President Deel stated that he serves on the LLTRC and after a thorough background check and review of the application the LLTRC recommended approval.

Mr. Hetrick questioned whether the request is for a quota liquor license.

Clerk Scott responded that it is not for a quota license.

A motion was made by Walker, seconded by Morlan, that this matter be Adopted by Resolution. The motion carried by the following vote:

Ave 6 - Blair, Deel, Hetrick, Morlan, Mungioli and Walker

Absent 1 - Bowyer

Enactment No: RES0132-2023

Resolved, that the request from Modern Craft Winery, LLC for an Off-Premise Tasting Room License to be located with the AR Workshop located at 882 S. Rochester Road, Rechester Hills, Oakland County, Michigan be considered for approval by the Michigan Liquor Control Commission.

2023-0059

Request for Preliminary Site Condominium Plan Approval - Walton Oaks Site Condominiums, a proposed 11-unit, detached single family condominium development on approximately 6.8 acres at 3510 Walton Blvd., located on the north side of Walton Blvd. between Adams Rd. and Firewood Dr., zoned R-2 One Family Residential, Bruce Michael, Walton Oaks, LLC, Applicant

Attachments: 052223 Agenda Summary.pdf

Public Comment for City Council.pdf

Site Plan 022123.pdf

Plans Pt 1.pdf

Plans Pt 2.pdf

Plans Pt 3.pdf

Aerial.pdf

Revised Landscape Plan.pdf

Floor Plans & Elevations (Chelsea).pdf

Rendering (Chelsea).pdf

Floor Plans & Elevations (St. Clair).pdf

Rendering (St. Clair).pdf

Minutes PC 050223 (Draft).pdf

Minutes PC 022123.pdf

Staff Report 050223.pdf

Staff Report 022123.pdf

Presentation 051623.pdf

Rochester Housing Solutions Overview.pdf

Development Application.pdf

Revised EIS 031623.pdf

EIS.pdf

Response Table.pdf

Response Table 041023.pdf

Response Table 031623.pdf

Attorney Letter 041323.pdf

Attorney Letter 031623.pdf

Letter from Applicant 032023.pdf

Three Oaks Communities LLC Letter 010323.pdf

WRC Letter 041422.pdf

Staran Email 030722.pdf

Resident Q&A with Response.pdf

Resident Q&A.pdf

Neighbor Meeting Attendance.pdf

Applicant Email to Residents 031623.pdf

Public Comment 050223.pdf

Public Comment 022123.pdf

Public Hearing Notice 050223.pdf

Public Hearing Notice 022123.pdf

Resolution (Draft).pdf

Chris McLeod, Planning Manager, explained that the request before Council is for approval of a Walton Oaks Preliminary Site Condominium Plan. He stated that there are eleven unit site condos proposed on the 6.85 acres site and that the site is zoned R-2, One-Family Residential. He noted that the site is located on the north side of Walton Boulevard, between Adams Road and Firewood Drive. He added that the site is heavily wooded and that a tree removal permit would be required. He shared that the Planning Commission granted approval of a tree removal permit and also recommended approval of the preliminary site plan at its May 2, 2023 meeting. He noted that the Site Condominium approval process is a multi-step process and stated that not only does the Planning Commission and City Council approve the preliminary plan, they also have to approve the final site plan. He shared that the Planning Commission granted a request to allow sidewalks on one side of the road and added that there are only units on one side of the road. He added that there are two storm water detention facilities: one at the south end of the site and one at the west side of the development.

He shared that the applicant proposed 12 foot evergreen trees to be planted to provide adequate screening as well as to provide additional landscaping along the west side of the development. He added that there is a significant amount of landscaping proposed throughout the site. He shared that the site does not connect to the adjacent sites and that a t-turn will be required for fire apparatus access. He explained there are a variety of floor plans and renderings available within the development.

He noted that there is a unique nature of the ownership of some of the units in this development and added that the applicant was transparent with that information at the Planning Commission Meeting. He explained that some of the units would be specifically for adults with IDD (intellectual or developmental disability). He shared that four of the units would have multiple ownership within the unit itself, adding that the City Attorney provided his opinion that the units still qualify as single-family status. He mentioned that the Planning Commission requested that the applicant hold a meeting with residents that live near the site to provide additional information and answer any questions they may have. He added that the applicant held the neighborhood meeting on March 6, 2023.

Bruce Michael, Applicant, shared that his team and legal counsel is present to answer any questions City Council or the public may have regarding the development.

President Deel shared City Ordinance Chapter 122, Article II, Section 122-156 and added that this Ordinance is what has been set for City Council to to follow when a preliminary site plan approval is presented. He highlighted Section 122-156(b) as it reads:

'Approval or denial. Before granting tentative approval of the preliminary plat, the council shall be satisfied the plat meets the requirements of this article, the zoning ordinance and the other applicable sections and regulations of this Code. In denying a plat, the council shall state its reasons and shall communicate the reasons to the proprietor.'

Public Comment:

Jessi Lee, 190 Stonetree Circle, stated that she has been a resident of Rochester Hills for over 13 years and that this development borders her property. She added that she has attended every meeting regarding Walton Oaks and she does not understand how the IDD housing proposed within this development is in alignment with the current R-2 single-family zoning. She stated that the communication residents received from the developer regarding the IDD housing does not match the communication received from the City Attorney. She added that her concerns do not stem from sharing the neighborhood with IDD individuals, but rather the precedence the City is setting by allowing developers to find a loophole by developing single-family homes as multi-family homes. She questioned whether there is a City Ordinance that regulates an IDD designated unit to make sure it remains an IDD status. She believes that there are other ways the developer can achieve their goal of developing within the current zoning requirements.

Kellie Wycoff, 513 Bloomer Ridge Drive, explained that she is looking for a future home for her special needs daughter in Rochester Hills. She added that her family has lived in Rochester Hills for 23 years and love the community. She stated that there is nowhere for special needs adults to live in the City and this development would allow her daughter to remain living in the City.

Barbara Martin, 247 Stonetree Circle, questioned whether all Rochester Hills single-family homes now fall under the same classification as the proposed IDD units. She questioned who approved the exceptions to the proposed single-family homes and added that allowing a parcel that is zoned for single-family to operate as a multi-family will open the door to similar requests.

Harsha Gowda, shared that he was born in Avon Township and he would hate for anyone to not feel welcome in the community. He added that there are multi-family zoning districts that allow for this type of development. He stated that his focus is on tree preservation and shared that the City Ordinance states that preservation and conservation shall have priority over development when there are feasible alternatives. He noted that the City Ordinance states it is against a tree removal permit.

Noreen Meganck, 172 Stonetree Circle, shared that she lives adjacent to the proposed Walton Oaks development. She noted that she had previously addressed the Planning Commission and spoke to Paul Davis regarding her concerns of a large elm tree that is invading and possibly damaging a sanitary sewer drain alongside her property line. She stated that during construction of a home on Walton Boulevard, the manhole was tapped into and caused a significant amount of damage to the retaining wall and fence. She added that Mr. Davis had expressed he had no issues with the tree being removed by the developers. She noted that the proposed 11 units of Walton Oaks will be tied into this sanitary sewer drain and requested that the developers of Walton Oaks remove the tree to prevent further damage.

Mark Lula, 196 Stonetree Circle, expressed his concerns with the tree removal on the proposed Walton Oaks site. He stated that the longtime residents enjoy the trees in the area and requested that City Council reconsider the tree removal permit. He added that four separate owners under one single roof is not a single-family home and stated that the parcel should be left as a green space as it is a habitat to wildlife. He stated that the size of the parcel and the proposal is not aligned and should be looked at closer prior to approval.

David Mingle, 1555 Rochester Road, Leonard, shared that he is the Chairperson of Rochester Housing Solutions and also the father of Logan, a 31-year old man with autism. He stated that Logan, along with several other IDD adults in the community, enjoy the amenities in the City of Rochester Hills and want to remain residents of the City. He added that he has collaborated with the developer, Three-Oaks Community, from the beginning and at the direction of the City, they have worked for two years to meet every criteria of the current zoning of the proposed development. He noted that an independent living model has been selected for individuals with disabilities in the proposed Walton Oaks and South Oaks developments. He added that the model is recognized by state and local agencies and is in line with federal mandates that encourage

individuals with disabilities to choose how and where they want to live. He stated that the developments will be innovative and progressive and in line with the City's vision.

Lisa Kowalski, 1411 Ternbury Drive, stated that she has been a Rochester Hills resident for 27 years. She shared that she is speaking on behalf of her 30-year old son that has intellectual disabilities and also as the President of The Arc of Oakland County. She explained that The Arc of Oakland County is an inclusive organization that advocates for the rights and full participation of all children and adults with intellectual and developmental disabilities. She added that they strive to improve systems of support and services, connect families and inspire the community and influence public policy. She stated that her son has lived in the City since he was three years old and wants to continue to live in the City, independently.

Council Discussion:

Mr. Walker questioned whether the home values are determined by a comparable analysis and what is the perceived value and market value of the non-IDD homes verses the IDD homes in the neighborhood. He questioned whether the IDD homes would be purchased by cash, or if they could be mortgaged and how these units would be resold.

Mr. Michael responded that the sale price of the non-IDD homes will be between \$750,000 and \$1,000,000. He added that the IDD homes will be based on cost, but will average approximately \$600,000 range. He noted that the IDD home price would be divided by the number of occupants living in the home and that the homes could be mortgaged. He stated that the recorded Declaration of the units will state that the unit must be sold to only IDD individuals; therefore, upon resale the buyer must be an IDD individual. He added that there is also a background check that the IDD individuals will go through prior to owning a unit to make sure the occupants are compatible to live together.

Mr. Walker questioned whether the owner is responsible for the outside maintenance or would the condominium association assume that responsibility. He asked whether the developer has done similar developments like this in other communities.

Mr. Michael replied that the snow plowing and lawn maintenance would be covered through the condominium association. He added that they are in the process of interviewing property management agencies that will manage the outdoor property maintenance. He stated that they have already interviewed the caregiver agencies that will be involved with the IDD units. He added that the parents of the IDD individuals will be heavily involved in decisions regarding their child's care, more so than they would if their child was in a group home. He stated that they finished their first development similar to this one in Saline, Michigan and the last occupant took residency last August. He added that they believe they are the only developers that have developed communities with this type of ownership concept. He stated that most IDD developments are rentals with no option to own.

Mr. Walker questioned how the foreclosure process would work on the IDD units, if there was a turn in the economy and an owner could not continue to pay their mortgage.

Mr. Michael responded that he could get with his legal team for the answer to that question and added that they held an open house in Troy right before Covid hit and there was over 220 people that attended the open house. He stated that they were all in support of the development and there is a waiting list to get into the development. He added that there are limited options for IDD individuals to live independently and Walton Oaks is a great option. He shared that the condominium association has the right to step in and purchase the unit if there is not an appropriate purchaser for the unit at the time of sale.

Ms. Mungioli shared that her questions are intended to better understand the development and added that she has been to two community events hosted by the developer. She added that Rochester Hills is a community where everyone can live, work and play and she wants to make sure that everyone can live, work and play harmoniously. She addressed Mrs. Meganck's concern about the tree damaging the sanitary sewer drain and wanted to make sure that her request to remove the tree is included in the proposal.

Mr. McLeod deferred Ms. Mungioli's question to Jason Boughton, Engineering Utilities Specialist.

Mr. Michael added that he spoke with Paul Davis and discussed whether removing the tree was a possibility. He added that they are willing to remove the tree; however, it is not on their property.

Mr. Boughton concurred with Mr. Michael and stated that as long as all parties agree to remove the tree, including the homeowner, then the tree can be removed as part of the development.

Ms. Mungioli questioned that if the developer is willing to remove the tree and everyone including the homeowner agrees to have the tree removed, could this be added as a finding to make sure it gets done.

Mr. McLeod stated that if City Council wants to add the tree removal as a directive, it is best to put it into writing. He noted that the property owner has not agreed to remove the tree; however, the development should not be tied to whether the tree is removed or not.

President Deel directed Ms. Mungioli's question to City Attorney, John Staran for clarification.

Mr. Staran responded that the City cannot require the developer to remove a tree that is not on their property. He added that the developer and the property owner can come to a separate agreement about removing the tree.. He reiterated that this is the preliminary approval tonight and that if approved, this development will have to come back to City Council for final approval.

Ms. Mungioli shared that when a new subdivision was built next to her

neighborhood, the drains were overburdened and as a result her subdivision had flooding issues. She questioned whether the drains have been looked at to assure that the detention basins can handle more homes and prevent flooding issues.

Mr. Boughton responded that currently the vacant parcel drains from the northeast corner to the southwest where the sanitary manhole resides. He added that the proposed two detention basins will convey the storm water out to Walton Boulevard through the Road Commission for Oakland County's drainage ditch that exists on the north side. He stated that the storm design calculations have met the Department of Public Services standards.

Ms. Mungioli questioned whether the development would be close enough to allow residents to walk to the nearby retail and grocery stores. She expressed her concerns with residents safely crossing the intersection at Walton Boulevard and Adams Road. She mentioned that she had asked Paul Davis to find out more about the signaling at that intersection to make sure that there is sufficient time for pedestrians to cross the road. She stated that she has requested for clear pedestrian crossing lines on the road so cars can appropriately stop and allow pedestrians to safely cross the street. She also requested to see a copy of the Homeowner's Association Master Deed and Declaration so she can see what type of restrictions are in place and how the IDD homes will be regulated.

Mr. Michael responded that they have been working with the potential homeowners and their families for several years and the goal was to keep the families in Rochester Hills. He added that there is not a lot of land available in the City for new residential developments. He explained that this development is the closest they could find that were walkable to grocery stores and retail stores.

Sarah Karl, Makower Abbate Guerra Wegner Vollmer PLLC, Attorney for the Applicant, explained that their firm specializes in condominium associations and homeowner associations. She stated that she has been working on the draft Master Deed and Bylaws for this development and a copy was provided to Mr. Staran as part of the preliminary review process. She noted that the Declaration is a separate document that has not been prepared yet; however, it is in the process of being prepared. She added that the Master Deed and Bylaws describes the units and the common elements of the neighborhood; the shared components of the IDD units will be common elements of the development. She noted that common elements are items that the owners have an undivided interest as condominium owners. She explained that the Bylaws describe terms of assessment, insurance, restrictions and how the association itself operates. She pointed out that the restriction component states that the use of the homes are single-family use homes only. She added that the leases are restricted per the Condominium Act; however, there are additional restrictions. She continued that restrictions include a one-year minimum lease term, screening requirements for the IDD units, prohibitions on transient tendencies and review of leases. She added that the Homeowner Association Board will be comprised of members from the neurotypical homes as well as the IDD homes. She explained that the Declaration has to be a separate document because under the Condominium Act, the Master Deed and Bylaws can be revised by a two-thirds vote by the owners. She noted that the IDD homes are meant to remain IDD homes forever; therefore, the Declaration will be a separate document that cannot be revised by a vote of the owners.

Ms. Mungioli questioned whether the IDD units could be rented short-term to anyone or if they can only be rented to IDD individuals. She questioned whether all IDD individuals are single or if they are able to marry. She asked whether the parents of the IDD individuals will live in the same community or if they are able to live elsewhere. She questioned whether there will be onsite care for the IDD individuals and how is the decision made on whether the IDD individual is in a three-bedroom or a four-bedroom home.

Ms. Karl replied that the units can only be leased to IDD individuals and added that they would have to go through the screening process through the Homeowner Association prior to leasing the unit. She responded that she is not aware of their marital regulations; however, she was informed that all IDD individuals are single. She stated that it is her understanding that parents will be living in the community or close by, as the parents have a significant amount of involvement with their child. She added that the families are not required to live in the same development as their IDD child. She responded that onsite care will be the decision of the residents living in the IDD units and stated that there is an option for a shared common element in the home for onsite care. She explained that each IDD resident will have different needs; therefore, onsite care will be based on the specific needs of each individual.

Mr. Mingle explained that Rochester Housing Solutions (RHS) has 35 member families, most all of the families have adults with disabilities. He added that RHS members have gone through training through an organization called Center for an Independent Future and learned that IDD housing is about building relationships among the families and the individuals to make sure there is compatibility. He noted that RHS is providing the infrastructure to incorporate lifelong relationships amongst the individuals living in this development. He added that part of the process includes a roommate assessment that the families will go through. He pointed out that the IDD units could be co-ed living, depending on the individuals and their families.

Ms. Mungioli asked Mr. Staran to provide copies of the Homeowner Association Master Deed, Bylaws and Declaration.

Mr. Staran responded that the requested documents can be distributed to Council.

Ms. Morlan questioned whether the IDD units are owned by the IDD individual or by their parents. She questioned whether extra care is provided at an additional cost, arranged by the Homeowner Association.

Mr. Michael responded that the IDD units are generally purchased through a special needs trust that is owned by the IDD individual and the parents are listed as the trustees.

Mr. Mingle responded that most of the IDD individuals qualify for care through

Medicaid that provide services for activities of daily living. He added that RHS offers an additional level of service that provides community integration that is paid for by the IDD individuals and their families. He stated that RHS will coordinate activities and events within the community that the IDD individuals and their families have the option to partake in.

Ms. Morlan questioned whether there will be 24-hour care and assistance provided to the IDD individuals. She asked Mr. Staran whether other single-family homes in the City would be able to sell just a bedroom in their home.

Mr. Mingle responded that it is dependent upon the individual and the level of care that is needed. He continued that there are some IDD individuals that have jobs and require just a little bit of extra support; however, there are IDD individuals that can navigate the home safely but lack judgment in the event of an emergency and would require more support. He explained that Oakland County Health Network has multiple levels of agencies and through their process, they will authorize the services that the IDD individual is eligible for.

Mr. Staran replied that single-family homes cannot be sold in sections to individual owners and stated that this development has permanent, non-transient residents that would be living as a single-family dwelling with shared, common features of the home. He noted that the key distinction between these single-family homes and multi-family homes is that the IDD individuals will be living as a whole unit and will have daily interactions with each other.

Mr. Hetrick stated that the Applicant mentioned that the demand for the IDD units is significant and that there is a waiting list. He questioned whether the Applicant plans to develop as many IDD homes in this development to satisfy the demand, or will there the neurotypical homes still remain as proposed in the preliminary site plan.

Mr. Michael responded that the intention is to have an integrated neighborhood; therefore, there needs to be a combination of neurotypical homes and IDD homes. He stated that they selected 25 to 30 percent of the development to be IDD units, which equals three homes. He added that the Community Mental Health Agencies also determine Medicaid funding based on the living arrangements of the IDD individuals. He explained that the approach is to create integration within the community itself, instead of trying to buy a house in the middle of a neighborhood with neighbors that did not plan on living in an integrated community.

Mr. Hetrick noted that he appreciates that these homes are being sold as 'forever homes' and offers more stability to the IDD individual over a group home. He questioned how the Homeowners Association fees will be distinguished between the IDD owners and the neurotypical owners and how would the Homeowners Association Board vote on financial items.

Mr. Michael responded that there will be two different budgets; one for the IDD homes and one for the neurotypical homes. He explained that for the common

elements that serve the entire development such as the detention basins, the funds will be shared between the two budgets.

Ms. Karl responded that the Board will be made up of both the IDD individuals and the neurotypical individuals that will vote on the items that affect them.

Mr. Hetrick asked how many trees will remain as part of the development and not be removed.

Mr. Michael replied that 42 percent of the original trees will remain as part of the development. He noted that most of the trees along the Brookdale side towards the southwest corner of the property and around the northern edge will remain. He added that they are planting approximately 300 trees and per the request of the neighboring residents, more screening will be provided along the east side. He stated that the deciduous trees were replaced with evergreen trees to provide additional screening.

Mr. Blair thanked the residents for sharing their concerns about the development and assured them that every comment is heard. He added that Ms. Lee's concerns regarding the zoning and the IDD homes not fitting the current zoning caused him to look closer at the floor plans of the proposed development. He stated that he does not see an issue with the units and the zoning for this development, and added that the floor plans are similar to a single-family home. He questioned the traffic flow near Bellarmine and Donegal and whether the outlot near there was not paved in response to public feedback or a decision based on other factors.

Mr. Michael responded that originally they were going to purchase just the north end of the property to allow access to that outlot; however, the neighbors were very adamant that the outlot was not paved. He stated that because of that, they made arrangements with the seller to purchase the entire property to allow access to Walton Boulevard.

Mr. Blair commended the developer for working and listening to the residents to get the development as appropriate as possible. He noted that the developer has done a great job with community engagement and that the planning and response has been good from the developer.

Ms. Morlan questioned whether all of the units in this development are spoken for or are there still IDD units available.

Mr. Michael responded that the Walton Oaks development is full; however, there are still available units in the South Oaks development.

President Deel stated that he works in probate court and every week they hear several guardianships for IDD individuals that include cases with Special Needs Trusts. He assumed that many of the owners of the IDD units would purchase the unit through a Special Needs Trust that would be owned by the IDD individual and the parents would be the trustee of the Special Needs Trust and would make decisions and sign the purchase agreements. He noted that this development is unique as most of the IDD individuals are renting in a group home rather than owning their home.

He noted that City Council appreciates the feedback and concerns from the residents and stated that there were several concerns regarding the single-family home zoning. He shared that the City's definition of family is 'an individual group of two or more persons related by blood, marriage or adoption together with foster children and servants of the principle occupant with not more than one additional unrelated person who are domiciled together in a single domestic housekeeping in a dwelling unit'.

He added that there is a second definition in the City's Ordinance that states, 'a collective number of individuals domiciled together in one dwelling unit whose relationship is a continuing non-transient domestic character who are cooking and living as a single nonprofit housekeeping unit. This definition does not include any society, club, fraternity, sorority, association, lodge, coterie, organization or group of students or other individuals whose domestic relationship is of the transitory or seasonal nature for an unanticipated limited duration of a school term or other similar determinable period.'

He explained that City Council's responsibility is to review the Ordinance and determine if the proposed development fits within the scope of the existing Ordinance. He added that Walton Oaks does fit within the scope of the Ordinance; however, that does not mean that Council does not sympathize and understand the concerns of the residents.

He stated that the developer had proposed this development previously; however, it had over 20 units in the development and road access through the adjacent subdivision. He noted that Council did not approve that request. He added that Council advised the developer to come back with a site plan that was within the scope of the Ordinance and they did. He noted that this is the preliminary site plan approval and that this will have to go through the final site plan approval before development begins. He stated that Council wants to make sure that the developer is a good neighbor and that early on in this process, he had received a call from a non-profit organization in the City that was not happy that their intellectual property was being used in meetings to the public. He noted that there were other articles received about representations in other communities that were made that may not have been accurate or truthful. He reiterated that this development should be built according to the scope of the Ordinance.

A motion was made by Hetrick, seconded by Blair, that this matter be Adopted by Resolution. The motion carried by the following vote:

Aye 6 - Blair, Deel, Hetrick, Morlan, Mungioli and Walker

Absent 1 - Bowyer

Enactment No: RES0133-2023

Resolved, that the Rochester Hills City Council hereby approves the Preliminary Site Condominium Plan for Walton Oaks Condominiums, based on plans dated received by the Planning Department on March 16, 2023 and supplemented with updated landscape plans received April 10, 2023, with the following findings and subject to the following conditions.

Findings

- 1. The site plan and supporting documents demonstrate that all applicable requirements of the Zoning Ordinance, as well as other City Ordinances, standards, and requirements, can be met subject to the conditions noted below.
- 2. The proposed project will be accessed from Walton Road, thereby promoting safety and convenience of vehicular traffic both within the site and on the adjoining street.
- 3. Adequate utilities are available to the site.
- 4. The preliminary plan represents a reasonable street and lot layout and orientation.
- 5. The proposed improvements should have a satisfactory and harmonious relationship with the development on-site as well as existing development in the adjacent vicinity.
- 6. The proposed development will not have an unreasonably detrimental or injurious effect upon the natural characteristics and features of the site or those of the surrounding area.
- 7. The requested modification for sidewalks to be located solely on the west side of Peregrine Street is warranted due to the limited number of home sites and the home being located only on one side of the street.

Conditions

- 1. Address all applicable comments from other City departments and outside agency review letters, prior to final site condominium site plan approval including providing the appropriate street names for City Approval.
- 2. Provide a landscape bond in the amount of \$197,350.00, plus inspection fees, as adjusted by staff as necessary, prior to the preconstruction meeting with Engineering.
- 3. Provide payment, equal to the current required fee for replacement trees, along with any addition fees associated with such, into the City's Tree Fund for the remaining 44 trees identified on the site plan.

2023-0057

Request for Preliminary Site Condominium Plan Approval - South Oaks Site Condominiums, a proposed 9-unit detached single family condominium development on approximately 4.8 acres located on the north side of South Blvd., between Coolidge and Crooks, Parcel No. 15-32-376-078, zoned R-4 One Family Residential, Bruce Michael, South Oaks, LLC, Applicant