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**TO:** City Planning Commission

**FROM:** George A. Etheridge and Christopher Gulock, CPC Staff

**RE:** **Request of the Planning and Development Department, Motor City Blight Busters, and CHN Housing Partners, to amend Article XVII, Section 50-17-76, District Map No. 74 of the 2019 Detroit City Code, Chapter 50, Zoning, by showing an R3 (Low-Density Residential District) zoning classification where an R1 (Single-family Residential District) zoning classification currently exists on forty-eight (48) parcels generally bounded by Santa Clara Street to the north, Bentler Street to the east, Orchard Street to the south, and the north-south alley first east of Lahser Road to the west. (MODIFIED BOUNDARIES - RECOMMEND APPROVAL)**

**DATE:** September 8, 2021

### **RECOMMENDATION**

The City Planning Commission (CPC) staff has completed its review of the above-captioned request from the City of Detroit, Planning and Development Department (P&DD), Motor City Blight Busters, and CHN Housing Partners to amend Article XVII, Section 50-17-76, District Map No. 74 and recommends approval of the same, with the revised eastern boundary being the eastern most property lines of 21556 Orchard Street and 21525 Santa Clara Street, respectively as noted in the following report.

### **BACKGROUND AND PROPOSAL**

The proposed map amendment is in response to a request for proposals (RFP) issued by the City of Detroit in January 2021, primarily to accommodate a multi-family residential development on 1.4 acres consisting of nine parcels. Responses to the RFP were reviewed, interviews were conducted, and the development team of CHN Housing Partners in conjunction with Motor City Blight Busters was selected in April 2021. The proposed “multi-family dwelling (with fewer than 50 percent of the units in the structure being efficiency units)” would be permitted on a by-right basis in the proposed R3 zoning classification per Section 50-8-74(4). The petitioner also wishes to establish a “non-profit neighborhood center” “Kid’s Camp” which will focus on fitness and nutrition for the area’s youth, which would be permitted on a by-right basis in the proposed R3 zoning classification per Section 50-8-75(6).

P&DD has opted to co-petition on this request in order to further intensify the zoning of the subject block. The subject 1.4 acres of vacant land slated for the CHN Housing Partners and Motor City Blight Busters development are located mid-block fronting on Orchard Street and Santa Clara Street, respectively. The proposed development is anticipated to have a total of 48 multi-family residential units, resulting in a population density of 10.09 units per acre which is right in the middle of the

Master Plan of Policies range for Low-density residential of 8-12 units per acre. It was decided to expand the rezoning from the RFP nine parcels to include 48 parcels of the remaining block generally bounded by Santa Clara Street on the north, Bentler Street on the east, Orchard Street on the south, and just west of the commercially zoned land on Lahser Road on the west. The entire block presently has two houses on the western edge of the block and sixteen houses on the eastern end of the block, some of which are vacant.

The proposed development is being undertaken with the intent of stabilizing and repurposing vacant Detroit Land Bank Authority land; providing modern multi-family housing in the Old Redford community in response to the Grand River Northwest Neighborhood planning study initiated in 2017; providing affordable housing in close proximity to neighborhood amenities; and reinforcing investments in the public realm such as streetscapes, parks, and greenways.

### **PUBLIC HEARING & FOLLOW-UP**

On July 22, 2021, the City Planning Commission held a public hearing on the subject rezoning request. Three members of the public who were in attendance expressed a desire to speak to the matter. There were several concerns expressed by members of the public over the inclusion of the additional 39 parcels between the north/south property lines first east of Lahser Road and Bentler Street, included the P&DD's co-petition application of this rezoning.

Residents questioned the necessity of including these additional parcels in the rezoning request rather than focusing solely on the nine parcels, which were the subject of the City's RFP. Staff expressed the desirability to avoid what might be perceived as a "spot zone" were the Commission to rezone only nine parcels mid-block amongst what is a contiguous block of R1. Staff indicated that the Commission has the latitude to amend the boundaries of the rezoning to include only those properties west of the nine parcels identified in the City's RFP, which would result in the rezoning of 22 parcels rather than 48. Of the 22 parcels subject to this revised zoning scheme, 12 are in the inventory of the Detroit Land Bank Authority. The remaining 10 parcels identified as 21664 Orchard Street, 21706 Orchard Street, 21714 Orchard Street, 21722 Orchard Street, 21621 Santa Clara Street, 21639 Santa Clara Street, 21645 Santa Clara Street, 21669 Santa Clara Street, 21679 Santa Clara Street, and 21689 Santa Clara Street are privately held, thus necessitating the continuation of P&DD as co-petitioner for this rezoning request. However, at least one of the privately held lots is owned by Motor City Blight Busters. The private versus public ownership of the subject properties is reflected in the illustration below.



Additionally, the amended boundaries would include two currently occupied single-family residential dwellings, rather than 16 under the currently proposed rezoning request. This revised zoning scheme would also address staff's initial concerns of spot zoning by creating a contiguous R3 zoning classification adjacent to the existing R1 zoning classification, which would remain consistent with and further support the Master Plan of Policies Future General Land Use designation of Low Density Residential.

Those residents speaking during the public hearing also expressed concerns over the potential over-proliferation of multi-story, multi-family residential housing developments as a by-right use in what has historically been a single-family residential neighborhood. Among these concerns was the thought that the proposed rezoning may incentivize absentee profiteers and landlords to demolish single-family housing stock currently contributing to the City's rental market, in lieu of market-rate multi-family residential units which may increase property values, i.e., taxes, ultimately pricing out long-time residents.

The Commission expressed a number of concerns associated with the proposed development being targeted solely toward a low-income clientele. The Commission requested staff to work with the Housing and Revitalization Department (HRD) to determine the current number of affordable rental units within a quarter-mile of the subject site, in addition to the composition of owner-occupied properties versus rental properties. The Commission also inquired as to what, if any, the impact on home values might be with the introduction of 48 affordable housing units priced at 60% of the area median income (AMI), which equates to approximately an annual income of \$24,000 to \$48,000 for a household of four.

In this regards, the subject area is located in Census Tract 5412, which has a total population of 2,274 residents consisting of 964 households. Of those households, the median household income is approximately \$23,162. In comparison, about three-quarters of the median income of the City of Detroit is \$30,894, while about half of the median income in Wayne County is \$47,301. In this subject area, approximately 73% of these households have an income which is less than \$50,000 per year. Currently, 40.7% of the residents in this area are below the poverty line, which is about 20% higher than the rate in the City of Detroit which is 35%.

In terms of existing housing inventory, there are approximately 1,281 housing units of which 75% are occupied. In terms of housing typology, 50% of the units are classified as single-family units, while 50% are classified as multi-family units. The median value of owner-occupied housing units is approximately \$28,700. Approximately 87% of the owner-occupied housing units in this area are valued under \$100,000.00.

In regards to the Commission's concerns about an overconcentration of low-income residents as a result of this development, the median income of potential tenants would in fact be higher than nearly 50% of the current residents in the area. Given these facts, CPC staff sees the proposed development as having a net benefit to the immediate community in terms of property values and population density.

## **ANALYSIS**

The proposed zoning classification of R3 would permit the requested uses of a "Multiple-Family Residential" and "Non-profit Neighborhood Center" on a by-right basis.

The proposed R3 zoning classification would permit **32 by-right residential, public, civic, institutional, and other uses**. The most intensive uses in the R3 zoning classification include **“Museum,” and “Outdoor Recreation Facility.”**

The following analysis details how the proposed rezoning either meets or fails to meet the eight approval criteria of Section 50-3-70 of the Zoning Ordinance, which must be considered in making recommendations and decisions on standard rezoning requests.

- (1) Whether the proposed amendment corrects an error or meets the challenge of some changing condition, trend, or fact;

In this regard, the subject area is trending towards medium density residential developments based on the multi-year Grand River Northwest neighborhood planning study conducted by P&DD beginning in 2017 and concluding in 2018. The up zoning to R3 Low Density Residential is consistent with the RLM designation as contemplated by the Master Plan of Policies.

- (2) Whether the proposed amendment is consistent with the Master Plan and the stated purposes of this Zoning Ordinance;

The proposed rezoning of R3 is consistent with the Master Plan of Policies as indicated in P&DD’s July 26, 2021 staff report.

- (3) Whether the proposed amendment will protect the health, safety, and general welfare of the public;

There are no foreseen adverse effects associated with the requested zoning classification in terms of health, safety, and/or the general welfare of the public. Consideration has been given to the siting of buildings and the associated setbacks. Additional consideration has been given to the boundaries of the R3 zoning classification and the unforeseen effects that such a designation might have on a primarily single-family residential neighborhood consisting of predominantly rental properties in an ever changing and increasing rental market. The proposed rezoning’s eastern boundary is being recommended to end at the eastern most property lines of 21556 Orchard Street and 21525 Santa Clara Street, respectively to minimize the possibility of the unintended displacement of longtime residents in the area.

- (4) Whether the City and other service providers will be able to provide adequate public facilities and services to the subject property while maintaining adequate levels of service to existing development;

The physical characteristics of the subject property will significantly change as a result of any future development, however, disruption to city services is not anticipated.

- (5) Whether the proposed rezoning will have significant adverse impacts on the natural environment, including air, water, soil, wildlife, and vegetation and with respect to anticipated changes in noise and regarding stormwater management;

There are no anticipated adverse impacts associated with rezoning regarding any of the aforementioned.

- (6) Whether the proposed amendment will have significant adverse impacts on other property that is in the vicinity of the subject tract;

It is not anticipated that the proposed amendment will have significant adverse impacts on other properties in the vicinity. As stated above, staff's recommendation is to decrease the eastern boundary from Bentler Street to the eastern property lines of 21556 Orchard Street, and 21525 Santa Clara Street, respectively, in order to minimize the possibility of resident displacement due to development. Rather than 16 currently occupied residential properties being subject to the proposed rezoning, under the revised zoning recommendation two occupied residential dwellings would fall within the proposed zonings boundaries. It is anticipated that this rezoning will have a synergistic impact on the immediate area.

- (7) The suitability of the subject property for the existing zoning classification and proposed zoning classification; and

The R3 zoning classification has been determined to be appropriate for the subject site.

- (8) Whether the proposed rezoning will create an illegal "spot zone."

Given the low-density residential characteristics of the subject block in which this rezoning has been requested along with the size of the proposed development and proposed rezoning's consistency with the Master Plan of Policies, the staff is of the opinion that the proposed rezoning would not constitute an illegal "spot zone."

### ***Master Plan Consistency***

The subject site is located within the Evergreen area of Neighborhood Cluster 8 of the Detroit Master Plan of Policies. The Future Land Use map for this area shows "RL - Low- Density Residential" for the subject properties. P&DD's July 26<sup>th</sup> Master Plan interpretation it states:

*"The redevelopment of a portion of the site into multi-family housing is not anticipated to significantly impact the surrounding area, especially given the institutional and commercial uses. There is adequate capacity for any additional traffic on the surrounding streets. As part of the community engagement process, the surrounding community has supported the proposed project."*

Their report goes on to further state:

*"The Low Density Residential classification for the site envisions less dense development (8-12 units/net acre) than the R3 zoning allows. The residential redevelopment of a part of the approximately 6 acre site is not anticipated to change the overall character of the Evergreen neighborhood and is therefore generally consistent with the Master Plan classification. The existing single-family homes are anticipated to remain at this time, lowering the overall density of the site."*

### ***Land Use***

CPC staff believes that an R3 zoning classification is an appropriate designation consistent with the characteristics of the adjacent properties, which will allow for the establishment of mixed-use residential and non-profit neighborhood center uses.

## **CONCLUSION**

Based on the above analysis and consistent with the approval criteria of Sec. 50-3-70 of the Zoning Ordinance, CPC staff recommends the rezoning of 22 parcels, rather than the original 48 parcels,

highlighted in this report from R1 to R3, generally bounded by Santa Clara St. on the north, the eastern most properties lines of 21556 Orchard Street and 21525 Santa Clara Street on the east, Orchard St. on the south, and R1 land just west of the commercially zoned land on Lahser Road on the west.

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