



Exclusionary Zoning in Southeast Michigan

Community land use as a barrier to regional integration

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Executive Summary:

A legacy of racial animosity in the Detroit region has led to widespread exclusionary zoning, regional division, and a deeply fragmented municipal structure. As part of the 2010 Sustainable Communities initiative, the Southeast Michigan Coalition of Governments (SEMCOG) created a Regional Housing and Neighborhood Resiliency plan and conducted a Fair Housing Analysis. This process exposed extreme residential segregation and a mismatch between affordable housing options and job opportunities in the region and as a result, SEMCOG recommended that communities promote the benefits of affordable housing and update land use regulations to provide more options for low-income residents¹. The nature of SEMCOG as an opt-in regional planning organization coupled with a lack of robust outreach efforts has left these goals widely unrealized.

To address the weaknesses of SEMCOG's Regional Housing and Neighborhood Resiliency plan, this project aims to model how regional agencies could review and analyze individual community zoning ordinances on the basis of exclusivity. As zoning ordinances are complex documents, the best way to ensure change in the region would be to conduct an in-depth audit of land use regulations within each community. A broad review of zoning statistics in the region revealed that nearly 30% of municipalities in Oakland County have less than 1% of land zoned for two-family or multi-family uses². This project analyzes a sample of six zoning codes in the region's wealthiest county of Oakland County and discusses a number of exclusive land use trends and troublesome community sentiment towards affordable housing. Community zoning codes in the region exclude a number of well-known initiatives to promote a diversity of housing types, such as the allowance of accessory dwelling units, flexible parking requirements, and density bonuses for the inclusion of rent-restricted units. No zoning ordinance reviewed had any mention of affordable housing, let alone further incentives for its development. In addition, conversations with community practitioners revealed very little discussion of affordable housing needs in the region, as well as a sentiment that affordable housing was a "big city" issue, rather than a challenge to be addressed by small, suburban communities. This project recommends that SEMCOG and other regional agencies promote a more widespread conversation surrounding housing policy within the region, implement capacity-building programs and provide model ordinances, and promote the development of a regional organization for housing.

Introduction

Like many U.S. Metropolitan Regions, Southeast Michigan suffers from residential segregation on the basis of both race and income. The city of Detroit has become infamous in American culture as one of the largest examples of city decline. Despite the loss of over a million residents, the Detroit metropolitan region has remained healthy and vibrant, gaining population throughout the last decade. Unfortunately, Detroit saw few benefits of this regional growth and large disparities between the city and its surrounding suburbs continue to divide the region. As of today, there have been very few regional planning efforts to integrate the region and improve community inclusiveness. Calls for more inclusive zoning and a

Sustainable Communities Grant

In 2010, the Southeast Michigan Council of Governments (SEMCOG) secured a 2.8 million dollar grant from the HUD Sustainable Communities initiative in hopes of creating a regional plan to address the issues of a region with no or little growth. SEMCOG was able to match these funds with another 3.5 million dollars and the entirety of the funds went towards a combination of eight projects³. Throughout the plan's implementation period, SEMCOG has focused most of its efforts on research, analysis, and informing policy and government officials. SEMCOG is both a regional council and the federally recognized metropolitan planning agency for Metropolitan Detroit. In this role, they control most of the allocation of transportation funding and have limited authority over water quality controls and grant applications. Similar to most councils of government in America, SEMCOG does not have planning powers throughout the region and therefore has little authority to mandate their plans and processes. Their most prominent means of governance is through the allocation of funding for plans and their ability to provide incentives to local governments to cohere with their frameworks⁴. They are also able to facilitate relationships and provide pertinent information and tools to help with the policy-making process. The responsibilities listed in the Sustainable Communities workplan are shared between SEMCOG and the Sustainable Commu-

more even distribution of affordable housing have been widely ignored by the wealthy communities surrounding the city and regional organizations, admittedly lacking in political power, have failed to use their resources to address this matter effectively.

This project aims to model how a regional agency could review and analyze individual community zoning codes on the basis of exclusivity and recommends programs and initiatives that could further encourage inclusivity in the region. An analysis of a sample of six zoning codes in the region's wealthiest county of Oakland County reveal a number of exclusive land use trends as well as troublesome community sentiment towards affordable housing.

nities Consortium, a group of stakeholders, government officials, and private sector experts⁵.

Southeast Michigan is beginning to accept an inevitable shift in their economy. A region that has historically depended on manufacturing and the auto-industry now has to face the reality of lower paying jobs, less unskilled labor opportunities, and many areas of disinvestment. SEMCOG forecasts an increase in a knowledge-based economy, focusing on engineering jobs (both in the automobile industry and in other fields) and a growing healthcare industry.⁶

SEMCOG's workplan mandates individual taskforces for each of the plan's projects. Each of these taskforces are made up city representatives as well as local stakeholders and topical experts. Each taskforce is set to develop a list of deliverables for each project, most of which are given a timeline and in June of 2013, SEMCOG and its subsidiary, the Sustainable Communities Consortium, published a workplan update. While this report showed a good deal of progress, it also revealed that some aspects of the workplan have gone unfinished or were overwhelmed by other tasks⁷. It is the purpose of this project to address how practitioners in the region could better tackle the issues outlined in SEMCOG's Regional Housing and Neighborhood Resiliency sections of this plan.

Regional Housing and Neighborhood Resiliency

Because Detroit's population is shrinking, a lack of housing stock is not a pressing issue in Southeast Michigan. Instead, the Regional Housing and Neighborhood Resiliency strategy focuses on neighborhood destabilization, high foreclosure rates, segregation of race and income, and a mismatch between the location of affordable housing and adequate job opportunities. This assessment includes a very valuable analysis of spatial mismatches in the area and its portrayal of racial segregation, access to public housing, and concentrations of poverty sheds light on critical issues faced by the region⁸.

The plan's final deliverables include an expansive list of policy suggestions for Federal, State, and Local level governments. Among these recommendations are fair housing policies, informing residents of the benefits of inclusive and affordable housing within their communities, housing counseling to prevent foreclosure, funding for demolition, deconstruction, and removal of substandard housing, and strategic and creative reuse of vacant buildings to help stabilize neighborhoods. In order to achieve these goals, SEMCOG strives to advocate for these changes and works closely with local nonprofit organizations that promote fair housing, homeless eradication, and foreclosure prevention. Due to its political structure, the organization's main role is to advise and inform policy makers and help synthesize the region's various housing conditions[8]. HUD required an analysis of fair housing be conducted by each grantee. SEMCOG's Fair Housing and Equity Assessment reveals inarguable segregation by race and income, a concentration of public and affordable housing, and unequal access to opportunity throughout the region. The plan's recommendations included the following actions: encourage needed housing types through local land use, building, and zoning regulations, and increase local and regional education campaigns on the community benefits of providing affordable and inclusive housing options⁹. While these are great aspirations for a region suffering such a large extent of inequality, they have yet to be fully realized. Practitioners in the region still must effectively address suburban NIMBYism, the source of exclusionary zoning, and the challenges communities face when reforming their zoning ordinances. This project models a fact-finding process to improve practitioners' understanding of the current state of zoning ordinances in the region.

Objective	Suggested Intervention	Barrier to Achievement
Encourage needed housing types through local land use, building, and zoning regulations	Encourage variety of housing styles including apartments, townhomes, duplexes, small single family homes, and live-work units	No comprehensive canvass of the current state of zoning ordinances; lack of understanding of current policies or areas of improvement
	Implement flexible zoning such as Planned Unit Development, Traditional Neighborhood Development, density bonuses for affordable housing, accessory dwelling units, and form-based codes	Limited planning capacity in small community; lack of understanding of challenges
Increase local and regional education on the community benefits of providing affordable and inclusive housing options	Address issues of NIMBYism in the region through public education programs	Limited understanding of where in the region is most affected by NIMBYism, no analysis of models for public education and no extensive exploration of the motivations behind NIMBYism

Exclusionary Zoning

Since *Milliken v. Bradley*, a 1974 court case allowing suburban communities to avoid desegregation efforts, exclusion in the housing market has focused less blatantly on racial discrimination and more so on financial incentives. While it is no longer acceptable to advocate for racial segregation, communities continue to promote segregation by discriminating by income. Communities are able to hide behind the argument that lower-income housing drives down property values for all residents in a community and thus it is undesirable within their neighborhoods, creating a barrier to entry for anyone below a certain means¹⁰. However, it would be naïve to ignore the large correlation between race and income in the United States and thus, the discriminatory outcome of these policies is to segregate not only on a basis of income but of race and ethnicity. Whether this is the spoken intention of land use policies or not, there has been a long lasting history of communities fighting to keep their communities as they are. This means resisting any demographic change - usually changes in income, race, or culture.

Municipalities can effectively protect their communities from this change through land use and zoning. While zoning codes are highly accepted as a valid police power, they can also have substantial effects on property value and thus, private property rights and privileges. Therefore, these codes are often used carefully to promote the highest property value for their current residents, which often has unintended consequences in the housing market. Any zoning regulation that results in the pricing out of certain income-groups can be categorized as an exclusionary zoning regulation. While zoning was promoted in cities as early as 1916, the practice of exclusionary zoning was not made popular until mid-century, when suburban communities fully felt the threat of development change¹¹. Exclusionary zoning promotes exclusivity by creating requirements that lead to higher rents, making housing affordable to only certain groups of people. The most common examples of this are minimum lot requirements or density controls that allow for only low density (and thus, larger homes and apartments). Not allowing zones for multi-family housing or mobile home parks can also be seen as exclusionary, as those are usually the most affordable housing types

for lower-income residents¹². While these factors are certainly not the only housing characteristics affecting affordability in a neighborhood, they represent one regulatory barrier to community inclusivity.

For years, it has been a common sentiment that single-family housing is the highest and best use. Today, very few practitioners question the validity of this claim. However, scholar William Fischel would argue that there is no theoretical reason behind this preference. Rather, there is a strong political and economic reasoning behind the promotion of the single-family home, as it enables the processes of exclusionary zoning¹³.

The first, and arguably largest, motivation behind strict zoning codes is to protect the homeowner's greatest asset: their home. With the creation of the streetcar suburbs, wealthy white city dwellers were, for the first time, able to move away from the filth and overcrowdedness of the city. As streetcar lines were extremely static, wealthier homeowners wishing to live away from the commercial and apartment district were easily able to do so by locating a few blocks away from the streetcar. It wasn't until the 1920s and the introduction of trucks and buses that suburban residents began to seriously feel the threat of incompatible uses. Trucks allowed for the decentralization of industry from the city to suburban areas, and buses allowed for low-income residents to easily commute to and from any area in the suburbs. Apartment buildings no longer had to be located directly beside a rail line, thus, the single-family residential district was no longer shielded from the influence of multi-family housing¹⁴.

Exclusion from communities became extremely prevalent and problematic in the 1970s, with the suburbanization of jobs and the growing environmental movement. As jobs moved from the urban core to suburban areas, there were even more incentives for low-income residents to move outward. The economic factors promoting white, wealthy suburbs began to break down, and the threat of change was heightened. At the same time, municipalities in the region, which became fragmented due to the desire for individual land use control (and therefore, exclusionary power), became more and more competitive¹⁵.

Early zoning efforts in the city may have

been motivated by the need to promote healthier environments, but similar efforts in the suburbs were highly motivated by the separation of both uses and groups of people. Declining property values became the greatest concern of suburban homeowners, who became increasingly politically active into the 1960s. With the introduction of the federal interstate system, suburban communities were even more threatened by new development and exclusionary zoning regulations became yet more prominent¹⁶.

It is important to understand the differing motivations behind the exclusionary policies promoted during these eras. While the changing streetcar suburbs in the first half of the century were concerned with new commercial and industrial development, restrictive covenants, redlining, and private racial discrimination were common means for excluding low-income and racially diverse populations¹⁷. Although blatant racial segregation through zoning was outlawed in the 1917 court case *Buahanon v. Warley*, other methods of racial exclusion were not struck down until later in the century (1948 for racial covenants and 1970s for discrimination). Fair Housing laws in the 1970s left suburban communities looking for new exclusionary policy techniques, and many communities became highly motivated to exclude by income¹⁸.

Race and income are at the forefront of the conversation of segregation and exclusion today. While excluding specific land uses does not blatantly discriminate against certain racial groups, patterns of poverty and demographics in America cannot be ignored¹⁹. Throughout the years, communities have found new ways to promote policies that have discriminatory effects but not necessarily a stated discriminatory intent²⁰. Detroit is no exception to these patterns, and in fact, is one of the most segregated metropolitan regions in the country.²¹ Exclusionary zoning that promotes only very large lot sizes, floor area, or allows for very low densities has the effect of increasing housing costs dra-

matically. Less density and larger lots means larger properties that are often stand-alone, meaning they use more public services. These factors mean higher development costs, and therefore higher housing prices are passed along to prospective homebuyers²². Additionally, single-family housing is rarely offered as rental property, further excluding residents who cannot afford to make such a large investment.

Aside from individual interest in property values, cities and villages also have a strong incentive to practice exclusionary zoning. The unfortunate nature of municipal finance in the United States has created a system in which most municipal services are funded by property tax revenue. To further explain, the higher the property value of a given property, the lower the tax rate needs to be set in order to retain a set amount of tax revenue. Municipalities with lower tax rates are more attractive



Source: Library of Congress
Signage used in Dearborn, MI to encourage exclusion of minorities within the community.

to residents and businesses; thus, there is an advantage for communities to have high valued properties. This financing method is particularly detrimental, then, to lower-income communities as it creates a regressive tax system because those with less means must face a larger tax-rate in order to maintain the same level of service as wealthier communities²³.

Methods of Exclusion

Although all zoning is restrictive by definition, exclusionary zoning may be viewed as any regulation that causes an undersupply of land for multi-family housing construction, provides only inaccessible or unattractive areas for high-density developments, requires burdensome permitting requirements that discourage infill or high-density development, or promotes large lot sizes and large home construction²⁴. At the core of these regulations is the suppression of housing variety and densities, hindering opportunities for low-income residents to move into the area. The most common way a municipality can achieve this is through low-density zoning. Anti-density zoning has the effect of increasing prices and housing costs in two main ways. First, it reduces the supply of multi-family homes, making the ones that do exist more desirable so they can be rented at a higher cost. Second, it promotes the creation of mostly single-family homes, which are nearly always significantly more expensive than higher density housing such as apartments²⁵. Jonathan Rothwell and Douglas S. Massey of Princeton University determined that metropolitan regions with anti-density zoning, controlled for other restrictive zoning regulation, have much higher levels of segregation than regions with larger allowable densities. The 2009 study found that with each point increase in max-

Racial Legacies in the Detroit Region

Like many metropolitan regions in America, Southeast Michigan suffers from the balkanization of local governments. With nearly 240 different municipalities within the region (7-county definition)²⁸, regional cooperation has been a hard sell. What is even more prevalent than the division of individual jurisdictions is the dichotomy between the suburbs and the city. Not unique to this region, the suburbs have historically represented wealthier, white populations while the city, as of 2010, is over 80% African-American²⁹. Although this is by no means a peculiar trend, the race and class divide between the city and its outlying areas is decidedly more pronounced in Southeast Michigan and continues to foster animosity in the region.

The phenomena of white flight out of Detroit occurred much like it did in many rust-belt cities.

imum allowed zoning, the dissimilarity index decreased by .10 points in 1990 and .09 points in 2000. On a 0 to 1.0 scale, this is a significant change²⁶. Minimum lot sizes and minimum floor space requirements exacerbate the price effects of low-density zoning. While anti-density zoning limits the amount of multi-family residents and promotes fewer units per acre, minimum lot sizes and floor space requirements put further regulation on the specific size of the home²⁷. This practice allows for only large, usually extravagant, homes thus further pressuring the price upwards.

When analyzing exclusion within communities, planners must be sure to understand the division between exclusionary motives and exclusionary effects. The outcome, particularly segregation, is not dependent on whether the intention of the policy was to exclude and divide. That being so, analyzing land use regulations can shine light on communities that may have these motives as well as reveal some of the unintended consequences of policies created for other purposes. Understanding the motives and intentions will, however, be extremely important when determining how to overcome these policies and promote more inclusive communities. This project seeks to model a process for analyzing these policies while the latter goal of understanding and overcoming motives must take place at the community level.

Overcrowding of the inner city, an influx of immigrants and African-Americans, and the end of World War II provided middle-class white Americans the necessary incentives to move away from the city and into the sprawling suburbs. A boom in the housing market allowed for much larger and affordable homes for middle-class families on the outskirts of the city³⁰. While this process differs little from that in other cities, there are a few key factors that uniquely shaped the Detroit metropolitan region. The race riots of 1943 and 1967, Supreme Court Case *Milliken V. Bradley*, and the legacy of Mayor Coleman Young not only molded the growth of the region but also effectively ensured white exodus out of the city. The race riots of 1943 and 1967 stirred the region in a way that has not been easily forgotten. Industrial jobs within the city caused employment strikes,

unfit labor conditions, and pinned social and racial groups against one another. While these riots still haunt the region and continue to be cited by older residents of the region as reason why they dare not enter the city, scholars now believe the outcome of the famous *Milliken V. Bradley* segregation case caused a larger number of residents to leave the city³¹.

By 1970, a large number of fleeing white residents had left many Detroit neighborhoods in poverty. Concerned residents, namely members of the National Association for the Advancement of Colored People (NAACP), began to realize the effects this residential segregation had on the city's schools. While separate but equal was already ruled unlawful, the legal integration of schools had little effect if school enrollment depended on neighborhood make-up. To rectify this injustice, the NAACP sued the State of Michigan and Detroit's school board, arguing that in order to desegregate the school system, black students should be bused to predominantly white schools and vice versa. While the court favored with the NAACP, they shortly realized that this would not properly solve the issue, as many of the city's schools remained predominately African American. Thus, the suburbs were added to the equation and the complaint was amended to argue

that busing should occur within the entire region, rather than just the city. While the NAACP argued that exclusionary zoning and redlining allowed suburban communities to keep their schools segregated, the court favored with the suburbs on appeal³². The decision upheld the suburbs' right to keep both minority and low-income families and children from their communities and schools. With the promise of segregated schools, a final exodus of middle-class residents left the city with a dwindling tax-base³³.

Three years later, Mayor Coleman Young was elected as the city's first African American Mayor. Although most resistance of regionalism has historically come from the suburbs, Mayor Young's legacy is one of anti-suburban policy and sentiment. Young's election solidified Detroit's reputation as a black city while allowing the city to move on without the help of the suburbs. Just as elections within the suburbs were fueled by the desire to disassociate with the city, Mayor Young spent his 20 years in office seeking retribution for the flight out of the city. Policies to keep the suburbs "lily-white," and Mayor Young's abhorrence of the suburbs fostered an "us versus them" mentality that has yet to be overcome by proponents of regional cooperation³⁴.

Municipal Form

Unlike most states in the union, the state of Michigan is composed of a county-township structure. When land was first settled, it was partitioned into larger Counties and smaller Townships; all land in the state of Michigan is therefore under the jurisdiction of both a county government and a township government. Political power between the two is vastly different and the introduction of cities and villages further complicates this structure. Larger settlements were (and still are) able to incorporate into either a village or a city. Incorporated villages must have a minimum population of 150 residents and a minimum density of 100 residents per square mile. While villages gain a series of external political powers, they remain within their original township. To incorporate into a city, settlements must have a larger population and population density. If incorporation is successful, the city is no longer a part of its greater township and is independent from its previous township board³⁵.

More pertinent to the discussion of regional planning and segregation within Michigan is the creation of the Charter Township. Under normal circumstances, a city or village can annex areas within a township with a simple agreement between the city/village council and the township board³⁶. The Charter Township Act of 1947, however, made this process more difficult. With a general election, a township's residents could choose to incorporate into a Charter Township³⁷. As such, a general election must be held to allow the area to be annexed³⁸. While there might be a number of economical incentives for allowing annexation, Charter Townships nearly always oppose incorporation into a city/village as it changes the tax structure, often increasing the burden on residents. While this act was passed in order to allow Townships extended political power, it is most widely viewed as a legislative measure to prevent annexation during the time suburban communities were created. Currently, the state of Michigan has 83 counties, 1,115 general law townships, 127 Charter Townships, over 260 home rules cities, and over 200 general law villages³⁹. The majority of these Charter Townships are distinctively found near larger cities, Detroit and Ann Arbor for example, benefiting from their proximity and their ability to impose competitive tax incentives driving both residents and businesses out of the city. Municipal structure was considered when analyzing municipal policies in Oakland County, but ultimately cities were chosen for review due to their larger population and greater representation in the county.

Oakland County Profile

As the wealthiest county in the state and a growing suburban area, Oakland County was chosen as the area of focus for this report. Oakland County is located northwest of the city of Detroit and had a 2014 population of 1.2 million residents, making it the 2nd most populous county in Michigan⁴⁰. The county is made up of 63 municipalities: 19 Townships, 13 Charter Townships, and 31 Incorporated Cities⁴¹. While many of the cities were once incorporated as villages, no incorporated villages remain in the county. The county has 500,000 households with an average household size of 2.5 residents. It has grown at a rate of 3% since 2010, and is currently the fastest growing county in the Detroit Metropolitan region. Nearly half of county residents hold at least a Bachelor's degree, which is the second highest for counties in the state of Michigan⁴².

The county is well known as one of the wealthiest in the state. The per capita income in 2010 was \$57,035 - the highest in the state and the 12th highest nationally among counties with at least a million residents. There are around 690,000 people employed in the county and it is forecasted there will be nearly 50,000 jobs added throughout 2017. The county has a healthy economy as it is home to almost 1,000 firms from 39 different countries and ranks fourth nationally for total exports. The county receives a net gain of 90,662 commuters during the day and has a labor force accounting for 31% of Metro Detroit's entire workforce⁴³.

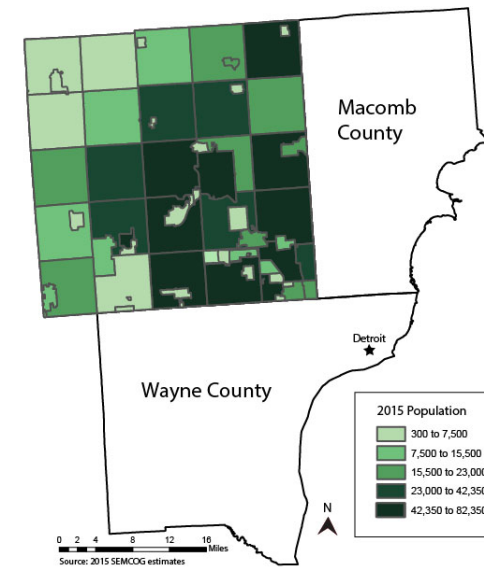
Residential development in the county has been primarily single-family and over 70% of homes are owner-occupied. In 2014, 1,928 new residential building permits were issued but 88% of these were for single family development. Compared to the rest of the region, Oakland County has seen more housing development (as of 2012). Additionally, about 1.1 million square feet of commercial space has been added to the county since 2012, further boosting the county's economy and attracting new residents. While the population continues to grow, county residency is also rather stable, as 86% of residents have lived in their home for at least 1 year as of 2014⁴⁴.

While the county undoubtedly offers high levels of opportunity for residents - from a highly educated workforce, a robust number of jobs, great schools, and a vibrant economy - the county continues to lack in diversity. As of 2014, 76.5% of the county population was white, followed by 14.5% black, 6.5% Asian, and 3.8% Hispanic⁴⁵. While there are a number of reasons why the county is less diverse than the region as a whole, one possible cause is the higher costs of living, lack of public transit, and pattern of residential development. The median home value in 2014 was \$184,142, an increase of 70% from 2010, and only 22.3% of housing units in the county are part of multi-unit structures, which are often more affordable⁴⁶.

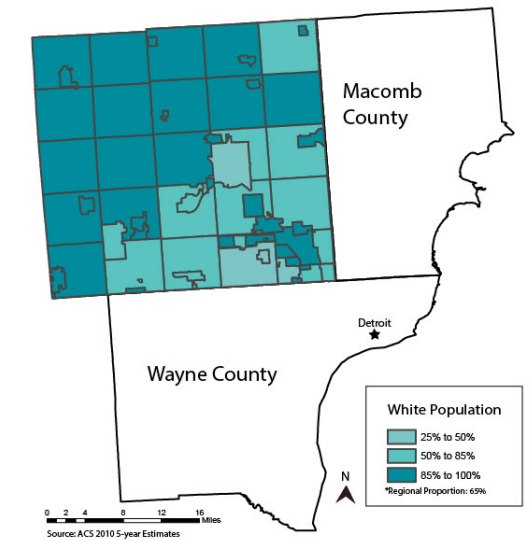
	Detroit	Oakland Cty	Region	Michigan	U.S.
Median HH Income	\$28,357	\$66,390	\$53,424	\$48,432	\$51,914
Median Home Value	\$80,400	\$204,300	\$160,544	\$144,200	\$188,400
Median Rent	\$747	\$871	\$793	\$723	\$841

Source: U.S. Census ACS 5-year estimates
HH = Household

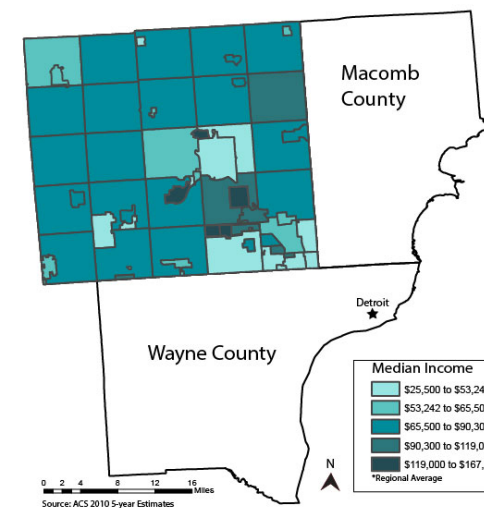
2015 Population of Oakland County Communities



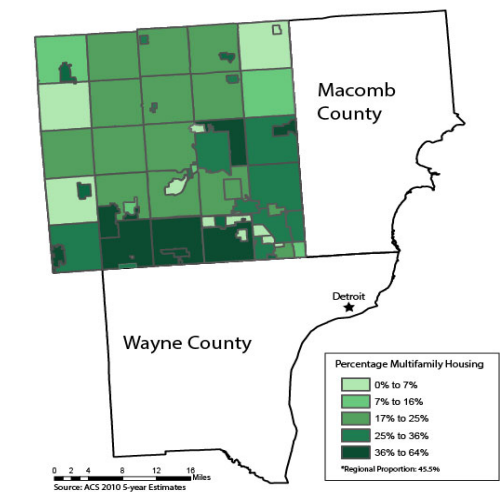
White Population: Oakland County Communities



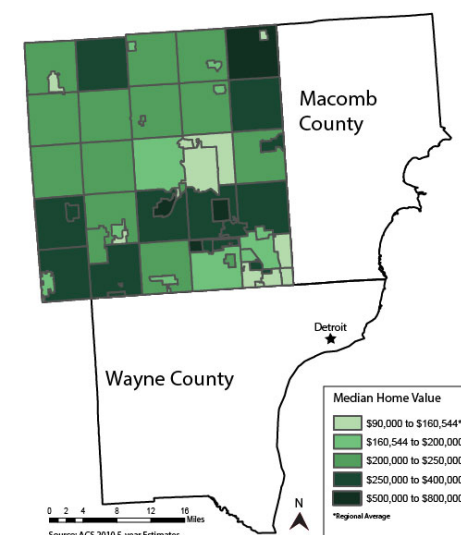
Median Income: Oakland County Communities



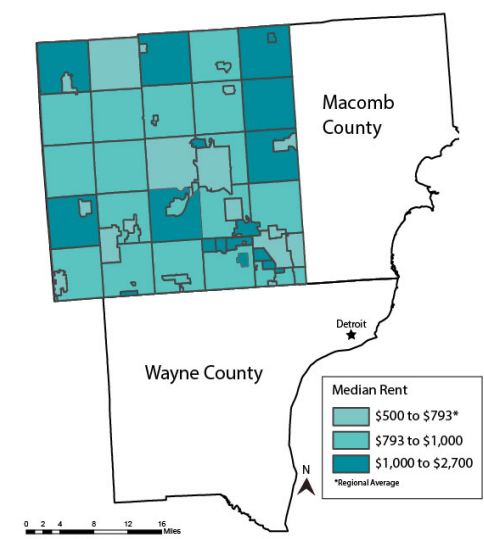
Proportion of Multifamily Housing in Oakland County Communities



Median Home Value in Oakland County Communities



Median Gross Rent in Oakland County



Process

The purpose of this investigation is not to make generalizations about any municipality or its zoning ordinance, but to model a process of zoning review that could be used to pinpoint areas for improvement in all community zoning codes in the region. In respect for the limitations of this project, six municipalities were analyzed. While each municipality was chosen based on a number of criteria to ensure diversity in selection, the sample of communities is not to be viewed as representative of all of Oakland County, let alone the metropolitan region. Instead, it would be advised that a similar review process (or more rigorous on occasion) be implemented for each community in the region, allowing for a better alignment of land use policies throughout the region.

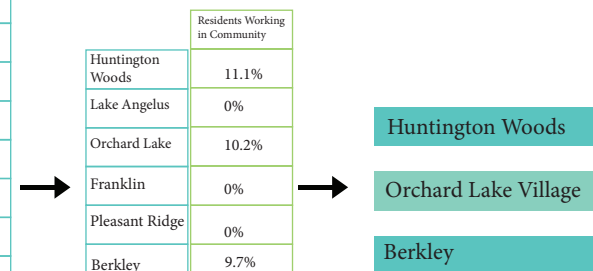
All 63 communities in the county were first sorted based on the proportion of residential land in the community that was zoned for multi-family uses. From there, they were sorted into two categories: those communities with the most multi-family zoning and those with the least (alternatively viewed as “least and most exclusive”). While there are a number of communities with zero parcels zoned for multi-family uses, the results were slightly misleading when taking into consideration the overall landscape of the municipality. For that reason, the selection was further narrowed down through the exclusion of communities with more than 1% of their land devoted to agricultural uses. All communities should strive for diversity and inclusivity, but smaller agricultural communities that rely mostly on farm production were deemed to be less beneficial as receiving areas of lower-income, inner-city residents.

To account for the city’s ability to provide employment and economic opportunities to their residents, the last phase sorted communities based on the percentage of residents that also work within that municipality. Communities with a higher per-

centage of workforce residents were chosen, again hoping to choose those municipalities that might provide the most opportunity for lower income residents. Finally, six communities (three with relatively high multi-family zoning and three with relatively low multi-family zoning) were chosen: the City of Berkley, the City of Huntington Woods, the City of Orchard Lake Village, the City of South Lyon, the City of Auburn Hills, and the City of Royal Oak.

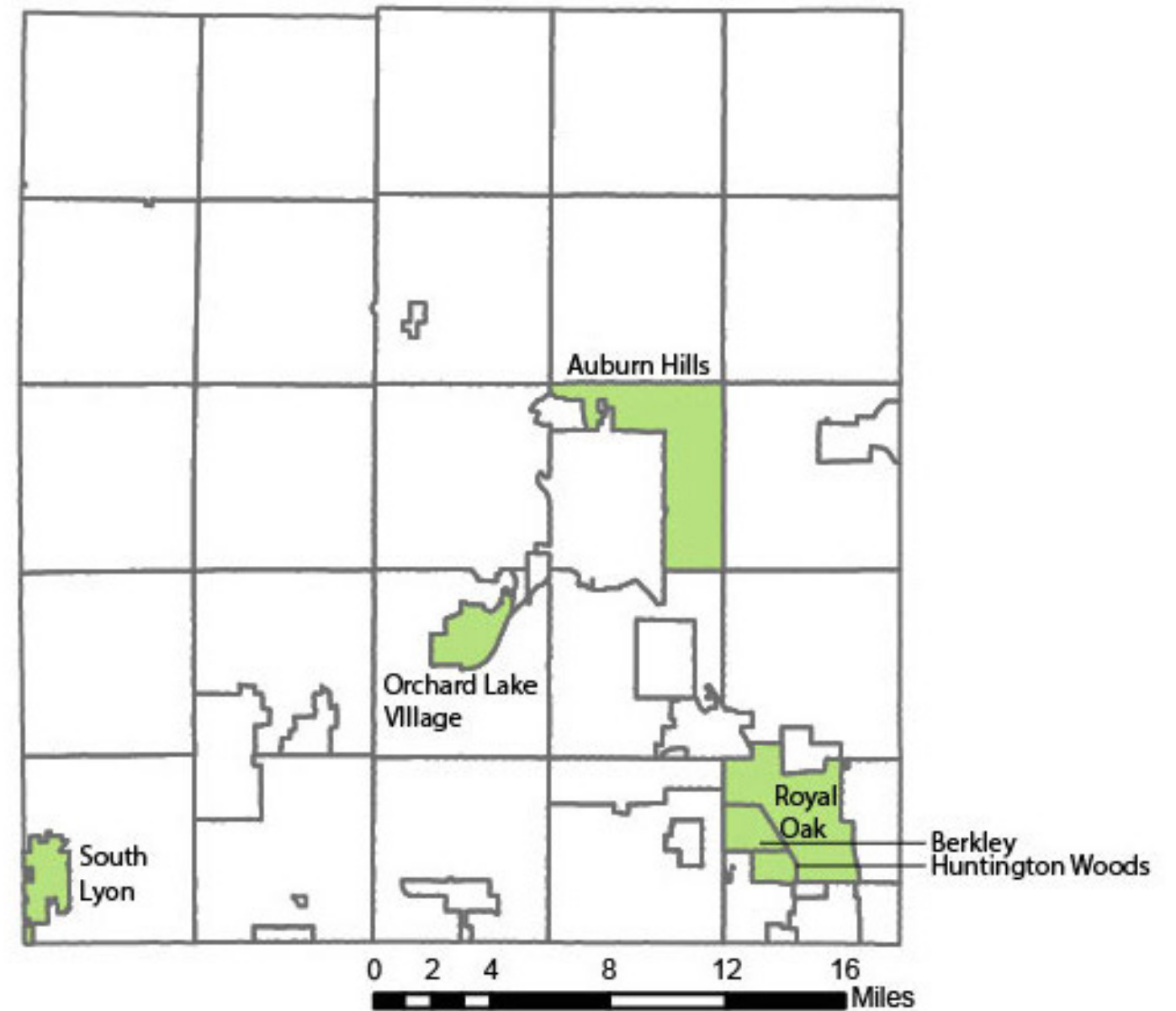
	Percent MF Zone	Percent Agriculture
Huntington Woods	0%	0%
Lake Angelus	0%	0%
Orchard Lake	0%	0%
Brandon Twp	0%	6.8%
Addison Twp	0%	11%
Leonard	0%	16%
Rose Twp	.04%	15.1%
Millford Twp	.06%	1.6%
Groveland Twp	.09%	
Franklin	.2%	0%
Pleasant Ridge	.23%	0%
Highland Twp	.59%	
Springfield Twp	.71%	6.3%
Holly Twp	.75%	21.2%
Oakland Twp	.85%	8.6%
Berkley	1.23%	
Sylvan Lake	1.25%	0%
Oxford Twp	1.45%	12.2%
Lyon Twp	1.5%	12.5%

Source: Oakland County 2015, U.S. Census ACS 2010



	Percent MF Zone	Residents Working in Community
Novi	18.35%	18.2%
Wixom	18.81%	15%
Auburn Hills	27.16%	32%
South Lyon	28.35%	20.2%
Royal Oak	30.86%	18.3%
Walled Lake	34.62%	10%

Source: Oakland County 2015, U.S. Census ACS 2010



	2015 Population	Median HH Income	Percent MF Zone	MF Built Last 15 yrs	Median Home Value	Median Rent	Percent White
Berkley	14,918	\$65,548	1.23%	0	\$165,600	\$1,005	91.9%
Huntington Woods	6,277	\$104,879	0%	0	\$310,500	\$1,333	94.9%
Orchard Lake Village	2,434	\$149,500	0%	0	\$588,200	\$1,344	83%
South Lyon	12,177	\$51,297	28.35%	122	\$172,000	\$723	93.1%
Auburn Hills	23,019	\$49,558	27.16%	670	\$146,000	\$834	62%
Royal Oak	58,642	\$60,184	30.86%	348	\$177,300	\$792	89.1%
Oakland County	1,200,000	\$66,390	N/A	N/A	\$204,300	\$871	76.5%

Source: SEMCOG 2015 estimates, US ACS 2010, Oakland County zoning statistics
HH = Household, MF = Multi-family

Berkley

Community Profile

Berkley is located along the Woodward Avenue corridor in Southeast Oakland County. It was incorporated as a village in 1923 and as a city in 1932. The 2.62 acre municipality, throughout the last ten years, has been recognized for its high quality of life. It was ranked #12 best place to live by Coldwell Banker in 2012, and has been featured in lists of the top 10 places to live in Michigan, the 10 happiest cities in Michigan, the top 10 safest cities in Michigan, and the top 50 suburbs in the U.S.⁴⁷. SEMCOG estimated Berkley's 2015 population at 14,918 residents, down 52 residents from the 2010 U.S. Census. As of 2010, the city had a 4.9% vacancy rate and around 6,933 housing units. The city population is rather young, with an average age of 25.5 years and average household size of 2.27. With a majority white population (91.9%), the city has remained rather homogeneous and has a large proportion of college graduates (27.6% Bachelor's Degree and 16% graduate degree). Unsurprisingly, the city has a median income of \$65,548, over ten thousand higher than the regional median income of \$53,242⁴⁸.

While many suburbs in Oakland County function as bedroom communities, Berkley has a vibrant downtown center and relatively large job-base. Nearly a quarter of Berkley workers live in Berkley, while nearly 10% of residents of Berkley work there. The largest industries in the city is services to households and firms, implying it would be a lucrative job market for workers with less professional education and more customer service experience⁴⁹. While 6.5% of the population lives in poverty, this is nearly half of the regional poverty rate. However, there has been a 2.9% increase in residents living in poverty since 2000, most likely due to the 2007 recession⁵⁰.



Photo courtesy of City of Berkley

The city currently boasts around 68 duplex units, 66 townhouses or condominiums, 490 multi-family apartment units, and 34 manufactured homes⁵¹. However, from 2000 to 2015, there were 241 building permits issued for single family residences and zero permits issued for two-family, condominiums, or multi-family residential properties⁵². Despite new multi-family construction, there is still a healthy renter population of 18% of residents with an average gross rent of \$1,005. The majority of residents continue to own their homes, with a median home value of \$165,600. Evidenced by the recognition the city has received, Berkley continues to attract new residents to the region, particularly those that work in neighboring cities of Troy and Royal oak. A large majority of residents either drive to work (86%) or carpool (7%) and a very minimal 1% take public transit, likely due to largely inefficient transit networks in the region⁵³. In addition, Berkley residents live within the Berkley school district, which has a 75% graduation rate, a 37% AP participation rate, and 24% minority enrollment. While it is not the best school district in the region, it significantly outperforms Detroit Public Schools⁵⁴.

Zoning Analysis

The Berkley zoning code was last updated in the 1980s. The city has four R-1 districts, set aside for single-family residential uses only. It also has a R-2 2-family district, a R-M multi-family district, and a R-M-H High-rise Multi-family district. While R-1 districts allow only for single-family development, per state law, manufactured housing is permitted in all districts as long as they are aesthetically comparable to the design of neighboring homes and meet a set of city requirements. The largest multi-family zone is the two-family district, which is found mostly in the southern areas of the city along Coolidge Highway. District restrictions require each dwelling to have a basement.

The Multi-family and High-rise Multi-family zones are the most promising for more affordable

Land Use	Area (ac.)	Area (%)	Parcels	Parcels (%)
Agricultural				
Single Family Residential	928.3	55.8%	6,445	90.5%
Multiple Family	11.6	0.7%	16	0.2%
Mobile Home Park				
Commercial/Office	82.6	5.0%	363	5.1%
Industrial	11.5	0.7%	36	0.5%
Public/Institutional	187.8	11.3%	116	1.6%
Recreation/Conservation	29.8	1.8%	18	0.3%
Transp./Utility/Comm.	0.3	0.0%	1	0.0%
Extractive				
Vacant	14.1	0.8%	129	1.8%
Water	0.3	0.0%		
Railroad Right-of-Way				
Road Right-of-Way	397.1	23.9%		
Total	1,663.4	100.0%	7,124	100.0%

Source: Oakland County

and diverse housing development, but have not attracted much new development in the last few decades. As of 2011, there appears to be no parcels zoned under the RM classification and only one parcel zoned as RMH, which is home to a large senior living facility that was constructed in the 1980s. The zoning code also requires all RM and RMH developments to include a 6-foot masonry wall dividing their developments from adjacent single-family neighborhoods, thus physically segregating the differing types of residential life. Furthermore, RMH districts do not allow for efficiency units (the most affordable of unit types), and requires any high-rise multi-family development of three stories or more to abut a major thoroughfare on one side, implying a less family-oriented or desirable location than where single-family units are permitted.

Speaking with Practitioners

While the current zoning ordinance for the city claims to implement master plan recommendations for diverse housing types and “recognizes the limited number of dwelling sites” in the city, it is clearly outdated and fails to actually devote attractive and useable land for multi-family districts. That being said, Berkley City Planner Amy Vansen reports that the city has been working on a new form-based code that they hope will provide for more aesthetic multi-family uses that can be integrated into single-family neighborhoods. By allowing multi-family development to be of the same quality and design as single family construction, Vansen believes they will be able to overcome opposition from homeowners concerned about the negative consequences of multi-family housing near their homes. Vansen implied they have been working on this zoning ordinance for quite a long time, and have been unable to complete it as soon as they had hoped. As of this writing, all meetings discussing the code have been open to the public but there has been no formal unveiling and therefore, planners have yet to know whether public debate will ensue.

Additionally, multi-family development has been permitted on greenfield areas in the municipality along 12-mile since 2007. However, Vansen explained that this is a very difficult area to develop and there has been little interest in the land. In the meantime, the city continues to work with known and respected developers to create Planned Unit Developments that can provide some much-needed housing diversity. There is currently a project for 18 townhouses in the works. Overall, the city's objective is to promote different and diverse housing types, not necessarily affordable housing, as there is an ongoing sentiment that affordable housing policy is the responsibility of “bigger” cities.

Huntington Woods

Community Profile

Huntington Woods is located in Southeastern Oakland County, adjacent to Woodward Avenue. The municipality was incorporated as a village in 1926 and a city in 1932. The city is extremely small, at 1.47 square miles, and was named after Huntingdon, England when it was settled in the early 1900s⁵⁵. SEMCOG estimated the 2015 population to be 6,277 residents, up from 6,238 residents in 2010. The city population is older than Berkley's with a median age of 40.6 years. The city has a small vacancy rate of 3.1% and around 2,429 housing units. Like Berkley, the city is primarily homogeneous with a population that is 94.9% white, followed by 1% black and 1.2% Asian. The population is highly educated, with 40.3% of residents holding a graduate degree and 32.6% holding a Bachelor's Degree. Accordingly, the city boasts a high household median income of \$104,879. Only 2% of the population live in poverty, a .6% decrease from 2000⁵⁶.

Similar to other communities in the region, Huntington Woods' largest industry is the service industry. A rather large percentage (13.7%) of Huntington Woods' workforce live in Detroit, likely due to its fairly close proximity to the city. That being

said, 30.1% of the workforce lives in Huntington Woods and 17.1% of Huntington Woods' residents work in Detroit. Another 13.5% of residents work in Southfield, a large job hub in the region⁵⁷. Huntington Woods' residents have access to the Berkley School District, which has significantly better rankings than Detroit Public Schools.

The city is made up of primarily single-family homes, and has only 37 duplex units and 60 townhouse units on the ground⁵⁸. Unsurprisingly, between 2000 and 2015, there were 47 building permits issued for single-family housing and zero new building permits issued for any type of multi-family housing⁵⁹. Likely due to a lack of diversity in the housing stock, only 4% of units are renter-occupied while 93% are owner-occupied. The median home value is quite high at \$310,500 while median gross rent, likely because of a small supply of rental units, is one of the highest in the county, at \$1,333. While the municipality is only 4 miles from the Detroit border, 87% of residents drive to work, 7% carpool, and 0% of residents take transit. Again, the lack of an extensive and reliable regional transit network can account for this⁶⁰.



Source: Google Earth

The high-traffic, commercial corridor along Woodward Ave. in Huntington Woods, MI is the only area in the city that permits multi-family zoning.

Zoning Analysis

The Huntington Woods Zoning Ordinance has five districts set aside for single-family residential development, and two zones that allow for higher density housing. Zone 2 is a one/two-family zone that permits single family development, churches and religious buildings, schools, and two-family dwellings. In addition, Zone 2A, the Transitional District, allows for multi-family, retail, and office

parcels. Relatively strict off-street parking recommendations require that parking for residential uses be located within 60 feet of the building served and provide at least 2 parking spaces for each dwelling unit.

The city has also put in place quite strict design standards for any multi-family development. Multi-family dwellings must either be constructed

within a mixed-use building (above first-floor retail or office), or as townhouses with a single unit occupying a minimum of two floors. Stacked ranch apartments (flats) are also permitted but only if the exterior is designed to appear as townhomes. On top of



Source: City of Huntington Woods

development along Woodward Ave, a major thoroughfare in the region. The stated goal of this zone is to create housing diversity, as well as provide a buffer between single-family neighborhoods and major arterial roads. Again, this exemplifies the tendency to allow multi-family development only where it is less desirable to build single-family homes.

Zone 2A permits multi-family development including senior and assisted living units, office, and retail not exceeding 6,000 square feet. Similar to other ordinances in the region, a 6-foot brick or concrete masonry wall is required to physically separate any part of the district that is directly adjacent to single family districts. It should be noted that all parcels in Zone 2A directly abut single-family zoned

those requirements, at least 10% of the lot area must be preserved as open space. Adding to this exclusiveness, it appears most parcels in the transitional zone are currently used for office and/or retail, with virtually no multi-family development.

Land Use	Area (ac.)	Area (%)	Parcels	Parcels (%)
Agricultural				
Single Family Residential	479.4	51.3%	2,430	97.6%
Multiple Family				
Mobile Home Park				
Commercial/Office	10.1	1.1%	22	0.9%
Industrial				
Public/Institutional	13.4	1.4%	6	0.2%
Recreation/Conservation	216.7	23.2%	19	0.8%
Transp./Utility/Comm.				
Extractive				
Vacant	2.3	0.3%	13	0.5%
Water	2.9	0.3%		
Railroad Right-of-Way				
Road Right-of-Way	209.9	22.5%		
Total	934.8	100.0%	2,490	100.0%

Source: Oakland County

Orchard Lake Village

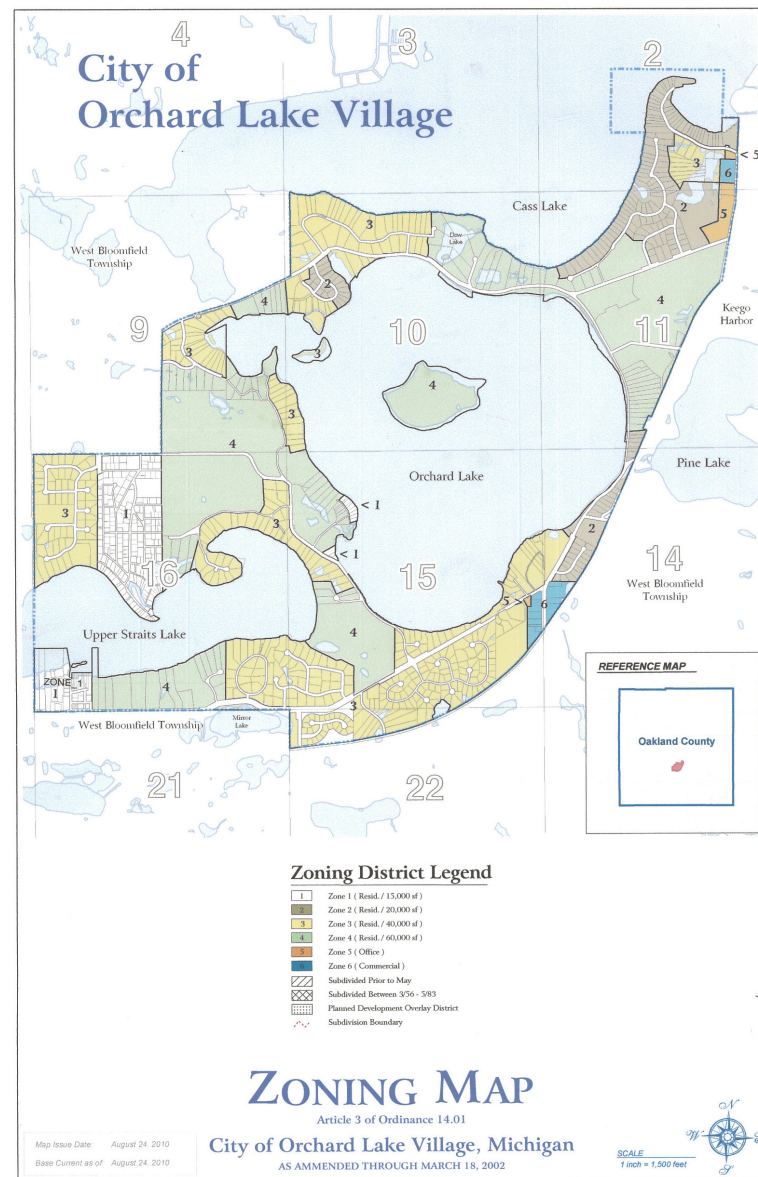
Community Profile

Orchard Lake Village sits 25 miles northwest of Detroit, and surrounds Orchard Lake. While the municipality is made up of 4.12 square miles, 1.68 square miles of this is covered in water. The city describes itself as a community with a “prosperous citizenry and high quality residential living⁶¹” and this is certainly evident in its median income of \$149,500 and median home value of \$588,200⁶². Prior to 1928, Orchard Lake Village was part of West Bloomfield Township. It was incorporated as a village that year and as a city in 1964. The prosperous city began as a resort community for Detroit residents but soon became more suburban in character as Detroit expanded in the mid-1900s. Its third phase of development included the demolition of older homes and combining of larger lots for very large homes, but residents are now beginning to split lots and demand smaller homes in the area⁶³.

SEMCOG estimated a 2015 population of 2,434, a slight increase from its 2010 population of 2,375. The average household size is 2.78. While the city only has 869 units, it has a slightly higher than normal vacancy rate of 7.7%. The city is primarily white (83%) but has larger black and Asian populations than the two other “relatively exclusive” cities profiled (6.3% and 7.4% respectively). Like the aforementioned cities, Orchard Lake Village boasts a highly educated population, with 29% of residents holding a graduate degree and 35.3% of residents holding a Bachelor’s Degree. Additionally, the city has a poverty rate of 2.4%, a large increase from 2000 (1.9% increase)⁶⁴.

Being a slightly more luxurious community with resort-like qualities, Orchard Lake Village’s largest industry is leisure and hospitality. Only 10.2% of residents work in Orchard Lake Village, while 15% commute to West Bloomfield Township and 10.6% commute to Southfield⁶⁵. Orchard Lake Village differs from the previous two communities as it serves mostly as a bedroom community,

and has only 1% of land area devoted to commercial uses⁶⁶. That being said, it is arguably the most exclusive community in this review. The city currently has zero multi-family units within city limits⁶⁷, and issued 109 single family permits in the last 15 years⁶⁸. A small percentage (4%) of residents rent while 88% own their homes. The median gross rent is unsurprisingly quite high at \$1,344. Additionally, most residents drive while 0% use public transit to get to work⁶⁹.



Source: City of Orchard Lake Village

While Orchard Lake Village does not offer as vibrant a job market as other cities, residents have access to the West Bloomfield School District, one of the best districts in the state. The district has a 41% minority enrollment, 22% of which are economically disadvantaged. Despite this, the district has a 94% graduation rate, higher than the national graduation rate (82.2%), the state graduation rate (79%) and the region’s graduation rate (79.4%). It is also significantly higher than the graduation rate for Detroit Public Schools. In addition, the high school has a college readiness index of 46.3, meaning that 46.3% of 12th grade students took and passed an AP or IB exam during their senior year⁷⁰.



Zoning Analysis

The zoning ordinance of Orchard Lake Village is unique in that it does not provide for any multi-family or two-family development. All but three properties in the city fall under a single-family residential district. The three exceptions are for office and commercial uses. The code does, however, make provisions for the consideration of Planned Unit Developments, which would currently be the only legal means of constructing multi-family housing.

The stated purpose of the PUD provisions is

to “permit development of uses that are not otherwise permitted in Zones 1-6” as well as recognize “that because of previous market demand, sensitivity to fragile local and water resources, and other reasons, the city of Orchard Lake Village is a largely built-up single family residential community.” While there is only a small amount of developable land left within city limits, the city hopes to use PUDs to reach the goals of their master plan to “provide appropriate development to satisfy the demonstrated needs of residents.”

Land Use	Area (ac.)	Area (%)	Parcels	Parcels (%)
Agricultural				
Single Family Residential	737.7	28.6%	877	84.4%
Multiple Family				
Mobile Home Park				
Commercial/Office	18.5	0.7%	13	1.3%
Industrial	1.7	0.1%	1	0.1%
Public/Institutional	154.2	6.0%	9	0.9%
Recreation/Conservation	270.2	10.5%	32	3.1%
Transp./Utility/Comm.	1.9	0.1%	12	1.2%
Extractive				
Vacant	112.5	4.4%	95	9.1%
Water	1,138.1	44.1%		
Railroad Right-of-Way				
Road Right-of-Way	148.3	5.7%		
Total	2,583.0	100.0%	1,039	100.0%

Source: Oakland County

South Lyon

Community Profile

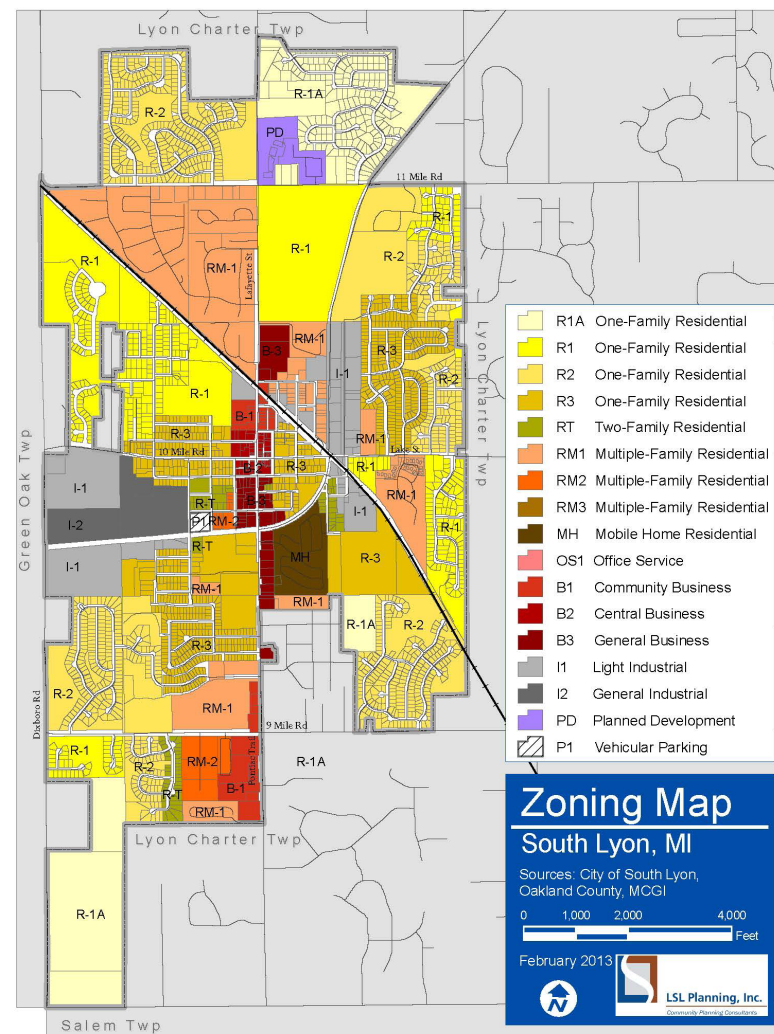
South Lyon is located in southwestern Oakland County. The city was incorporated as a village earlier than the others in this review, in 1873, and incorporated as a city in 1930. With a total area of 3.7 square miles, South Lyon lies 45 miles from the city of Detroit near the crossing of Interstate 96 and U.S. Highway 23. The area was originally developed as an agricultural center built around two railroads but has become a center for manufacturing, currently boasting 70 acres of light industrial property⁷¹. SEMCOG estimated its 2015 population at 12,177 residents, an increase from the 2010 population of 11,327. South Lyon is mostly white (93.1%) and fairly highly educated (12.3% with a graduate degree and 25.5% with a Bachelor's Degree). The average household size is 2.42 while the average age is 35.2 years. South Lyon has a vacancy rate of 9% and around 5,125 housing units⁷².

The city has a median income slightly below that of the region (\$51,297 compared to \$53,242). Additionally, there was no change in the city's poverty rate between 2000 and 2010 and it remains at 5.2%⁷³. Aside from manufacturing, government employment is one of the largest sectors in the city. Unlike smaller municipalities in the county, 20.2% of workers in South Lyon live in the city, while 12.5% and 7.5% commute from Green Oak Township and Lyon Township, respectively. Similarly, 11.2% of residents of South Lyon also work there, while the remainder commute to Novi, Ann Arbor, and other surrounding municipalities⁷⁴.

South Lyon does offer a variety of housing types. The city has 22 duplex units, 842 townhomes or condominiums, 1,476 multi-family apartments, and 227 mobile homes⁷⁵. From 2000 to 2015, 579 building permits were issued for single-family residences. In addition,

97 permits for condominiums, 12 permits for two-family units, and 134 permits for multi-family apartments were issued⁷⁶. About 20% of residents in the city are renters, closer to the regional proportion of 27%. The median home value is slightly above the average for the region at \$172,000 and the median gross rent is fairly affordable at \$723⁷⁷.

Residents of the city are within the South Lyon School District. The district's MEAP scores outpace state increases, and the schools were rated first in the tri-county area using the Standard & Poors cost performance index. The district also has a relatively high graduation rate of 89% but is less diverse with only a 7% minority enrollment⁷⁸.



Source: City of South Lyon

Zoning Analysis

Aside from four one-family districts, the South Lyon zoning ordinance includes a two-family residential district, three multi-family districts, and a mobile home district. The two-family district was created to provide a transition by permitting new construction between adjacent residential and non-residential uses. It also allows older homes to be converted into two-family housing, hoping to make them more economically viable for homeowners and landlords.

The multi-family districts were created to serve the “need for the apartment type of unit in an otherwise low to medium density residential community.” The RM-1 zone is intended for the development of low rise, low-density buildings, while the RM-2 and RM-3 zones are meant for limited usage on small lots to create transitions between nonresidential and residential uses. The RM-3 zone allows for the highest densities and is intended to be used in areas where land use is not compatible with single-family residential uses. While this zoning ordinance provides for more multi-family development

opportunities, it continues to follow suit of others and permit this type of housing in less desirable residential areas.

In addition to multi-family districts, the zoning code outlines regulations for a mobile home district. While the district is not specifically intended to serve those who cannot afford other housing options, its purpose is to “encourage a suitable environment for persons and families that by preference choose to live in a mobile home rather than a conventional single family structure.” This district mostly outlines provisions for mobile home parks and subdivisions, rather than plot-by-plot use.

Minimum lot area for single family districts span from 8,750 square feet to 15,000 square feet, with a height limit of 2 stories or 25 feet. Two-family units have a minimum lot area of 4,000 square feet with the same height restrictions. RM-1 has the same height restrictions as other zones while both RM-1 and RM-3 developments can be up to 2 and a half stories or 30 feet high. Additionally, not more than 10% of units in a structure can be efficiencies. Two parking spaces are required for nearly all units, with guest space requirements for multi-family developments.

Speaking with Practitioners

Community and Economic Development Director Kelly McIntyre was interviewed on the topic of residential zoning changes in South Lyon. While there are currently no plans for increasing densities in the city, the city's Planned Unit Development overlay zone has been used in the past to allow for an increase in density for certain projects. Additionally, McIntyre noted that the city planners usually look at new development proposals as a way to gauge demand in the community - thus, they have seen an increase in demand for one-story ranch homes and condominiums. These trends are likely a response to the aging baby-boomer population, who prefer smaller, more easily maintained living spaces.

Aside from this demand, McIntyre admits that there has been very little discussion of diversifying housing options in the city. The little conversation that does exist surrounds options for younger residents who grew up in the area and are now looking to become independent. Historically, however, mention of low-income or affordable housing options has resulted in an eruption of public opposition. McIntyre explained that NIMBY-sentiment in the community has increased throughout the years, up to the point that even single-family developments invoke neighborhood protest. The community tends to be suspicious of any type of change and prefers to keep their neighborhoods as they are.

This sentiment is problematic, as much of the city's multi-family housing options are aging and there has been very little pressure or demand to redevelop or refurbish those buildings. While McIntyre mentioned a few small pockets of land in the city that would likely result in new multi-family development, most of the city is already built out and there are very few undeveloped parcels. Further limiting housing supply, the largest multi-family development in the city, Colonial Acres, is restricted to senior tenants.

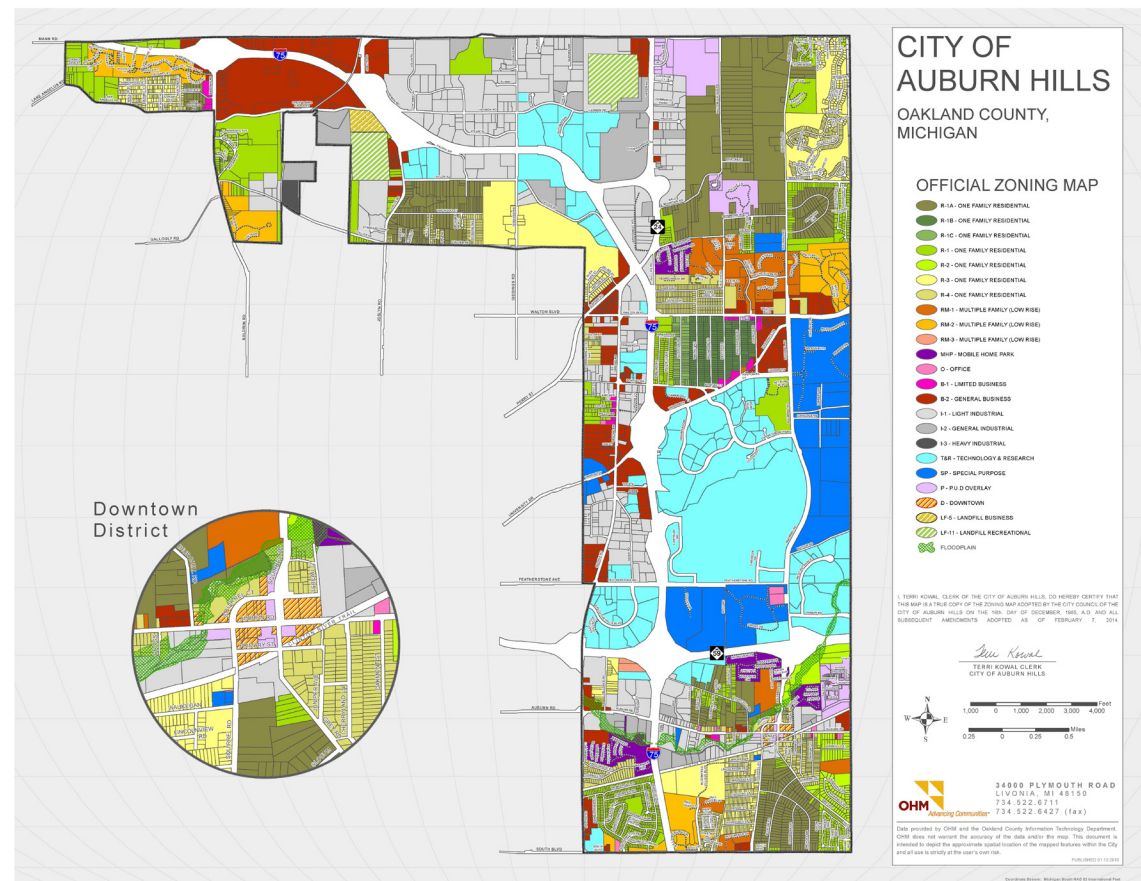
Auburn Hills

Community Profile

Auburn Hills is located in West Oakland County and is well-known as the home of the music and sports venue, the Palace of Auburn Hills. The area was originally Pontiac Charter Township, which was settled in 1821. However, this township was incorporated as a city in 1983 and took on the name Auburn Hills⁷⁹. SEMCOG estimated the 2015 population at 23,019 residents, a rather large increase from the 2010 population of 21,412. The median age is fairly young at 30.7 years, with an average household size of 2.24. While 62% of the city is white, the population is fairly diverse with 18.1% black, 8.8% Asian, 7.8% Hispanic, and 2.8% multiracial residents. The population is fairly educated with 15.4% graduate degree holders and 22.6% Bachelor Degree holders. That being said, around 8.9% of the population did not graduate high school⁸⁰.

The city has a median household income lower than the regional median of \$49,558. The city also has a higher poverty rate than the other cities reviewed; at 13.4% with a 7.1% increase since 2000, the rate is similar to the regional rate⁸¹. The largest industry in the city is the knowledge-based services industry, and the city boasts a fairly large job market. The daytime population is more than three times the city's population at

79,858, 87% of which are accounted for by employment (the remainder are non-working residents)⁸². A large proportion, around 32%, of residents in the city work in Auburn Hills. However, only 6.7% of workers in Auburn Hills live in the city⁸³. Along with its population, housing in Auburn Hills is fairly diverse as well. The city has 182 duplex units, 725 townhouses or condominiums, 4,152 multi-family apartments, and 915 manufactured homes⁸⁴. Between 2000 and 2015, the city issued permits for 448 single-family homes, 26 two-family units, 451 condominiums, and 193 multi-family units⁸⁵. The median housing value is about \$146,000 while median gross rent is \$834, relatively higher than the regional rent. Perhaps due to the larger diversity of housing, there is a fairly even proportion of renters to homeowners in the area (43 and 46% respectively)⁸⁶.



Source: City of Auburn Hills

Zoning Analysis

While the Auburn Hills zoning ordinance has seven different single-family districts, it also includes three multi-family districts: two low-rise and one high-rise zone. The RM-1 and RM-2 districts are designed to be compatible with one-family districts to serve the “limited needs” of apartment-type units in an “otherwise one-family residential community.” Similar to other ordinances, this zone is also used to provide transition between single family and non-residential uses. Minimum lot area per unit type for these districts can be seen in the table below. Minimum lot sizes for single-family uses span from 6,000 square feet to 20,000 square feet.

Because RM-3, the higher density district, is meant to promote larger scale development, minimum lot area for these developments is 5 acres. Maximum height for RM-3 developments is 6 stories, while RM-1 and RM-2 developments must be 2 ¾ stories (or 30 feet) or less. In addition to multi-family districts, the city of Auburn Hills provides for mobile home districts as long as they are separated from single-family properties with a masonry wall of four feet six inches. Mobile homes on permanent foundations are also allowed

Land Use	Area (ac.)	Area (%)	Parcels	Parcels (%)
Agricultural				
Single Family Residential	1,678.7	15.8%	3,781	72.9%
Multiple Family	626.0	5.9%	46	0.9%
Mobile Home Park	159.9	1.5%	7	0.1%
Commercial/Office	847.4	8.0%	257	5.0%
Industrial	2,344.9	22.0%	332	6.4%
Public/Institutional	1,073.4	10.1%	79	1.5%
Recreation/Conservation	566.0	5.3%	44	0.8%
Transp./Utility/Comm.	95.5	0.9%	29	0.6%
Extractive				
Vacant	1,362.7	12.8%	614	11.8%
Water	200.0	1.9%		
Railroad Right-of-Way	8.1	0.1%		
Road Right-of-Way	1,688.8	15.9%		
Total	10,651.5	100.0%	5,189	100.0%

Source: Oakland County

in single-family districts as long as they are aesthetically compatible with other properties.

Auburn Hills is the first city in this review to include a density bonus incentive into their zoning code, allowing the construction of denser single family and condominium developments in single family zones if at least 30% of the plot is preserved as open space. The intent of what the city has dubbed the “Open Space Development Option” is to “allow the reduction of the size of platted lots or site condominium units to be smaller than those normally permitted within the R-1A district in exchange for permanent preservation of land.” While this does allow for higher densities, it also effectively reduces the supply of developable land for residential uses.

Speaking with Practitioners

According to assistant City Planner Shawn Keenan, the city is currently considering a couple zoning initiatives to promote higher density development, including an increase of their density incentive for open space development. Additionally, the city may consider allowing duplex developments in one-family residential districts, which would be a large step towards more inclusive and diverse neighborhoods. Similar to demand in South Lyon, Keenan noted that there has been an increase in demand for age-friendly housing, such as one-story homes or condominiums for the aging population.

Public opposition of multi-family developments is common in the city, with the most common complaint that new development would increase traffic congestion. While Keenan admits that the city is attractive to a diversity of family and household types due to its location within the Pontiac School District, he claims that there has not been much pressure for more affordable housing development because the city already has a sufficient amount of affordable housing options.

Royal Oak

Community Profile

Royal oak is in southeast Oakland County and was incorporated as a village in 1895 and a city in 1921. Royal oak is fairly large at 11.79 square miles and is the 8th largest municipality in Oakland County by population. Throughout the last few years, Royal Oak has been recognized numerous times for its high quality of life. In 2013, Movoto listed Royal Oak as one of the 10 most exciting small cities and as one of the 10 best places to live in Michigan, and in 2014, named Royal Oak as one of the 10 best cities for education⁸⁷. SEMCOG estimated the 2015 population to be 58,642 residents, an increase from the 2010 population of 57,236. The average age of city residents is 36.9 years with an average household size of 2.03, demonstrating a rather young population⁸⁸.

The city has a vacancy rate of 7.1%, with a total of 30,207 units. While the population is still primarily white (89.1%), there is an even distribution of black, Asian, Hispanic, and multiracial residents. Residents of Royal Oak are also fairly highly educated, with 18.9% holding a graduate degree and 28.8% holding a Bachelor's Degree. The largest industry in the city is private education and health care, and the median household income is \$60,184, around \$7,000 more than the regional median⁸⁹. There is also a rather high amount of residents that both live and work in the city. About 19.8% of the workforce lives in Royal Oak, while 6.7% live in Detroit and the remainder in other municipalities in the region. Of residents in the city, 18.3% work in Royal Oak, 11.9% work in

Detroit, and the rest work in neighboring communities⁹⁰. Over 90% of residents either drive or carpool to work, while only 1% rely on public transit. The city has a relatively large poverty rate of 6.8%, a 2.6% increase since 2000. This poverty rate is still only half of the regional rate⁹¹.

Royal Oak has a rather diverse housing stock compared to most municipalities in the county. Within city limits, there are 653 duplex units, 1,600 townhomes and condominiums, 7,447 multi-family apartments, and 162 manufactured homes⁹². Between 2000 and 2015, the city issued building permits for 4 duplexes, 175 condominiums, and 169 multi-family units⁹³. The median home value in the city is about \$177,300, around \$17,000 above the regional average, and median gross rent is the same as the regional average at \$792⁹⁴.

Royal Oak residents are able to attend Royal Oak Public Schools. This district has a college readiness index of 31.9, is ranked 1,442 nationally, and number 49 in the state. There is a 19% minority enrollment and 39% AP participation rate. Additionally, the 2012 graduation rate was higher than both the national and state graduation rate at 90%⁹⁵.



Source: Safewise.com

Zoning Analysis

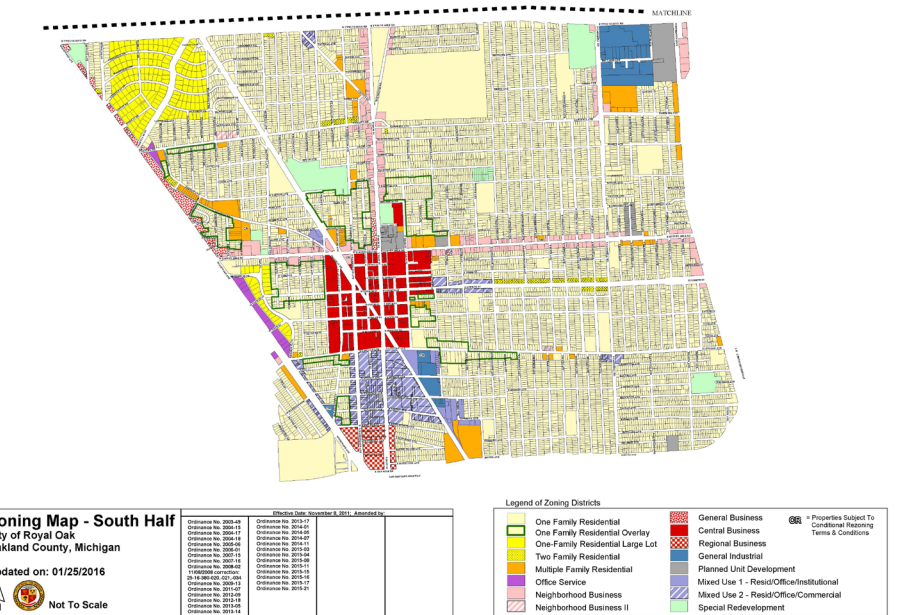
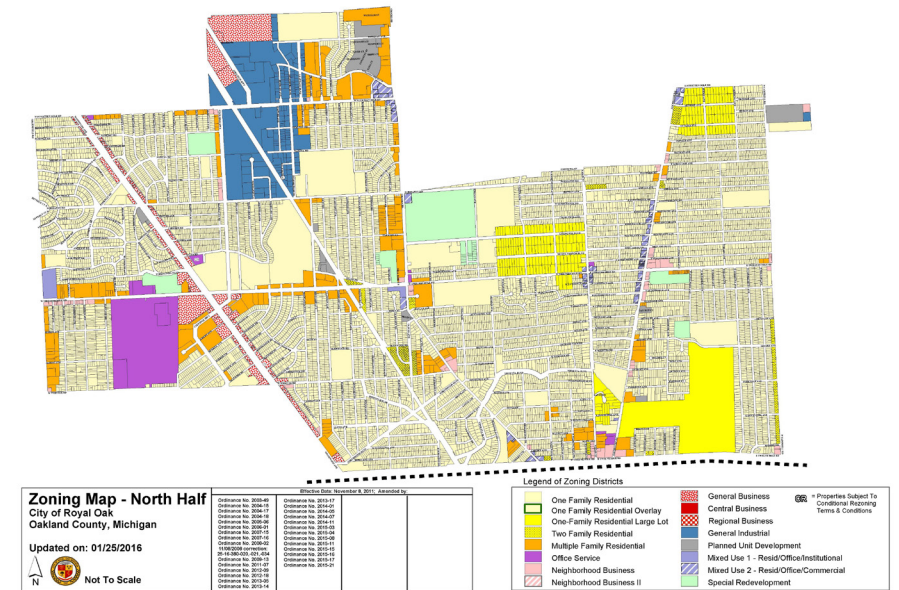
The Royal Oak zoning ordinance provides for both a two-family residential district as well as a multi-family district. Multi-family residential areas are stated to be located “near major streets for good accessibility and be designed to be compatible with adjacent single family areas.” The city also has a stated interest in providing “different types and sizes of residential units, for ownership or rental” to meet the needs of “the different age and family groups in the community.”

Multi-family developments have a 9,000 square foot minimum lot size for the first two units, then 3,000 square feet for each additional unit. They are also subject to a maximum height of thirty feet. Two-family developments have a minimum lot size of 9,000 square feet, which is often determined by the smallest usable floor area of adjacent dwellings. Multi-family units are also subject to minimum floor area requirements. Efficiencies must provide at least 250 square feet of living space, 1-bedroom units must have at least 450 square feet, 2-bedroom units must have at least 600 square feet, and 3-bedroom units must have at least 750 square feet.

The city’s zoning ordinance includes another zone that is unique to Royal Oak: the regional business district. The purpose of this district is to provide for a combination of office, high-density multi-family housing, and hotels and other hospitality services. The hope is that the provision of regionally oriented facilities in an urbanized area where infrastructure is already in place will improve the entire Detroit region. The zone permits business, administrative, and professional offices, hotels of no less than two stories, multi-family housing at a density no less than 10 units/acre, and

entertainment uses. The minimum lot size for these planned developments is 15 acres, with a maximum height of 50 feet.

Multi-family developments are also permitted in a number of other zones in the city, including both Mixed Use zones, the Planned Unit Development zone, and the Special Redevelopment Zone. By providing a greater degree of flexibility and permitting multi-family development outside of just their designated districts, the Royal Oak zoning ordinance is relatively more inclusive than others in the region.



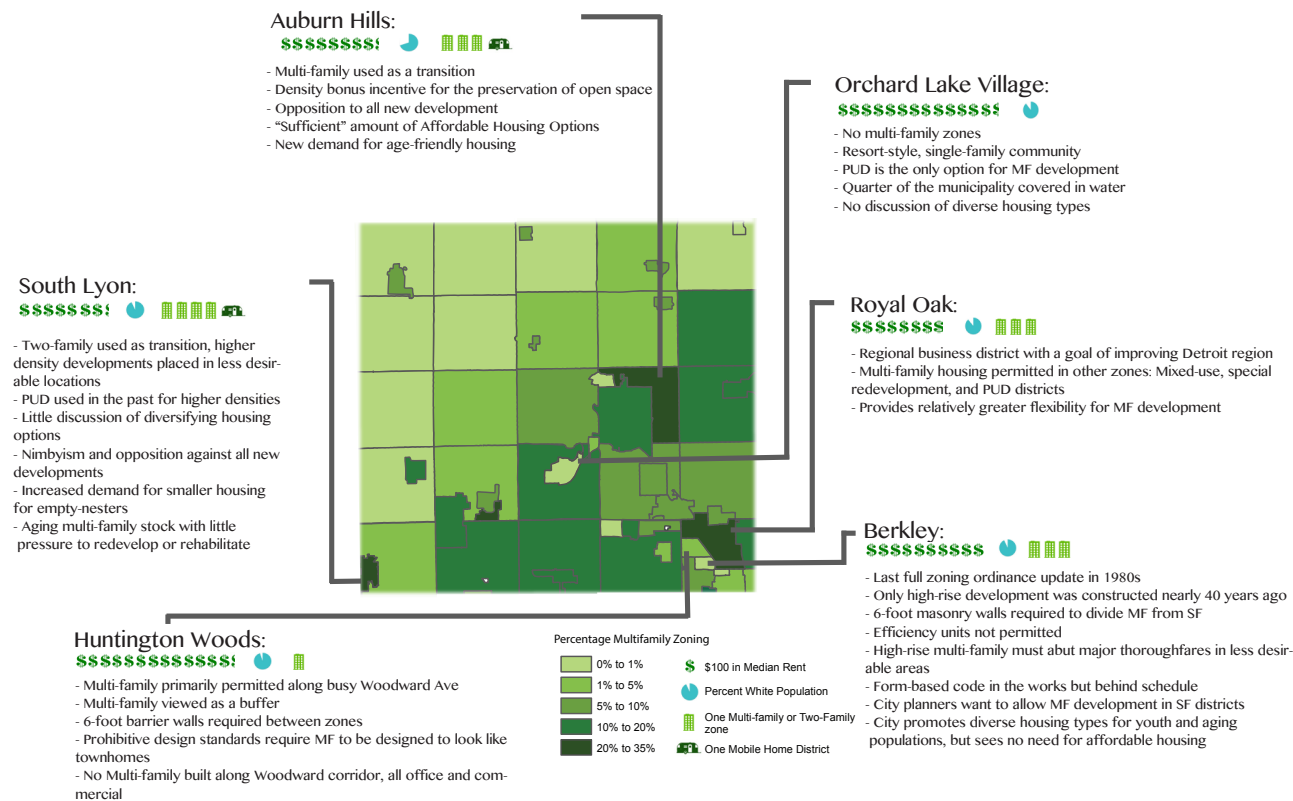
Source: City of Royal Oak

Discussion and Recommendations

The six communities reviewed varied greatly in their residential demographic and economic characteristics, thus it is no surprise that their zoning codes differed in many ways. While the zoning ordinance of a bedroom community is sure to contrast the zoning ordinance of a more economically active community, a few patterns and similarities are apparent in all of these policies. Zoning ordinances for cities on the “inclusive” end of the spectrum - South Lyon, Auburn Hills, and Royal Oak - tend to have slightly more deliberate multi-family housing policy, and were more open to a mix of residential uses within single-family districts. These cities also had a more unique distribution of zoning districts with varied purposes outside of the traditional combination of residential, commercial, and industrial zones.

Aside from these various merits, the zoning ordinances reviewed lacked a number of policy considerations (listed to the right).

- 1) No communities reviewed allowed for accessory dwelling units, be it by right or by special permit
- 2) All communities reviewed had relatively stringent parking requirements and codes rarely discussed transit when determining placement of housing
- 3) Not one zoning ordinance reviewed included arrangements for affordable housing, let alone included incentives such as density bonuses or inclusionary zoning ordinances
- 4) A majority of communities used multi-family zoning as a “transition” rather than treating it as a valued and preferred housing type.
- 5) Parking requirements were stringent in all zoning ordinances, often requiring 2 parking spaces for one-bedroom and efficiency units that may only be housing one tenant. The option of parking studies or flexible parking requirements was rarely mentioned.
- 6) Only one zoning ordinance (the City of Royal Oak) included discussion of the region and/or proximity to Detroit.
- 7) Only one zoning ordinance (Auburn Hills) utilized density bonus incentives (for open space provisions)



In addition to zoning ordinance trends, the following sentiments were detected from conversations with practitioners in the county:

- 1) Housing diversity is needed for aging population and youth population, not for low-income populations.
- 2) Affordable housing policy and incentives are for “big” cities, not small communities.
- 3) Ongoing NIMBYism and opposition of change

While these trends do not bode well with regional housing goals, this review also sheds light on a number of opportunities for SEMCOG and other regional planning organizations. First and foremost, actors in the region must promote a more widespread conversation of regional housing issues. These zoning ordinance trends are unsurprising if there is little demand or pressure for communities to address regional-scale housing disparities, and without a constructive discussion throughout the region, communities will have no reason to change.

Although SEMCOG’s ability is limited, they can play a large role in creating a regional vision. SEMCOG’s analysis of current regional issues is critical to the advancement of the region and is valuable in creating more responsive policies on both a local and state level. However, without large scale outreach, trainings, and programming, these issues will continue to take a backseat to more prominent and visible policy agendas. As gentrification begins to spark an affordable housing debate within the City of Detroit, regional organizations have the opportunity to expand this discussion throughout the tri-county region. Exposing the flaws in the region’s current land use regulations will be an important step in getting housing policy on community, regional, and state agendas.

While it may be more common for larger cities to tackle affordability issues through their zoning ordinance, it would be highly problematic to continue to allow the city of Detroit to bear the region’s burden of affordable housing. While the argument that the community is “too small” to concern itself with such large issues seems reasonable, it becomes extremely detrimental when all 240+ municipalities in the region adopt the same mindset. Although each community may be

officially smaller than the city of Detroit, the region itself makes up one very large and powerful economic entity. If each municipality sees the issue of affordable housing incentives as the problem of “larger” cities, the legacy of residential segregation will only continue. It is time that Southeast Michigan looks towards models throughout the country to better implement a regional vision for affordable housing distribution. The following table outlines possible solutions to the barriers uncovered by this report, and places in which models of these solutions exist.

Challenge	Solution	Model
Affordable Housing is viewed as a “big city” problem	Implementing Suburban-specific housing solutions such as Cottage Housing ordinances, ADU ordinances, smaller lot sizes, and adopting a fair share mentality	King County, WA (ARCH - A regional Coalition for Housing) Boston New Jersey
Housing is not on the political agenda and is not discussed in the region	Start a regional conversation through a convening of stakeholders, solutions conferences, encouraging media coverage, and press releases	Portland Fort Collins, CO King County, WA Washington, D.C.
Housing is not viewed as a pressing issue in the region, due to the supply of cheap homes in Detroit	Adopt an “opportunity” framework, focusing on access to good jobs, schools, and safe neighborhoods	Baltimore OSU’s Kirwin Institute
Small communities have limited capacity for zoning reform	Promote capacity building through the provision of model ordinances, zoning audits, technical trainings, and workshops on suburban housing solutions	King County, WA Chicago
Housing policy is not addressed at a regional scale	Encourage the creation of a regional organization for housing solutions and an alliance of housing authorities in the region	Chicago Metropolitan Planning Council King County ARCH Atlanta Neighborhood Development Partnership Baltimore Metro Council

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