

Michigan Association of Planning A Chapter of the American Planning Association

1919 West Stadium Blvd | Suite 4 Ann Arbor, Michigan 48103 734.913.2000 Contact: Andrea Brown, AICP, Executive Director

Michigan Chapter | American Planning Association 2024 Housing Platform

The Michigan Association of Planning (MAP) is a 501(c)(3) nonprofit professional association serving 4,000 professional planners, appointed officials like planning commissioners and zoning board of appeals members, elected leaders like township boards, city councils, and city commissions, and zoning administrators and building officials. Established in 1945, we have been improving planning and zoning best practices for more than 75 years. We are the "Go To" source for planning and zoning related resources and solutions, and we are the ONLY organization in Michigan *solely* focused on these issues. We advance policy through our government relations and law committees, based on board adopted priorities. We believe that policies which create vital, economically prosperous, equitable and sustainable communities are critical to Michigan's goal of attracting and maintaining a diverse and successful resident and business base.

MAP's Government Relations and Law Committees work on a variety of policy and legislative initiatives, conducting research, writing draft bills, working with legislators and their staff to determine best course for regulatory solutions. MAP is eager to work with federal, state, and local officials, along with myriad stakeholders, to identify and define the best approaches for Michigan. We have deep experience drafting planning and zoning bills, and working with stakeholder groups to create language that is supported by many collaborating organizations and state agencies.

Our Board of Directors, and the policy teams that support their vision, established a policy direction for 2024 that is ambitious, and which aligns directly with the recommendations in the Governor's Growing Michigan Together Council Final Report, and the vision established in the Governor's 2024 State of the State address on January 24, 2024.

MAP's Housing Priorities

Advancing equitable housing solutions is one of our top priorities. MAP's recent efforts included securing a MSDHA grant to develop and launch a <u>Zoning Reform Toolkit: 15 Tools to Increase Housing</u> <u>Choice and Supply in Michigan</u>. The Toolkit delivers recommended regulatory changes to local municipalities that can be done NOW, without changes to the Planning or Zoning Enabling Acts. In 2024, we are conducting an analysis of municipalities that have implemented local zoning reforms to increase housing supply using recommendations in our Zoning Reform Toolkit. We want to know how useful the recommendations have been, how it is being implemented, and if housing supply increases are being realized. Also funded by MSHDA, this report will highlight the most useful zoning reform tools, and daylight additional tools that can be covered in a Phase II Zoning Reform Toolkit.

MSHDA's Housing Ready Communities \$5 million allocation to Michigan planning and zoning reforms reinforces the state level support for the work MAP has been advancing for several years.

While municipal level zoning reform efforts like those identified in MAP's Zoning Reform Toolkit are part of the solution to increase housing supply in Michigan, they are discretionary – a municipality does not have to adopt these changes – but changes to state statutes can have a more direct impact on housing choice and supply across the state. Since the need for more affordable AND market rate housing in many urban and rural areas of the state is great, and growing, some targeted legislative changes can help to meet these needs with very little in the way of new costs to the state or local units of government.

To that end – and to codify solutions that reinforce the critical Zoning Reform Toolkit solutions –MAP's government relations and law committees conducted significant research into recent changes adopted by other States to expand housing supply to ascertain which models are best scalable to Michigan and our unique governance system. There are a wide range of legislative fixes being adopted in other states, and there are common elements that have strong potential for transferability to Michigan. While overall Michigan has recently experienced slow population growth, some places and regions are growing and experiencing an undersupply of housing and rapid increases in housing prices. A healthy supply of high-quality, mixed-income and mixed-product housing, (i.e., a mix of single-family, middle housing, and higher density multi-family) is critical to the state's long term economic development and population growth goals, particularly as the U.S. housing crisis is driving an increasing number of business and personal relocation decisions. There is research to support the idea that housing affordability and quality are core components of a pro-family, pro-child, and thus population growth-oriented policy agenda. This would align with the goals of the Governor's Growing Michigan Together Council's final report recommendations.

MAP's Housing and Land Use Platform

MAP's Housing and Land Use Platform focuses on potential statutory solutions to address and remedy Michigan's housing challenges through reforms to state land use law. Although MAP recognizes the importance and necessity of other interventions, including affordable housing and infrastructure financing and funding interventions, MAP believes that the solutions identified below will aid the private market in delivering additional and more affordable housing supply in the near-term.

1. Require Planning for Realistic Housing Needs | Housing Element of a Master Plan

Under current law, Michigan's local governments are authorized to create community master plans that guide physical growth and development for multiple decades. However, Michigan's enabling law does not require or suggest that a master plan consider housing. Good planning is critical to solving Michigan's housing issues, which are in turn central to addressing the state's long-term economic and environmental health. Encouraging or requiring local governments to prepare "housing elements" of

their master plans would inform and empower local leaders to consider actual housing needs as they make decisions regarding zoning and development, and would result in more equitable and inclusive outcomes for Michigan residents.

MAP therefore advocates for the following statutory changes to encourage planning for housing needs:

- Local governments should be expressly authorized to consider housing needs and demands in their community master plans (the portion of a plan addressing housing is hereinafter called a "housing element").
- Every city, village, and charter township located in a metropolitan statistical area should be required to prepare a housing element that analyzes housing needs and demands in a community master plan.
- A housing element should use data and projections prepared by the state demographer to take account of anticipated regional and local housing needs at various income levels, and should identify with specificity how the local government plans to accommodate these needs, with reference to zoning for the housing unit types and price points that would best accommodate housing needs.
- A housing element should use data and projections prepared by the Regional Planning Agency and other market sources to determine market demand for various types of housing units.
- A housing element should consider the potential impact of new housing development on the local jurisdiction's existing resident population, and should provide specific strategies to address displacement of lower-income and racial and ethnic minority households.
- The housing element should be prepared through consultation with stakeholders in the community and the region, including county government agencies, metropolitan planning organizations, and adjoining local governments.
- Local governments should have the option to prepare regional housing elements through collaboration with other local governments in their respective metropolitan statistical areas.
- Any housing element prepared by a local government should be delivered to the state and should be posted on the local government's website.
- The state should maintain and post an online, publicly-accessible tracking database that tracks local governments' progress toward the housing goals established in their respective housing elements. Local governments should be required to report annually on their progress toward the goals established in their plans, which reports should include, at a minimum, the total number of housing units in the local jurisdiction by unit type at the end of the reporting period, along with affordability and occupancy data; the number of new housing units completed within the local jurisdiction in the past year by unit type; the number of new housing units that have received building permits within the local jurisdiction in the past year by unit type; the number of housing units in the local jurisdiction that have received zoning approval in the past year by unit type.

Examples of other states that enable or require their local governments to prepare housing elements include North Carolina (requiring blight eradication and affordable housing provisions), Connecticut (requiring plans to address regional housing needs), and California (requiring housing elements that address regional housing needs, along with a state-maintained tracker that identifies local governments' progress toward housing goals).

2. Permit Accessory Dwelling Units (ADUs) By Right

ADUs are secondary dwellings co-located on lots with a primary—usually single-family detached--home. They include backyard cottages, garage apartments, or even a separate dwelling unit attached to or inside a primary home. Typically smaller than the primary unit on the lots where they are co-located, ADUs are typically more affordable, environmentally efficient, and adaptable than other dwelling unit types, with little effect on neighborhood aesthetics. Moreover, they provide new housing without converting farmland or building new infrastructure. In many cases, ADUs house children, parents, or other relatives of the primary unit's owner.

MAP therefore advocates for the following statutory changes to promote the construction of ADUs:

- In every city, village, and charter township located in a metropolitan statistical area, ADUs should be a permitted use in any zoning district or planned unit development that allows the construction of single-family detached dwellings.
- Where permitted, ADU permitting and construction should not face any more stringent procedural requirements than those applicable to single-family detached dwellings.
- Where permitted, ADUs should not be subject to any more restrictive design or development standards than corresponding primary single-family detached dwellings, including, for example, building height, setback, and lot size standards.
- Where permitted, ADUs should only be subject to minimum size and height requirements necessary to meet building code requirements.
- Where permitted, ADUs should not be subject to any minimum vehicle parking requirements.
- Local governments may impose reasonable zoning or other regulations of ADUs that are not inconsistent with state requirements, including but not limited to, restrictions on short-term rental of ADUs, owner occupancy requirements pertaining to ADUs, and design and development standards uniformly applicable to principal dwelling units and ADUs.
- No new set of covenants, conditions, or restrictions should be adopted that contravenes the foregoing principles.

To date, several states—including California, Maine, Montana, Oregon, Vermont, and Washington permit ADUs in single-family zoning districts.

3. Encourage Medium-Density Housing Construction

Michigan's existing housing stock is dominated by single-family detached houses, many of which are located on large lots. A large proportion of new housing in Michigan is also single-family homes or condominium or apartment units in large buildings. Medium-density "middle housing"—including everything from duplexes to townhomes—is much rarer. Nevertheless, research suggests that this type of housing results in lower housing cost burden, particularly among middle-income households, and it provides a pathway to homeownership for first-time and middle-income households.

MAP therefore advocates for the following statutory changes to encourage the construction of mediumdensity housing:

• Every city, village, and charter township in a metropolitan statistical area should adopt one of the following strategies to encourage the construction of medium-density housing: (1) allow townhouse-density housing (10 dwelling units per acre) as a permitted use in no less than ten

percent of the privately-owned land area within the local jurisdiction; or (2) allow middle housing (no less than four dwelling units per structure) as a permitted use in every zoning district (including PUDs) that allows single-family detached housing as a permitted use.

- Where permitted, middle housing should not be required to undergo any discretionary approval process, including but not limited to any public hearing.
- Local governments may impose design and development standards on middle housing, except that no such standard should have the effect of prohibiting or making financially infeasible the construction of middle housing at the densities described above.
- Where permitted, middle housing should not be required to maintain more than one off-street vehicular parking space per residential unit.
- No city, village, or charter township in a metropolitan statistical area should require a minimum lot size greater than 5,000 square feet in any zoning district that permits any residential land use.
- No new set of covenants, conditions, or restrictions should be adopted that contravenes the foregoing principles.

To date, six states have approved legislation preempting local single-family zoning to allow two- to fourunit middle housing projects in residential areas.

4. Encourage Mixed-Use Development

With structural challenges in the commercial office and retail markets, Michigan communities have many underutilized commercial properties. Many of these properties are located in areas with good infrastructure that can support new housing. Mixed-use development—building residential and commercial uses close to one another—has many benefits. By increasing household density near commercial uses, it supports existing and new businesses, reduces household transportation costs by encouraging non-motorized transportation, avoids inefficient development patterns, and mitigates the blighting effect of vacancy and underutilization.

MAP therefore advocates for the following statutory changes to encourage the construction of mixeduse housing:

- Every city, village, and charter township in a metropolitan statistical area should allow the construction of multi-family dwellings as a permitted use in any zoning district that permits commercial offices or retail sales uses.
- Where permitted in commercial zoning districts, multi-family dwellings should not be required to undergo any discretionary approval process, including but not limited to any public hearing.
- Where permitted in commercial zoning districts, multi-family dwellings should not be required to meet any more stringent design and development standards than commercial uses in the same district—and local governments should be encouraged to allow denser multi-family housing in these locations.
- Where permitted in commercial zoning districts, multi-family dwellings should not be required to maintain more than one off-street parking space per residential unit.
- Every local government in Michigan should be enabled to adopt form-based zoning regulations, which principally regulate development based upon design and dimensional characteristics, rather than use-or density-based characteristics.

• No new set of covenants, conditions, or restrictions should be adopted that contravenes the foregoing principles.

Versions of this proposal have been adopted in Montana and California. In Montana, any commercial zoning district in an incorporated municipality automatically allows multi-family housing. In California, any commercial zoning district in urbanized areas automatically allows multi-family housing that contains a certain percentage of affordable units, with some limitations.

5. Encourage Affordable Housing Construction

Although the private market can effectively deliver new market-rate housing, tax credits, grants, and other incentives are typically required in order for private developers to deliver below-market-rate, income-restricted affordable housing. Restrictive zoning and land-use regulation can, however, thwart the construction of public- or non-profit-supported affordable housing. This problem is particularly acute when regulations drive up the cost of developing affordable housing.

MAP therefore advocates for the following statutory changes to encourage the construction of belowmarket-rate, income-restricted affordable housing:

- Every high-cost city, village, or charter township should adopt one of the following strategies with respect to any housing development that includes income-restricted affordable housing units affordable to households earning 100% or less of area median income: (1) eliminate minimum parking requirements; (2) waive all permitting fees; (3) establish an enforceable, expedited permitting timeline.
- Every extremely high-cost city, village, or charter township should adopt all of the following strategies with respect to any housing development that includes income-restricted affordable housing units affordable to households earning 100% or less of area median income: (1) eliminate minimum parking requirements; (2) waive all permitting fees; (3) establish an expedited permitting timeline; and (4) approve all such developments through a non-discretionary process without the requirement for any public hearings.
- For purposes of this proposal, a "high-cost" jurisdiction is one where either (a) median monthly owner costs or (b) median gross rent is greater than 100% of owner costs or gross rent, respectively, for the state per the most recently released American Community Survey estimates, and an "extremely high-cost" jurisdiction is one where either (a) median monthly owner costs or (b) median gross rent is greater than 150% of owner costs or gross rent, respectively, for the state per the most recently released American Community Survey estimates.
- No new set of covenants, conditions, or restrictions should be adopted that contravenes the foregoing principles.

Several jurisdictions around the U.S. have utilized the methods described in this section to encourage affordable housing development. For example, Austin, Texas, employs permit expediting and fee reductions for affordable housing, and succeeded in encouraging the development of over 7,500 affordable units in a four-year period from 2019 to 2023.