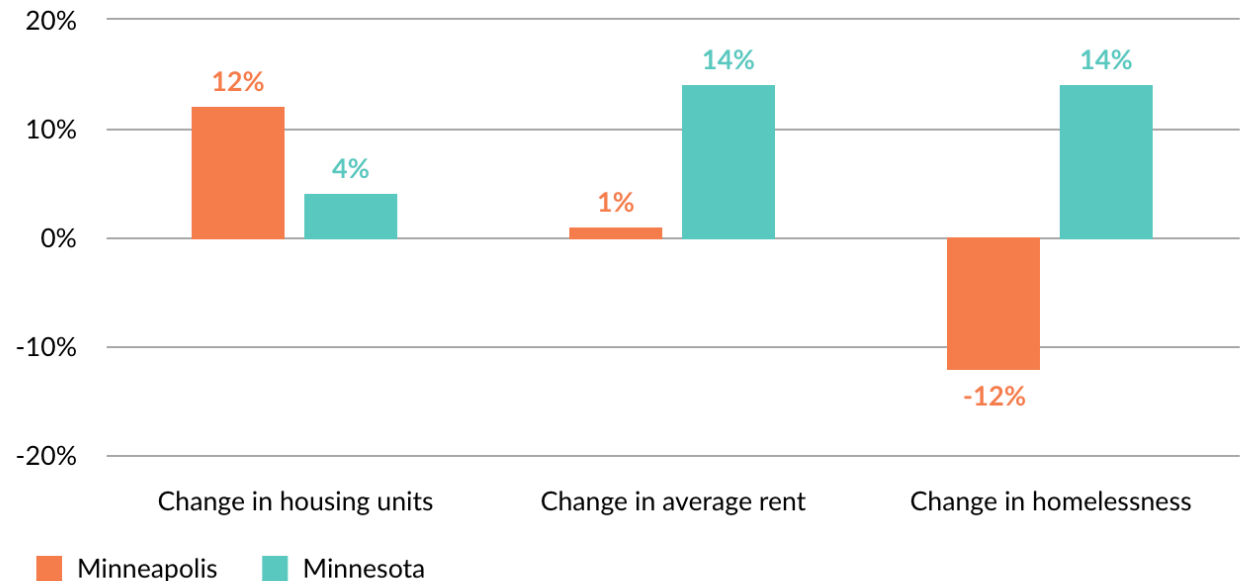
65% AMI affordable for single adult

FINANCIALLY FEASIBLE TODAY

Figure 2

Minneapolis' Rent Growth Was Much Lower Than Minnesota's

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



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

MORE THAN ZONING...

“The supply of new market rate units triggers moving chains that quickly reach middle- and low-income neighborhoods and individuals. Thus, new market-rate construction loosens the housing market in middle- and low-income areas even in the short run. Market-rate supply is likely to improve affordability outside the sub-markets where new construction occurs and to benefit low-income people.”

Journal of Urban Economics (2023)

‘When supply is low, Fair Housing Violations are high’

Cashauna Hill, The Redress Movement (2024)

The status quo is having disproportionate impacts.

Benefits of Density

More available housing keeps prices lower for everyone.

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

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



Health + Environment

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



Safe Community

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



Improved Mobility

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



Economic Prosperity + Affordability

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

MORE THAN ZONING...

- Displacement pressure is most pronounced in places where a little bit of new development is allowed, but not nearly enough to satisfy local demand.
- Renters are willing to pay more to live in a particular neighborhood, but too few units are produced to satisfy everyone who wants to and can afford to live in that neighborhood.
- The solution is multi-faceted:
 - **Step 1:** Allow more housing across a broad area rather than in limited pockets.
 - **Step 2:** Proactively pursue affordable housing policies and investment priorities that make affordability a viable option for some of the new development that is now allowed.
 - **Step 3:** Ensure that existing low- and moderate-income renters and homeowners are connected to available resources.



**Competition + Low Supply
= Increased rental rates**



MORE THAN ZONING...

- Robust Code Enforcement Division
 - Rental Registration program for all rental units, including single-family.
- Prohibit whole-house short term rentals
- Staff training
 - Fair Housing seminars/workshops
 - Reasonable Accommodations
- Partnership with Fair Housing Center of West Michigan
 - Board member
 - Contract for support
- Community Engagement
 - Attendance at Neighborhood Associations
 - Development With Us
 - Planning Commission pre-work



Thank you

