

DISCUSSION

2024-0447 Master Plan 2024

(Giffels Webster Memo dated 9-12-24, Scenarios and Data dated 9-12-24, Master Plan Market Study Summary dated 9-6-24, Market Study for Rochester Hills dated 9-12-24, Roles of Community Members and Advocacy Positions, and PC Worksession Draft Minutes of 7-16-24, and Worksession Minutes of 6-18-24, 5-21-24, 3-19-24, and PC-CC Joint Minutes of 1-29-24 had been placed on file and by reference became a part of the record thereof.)

Present in addition to staff were representatives from Giffels Webster, the City's Planning Consultant, Jill Bahm, Julia Upfal and Ian Hogg.

Ms. Bahm stated that this evening the Commission will continue conversations about scenario planning and the different directions that could be planned for Rochester Hills. She noted that a full day of small group meetings are scheduled for next Monday, September 23. The intention is to present the preferred scenario of the Planning Commission, the pros and cons associated with each of the scenarios, and have some dialogue of what they think and if they have any other pros and cons to talk about.

She noted that at the last meeting, the Commission was leaning toward Scenario One with some features of Scenario Three. She stated that they wanted to have some focus particularly on housing and cost burden issues, but also on transportation and some of the natural features concerns. She mentioned that supplemental information is included in the meeting packet along with the market study summary from the Chesapeake Group.

(Ben Weaver entered the meeting at 5:49 p.m.)

She asked the Commissioners to now think about the scenarios from the perspective of a community stakeholder and consider some of the concerns they might have. She had Commissioners select a slip of paper which contained a category of stakeholder and to revisit the first scenario from that perspective and voice what they thought someone in this category would be advocating for. Categories included senior citizen, empty nester, young people starting households, and others. She reviewed Scenario One, listing the pros and cons, including rising home prices and property values, stability and continuity, quality of life, maintaining the current setup of community facilities, parks and open spaces, low density appeal, focus on continued investment in maintaining aging infrastructure, and sense of identity. Cons included somewhat limited housing, affordability continuing to be an issue for certain members of the community, increased congestion associated with reliance on personal automobiles, lack of innovation, a generational shift as the community continues to age, and lack of economic resilience to economic fluctuations and infrastructure costs. She asked for input relative to the Commission's particular perspective based on their role in the exercise.

Mr. Hetrick commented from the perspective of a young family getting started,

stating that quality of life and a stable community would be important when raising a family.

Mr. Hooper stated that from the perspective of a senior citizen, he would want to encourage ranch duplexes or single level homes if a senior could not remain in their family home. OPC, parks, green spaces and safety would be important to him; and as he ages out of his house, availability of assisted living and other options would become important.

Mr. Struzik stated that from the perspective of a municipal official or staff member, Scenario One would produce the least amount of friction of residents upset about a change in direction. He commented that he would be worried about the ability to deliver efficient services, and this scenario would also exacerbate traffic. He added that this scenario also offers fewer opportunities for residents with a wider variety of backgrounds to move to the city.

Mr. Gallina chose empty-nester, noting that he would look at amenities such as parks and open spaces, and property values to sell at a high point even though there are not many options to downsize.

Mr. Dettloff stated his role was that of a young person starting a household, and commented that quality of life would be first and foremost. He stated that he would think that modern infrastructure like coworking spaces, reliable transportation, and digital connectivity that supports flexible work options would see increased demand.

Mr. Hetrick commented that for the young family finding affordability of housing would be difficult. He added that when he speaks to his younger neighbors they want to be able to ride their bikes and go places on a bike path.

Ms. Neubauer stated that she drew the community and public health advocate, and mentioned a focus for mental health and well being, healthcare, green spaces, healthy food options, incorporating physical activity into daily routines, environmental quality, wellness programs and housing and resources for vulnerable populations. She commented that she does not know how the City can solve these issues other than providing resources through community organizations. She stated that regarding housing for vulnerable populations, these have to be defined whether low income, elderly or younger generations. She mentioned that the price of housing in Rochester Hills is a problem.

Mr. Weaver stated that his role was as a small business owner, so stability and continuity, and quality of life would be very important to him. He would want to make sure that the community is fitting for himself and his employees, and he would want people to feel safe coming to his business. He added that he would want to ensure economic resilience in case of a downturn. He noted that lack of innovation could be an issue if there were economic opportunities missed.

Mr. Hooper commented that the City's tax rate is favorable for the business community.

Ms. Upfall stated that each of the different scenarios evoke a different sense of

identity; however Scenario One is specifically more suburban/traditional. She asked how the identity associated with that scenario would be for a business owner.

Mr. Weaver responded that it depends on the type of business; however, he would want it to be something favorable to the residents so he could maintain a client base compatible with the sense of community.

Ms. Neubauer stated that Rochester Hills has Oakland University and Oakland Community College nearby, and many people who go to those schools end up working here. She added that the Mayor's Business Council is comprised of businesses that are based here and represent a kind of suburban family.

Ms. Denstaedt commented that businesses look for that when they are coming to a community and want to build somewhere where they know their employees will want to live and stay.

Mr. Hetrick stated that businesses care about and base their investment decisions on demographics.

Ms. Denstaedt added that they look at school districts, and Rochester Hills has multiple districts that other communities do not have. She noted that her role was as environmentalist, and stated that Rochester Hills has amazing parks that offer different things for different people. She stated that there is a need for more walkability. She stated that while it is a pro that the City has so much to offer, it must figure out how to maintain it and look toward ride shares and busing.

Ms. Neubauer stated that housing affordability is not just a problem in Rochester Hills, and mentioned that houses in Warren that were at an \$80,000 price range and are less than 1,000 square feet are over \$200,000 now. She stated that to try to solve that problem with development may be a mistake. She noted high interest rates, and stated that these contribute to the affordability of housing. She stated that for some communities, people go there because it is more affordable and not for the school districts.

Mr. Struzik stated that he lived in Warren during the recession, and pointed out that there is not a lot of variety in housing. He commented that it is mostly post-war housing, ranches and uppers, and during the recession there was a rapid change in the makeup of neighborhoods. He stated that without variety, a quicker turnover can be experienced.

Chairperson Brnabic stated that she had drawn the role of a large employer, and they like to retain a quality workforce, encourage updated infrastructure, and want a business-friendly environment. She noted that this also creates quality of life in the community as a competitive advantage. She stated that some employees are looking for housing within the community and limited options or affordability could be a consideration. She commented that large employers want infrastructure, updated stability, continuity and quality of life. She added that they would be looking for product profit, and would strive for a sense of identity and separation.

Mr. Hooper stated that there is not enough real estate for a large company to come in here, and that Ms. Valentik is constantly fighting that battle.

Ms. Roediger noted that when they have non-residential developments, or even some residential developments, there is resident pushback. She mentioned Suburban Softball, and noted that this will probably be a large non-residential development and she is certain that they will have residents coming out and complaining about traffic. She stated that this gives a reputation of not being very friendly to businesses, and noted that Ms. Valentik attended a conference where she was chastised because of the anti-development mentality that some applicants feel from residents of the community.

Mr. Hetrick questioned how an employer could expand a facility and stay in Rochester Hills.

Ms. Roediger responded that this is where there is a need to redevelop sites.

Chairperson Brnabic responded that the City has managed and has had businesses that have expanded and are thriving here.

Ms. Neubauer commented that it is ironic that Ms. Valentik was chewed out for being anti-development, as residents come and accuse the City of only caring about the developers.

Mr. McLeod stated that there are several key sites left within the city and there will be difficult decisions to be made in terms of what happens with those properties and what direction to go. He commented that some are leaning one way or another; but whatever those outcomes are, it will make some people unhappy. He added that some of those sites could lend themselves for non-residential development; however, going toward the housing side will not make people happy either as that will lead to transportation concerns as well. He stated that those key parcels have a reason why they have not yet been developed, and they will be the hardest ones.

Ms. Neubauer noted that Ms. Valentik brought statistics in January on how much space was needed and what the current vacancy rate is in the city.

Mr. McLeod responded that in the economic study undertaken, it was noted that the city could build industrial or tech industrial, as the city has a niche market there and these businesses want to cluster.

Ms. Bahm responded that the businesses would come, but there is not a workforce to support all that new development. She stated that businesses might be hamstrung by a lack of employees due to the lack of affordable housing and reliable transportation. She commented that she is hearing some of the same things that had been discussed at the last meeting, taking a twist as they look at these topics from different perspectives. An environment that is safe, clean, with natural features, parks, and providing all of the commercial goods, services and health care is much like what people want today. She noted that a concern is being articulated about a lack of housing diversity and

affordability. She stressed that this does not necessarily mean the answer is to build low-income housing, but a diversity of housing. She added that looking at improving walkability and transportation options, can in some case help offset some of the transportation or housing costs. She mentioned that the rule of thumb is 30 percent of income spent on housing, and if adding transportation is the second largest expense, that rule becomes 45 percent. She commented that this is hard to attain for a lot of people.

Mr. McLeod noted that for Rochester Hills, 35 percent of the community spends 35 percent or more of household income on rent.

Chairperson Brnabic asked what Rochester Hills could offer to developers as an incentive to build ranch homes, noting that it does not sound as they are at all affordable.

Ms. Roediger noted that considering the affordability of land and construction costs, the density can be changed; however, everyone wants to shy away from that. She mentioned that the State of Michigan has some programs for low-income housing; however, she did not know if Rochester Hills wanted to move toward that.

Ms. Bahm noted that there is some push for attainable housing; however, she stated that when looking at the expanse of parking lots a question is raised as to whether repurposing is possible.

Mr. Hooper commented that the City's parking standards were changed to reduce impervious surfaces. He added that there could be redevelopment opportunities there.

Ms. Roediger mentioned that the Hampton Center has plans for four or five different outlots throughout the parking lot.

Mr. Hooper added the Meijer has the same plan, noting that a change in parking standards allowed these to come together.

Ms. Bahm asked what kind of development the Commission would want to see.

Mr. Hetrick responded that it is not a shipping container coffee shop. He added that affordable housing does not mean wanting subsidized housing. He stated that it would be more like a first-time house.

Ms. Neubauer suggested an 1,800 square foot three bedroom ranch or even smaller.

Mr. Hooper commented that this would be \$350,000 easily at the cheap end. He stated that he does not know if there is an answer. He noted that near his home there are one- and two-bedroom smaller condominiums with a mix of senior citizens and families, and they are well over \$121,000 for those units with nothing less than \$150,000.

Mr. Hetrick commented that affordability is likely a perception as well as a

quantitative number. He stated that young families are paying in excess of \$300,000 for a home in his neighborhood because it fits them and they like the schools, community, large lot size and two-car garages. He suggested a scenario where they could go to a park without having to hop into a car.

Ms. Bahm stated that improving bike-ability and walkability would be helpful.

Mr. Struzik mentioned the density of the Hampton neighborhood, and pointed out that there are pathway gaps on Rochester Road that pose an issue to walkability. He added that there are still pathway gaps on many of the major thoroughfares and some of the densest neighborhoods pose an issue to walkability and the ability to go somewhere without a car.

Ms. Bahm listed statistics and noted that the cost burden of housing to seniors is higher than other households for both owners and renters. She commented that looking at the different scenarios, while the Commission has expressed that Scenario One is supported, there are drawbacks. She stated that the rest of the document will focus on how to address some of the items that have been identified as concerns, and will be the topic of the small groups next week.

She moved on to the second scenario, noting that it entails looking at smaller multi-unit housing types and select locations. She mentioned that this could mean duplex, triplex or apartments and it is not meant to signify one kind of unit. She added that the conversation included a diversity of housing types. She described single family, residential housing maintained throughout most of the community and new developments create walkable neighborhoods, and mixed-use areas integrating residential, commercial, and office spaces, providing housing opportunities for younger buyers and those looking to downsize. She stated that housing costs may still continue to rise. She added a focus on transforming some roads into pedestrian-friendly streets where automobiles are de-emphasized where appropriate, and stated that this would not be everywhere. She commented that including bike sharing programs on demand and public transportation, traffic congestion may ease with providing effective and efficient transportation options. She reviewed the pros of this scenario, noting a diversity of housing, more walkable neighborhoods, improved transportation choices, reduced traffic congestion. She noted some of the cons of this scenario, noting that housing costs will continue to rise, implementation costs include the cost of infrastructure and transportation improvements, and there is a resistance to change and a displacement risk. She cautioned that where there are areas that have been more affordable now, it should ensure that they are not displacing people making the problem worse.

Mr. Hooper commented that Rochester Hills is not in the business of producing inexpensive housing; and if it is built, the price will immediately skyrocket.

Mr. Struzik stated that as City staff, he would be excited at the possibility of higher density leading to lower cost per unit. He mentioned that cities like Clawson are pretty much built out and are in an infrastructure crisis, not being able to afford maintenance. He noted that cities like Rochester Hills have had many new subdivisions come online in the last 10-20-30 years and the developer has paid for the infrastructure; the next time it needs to be redone, the

cost will be on the City.

He commented that he likes denser neighborhoods, such as duplexes like those that were constructed on several streets along John R. He stated that as a staffer, he would not necessarily want to change the makeup of an existing neighborhood, but there are opportunities in the last few developments that will be undertaken to have some denser styles or more of a mix of housing. He suggested that the Mayor does a great job of getting people on board for his shared vision, and there could be opportunity to take things over the finish line such as completing the sidewalk network. He added that there are other opportunities for a reduction in roads for bike lanes, and noted that in the future they might be able to move the curbs to provide pathways, and he mentioned that this would make the road easier to maintain.

Chairperson Brnabic noted that the City has a millage for pathways, and is surprised when she sees spots where they are not finished.

Ms. Roediger responded that there are many gaps throughout the city, and commented that the millage only allows for about one pathway gap per year, with the rest of the funding going toward rehabilitation and maintenance. She added that there is a list of gaps and many are filled when they relate to a project that is already ongoing in the area.

Mr. Hooper noted that many neighborhoods like his do not have the capability to put sidewalks in.

Mr. Struzik noted that acquiring the land for the pathway is often an obstacle.

Ms. Roediger stated that she is going to push for more funds for pathways.

Ms. Bahm suggested that this can be supported in the Master Plan. She asked for any additional thoughts on Scenario Two.

Mr. Hetrick stated that for a young family, he would not want to buy a cheap house; however, a duplex would allow for a lower entry cost while still allowing for some backyard. As a senior, a duplex might also fit him. Regarding walkable neighborhoods, he stated that young families tend to be more health conscious and they want their children to go outside. He mentioned resistance to change, noting that people have said it multiple times that they do not want a house torn down in a neighborhood to build a duplex.

Mr. Struzik stated that the voices that are resistant to change are very well represented, and those who are in favor of change are less likely to show up and advocate for it.

Mr. Weaver stated that this goes back to public input, knowing that it is hard to overcome the voices who are in opposition.

Chairperson Brnabic stated that she does not remember much opposition to Redwood on Avon.

Ms. Roediger responded that there are not many neighbors to that development.

Ms. Neubauer noted that there is still opposition toward Legacy.

Ms. Roediger pointed out that the residents did not want Legacy to be cheap because they were afraid it would become a ghetto development.

Ms. Neubauer pointed out that she had in her notes they would be a certain price range, and when she looked on their website it was almost double.

Mr. McLeod pointed out that house prices have almost doubled in five years as well, and prices are just going with the market.

Ms. Neubauer commented that this feels like something outside of the scope of the Master Plan. She commented that she does not think people come to Rochester Hills for affordable housing.

Mr. Hetrick stated that it is relatively affordable housing. He stated that in playing the role of a young family he would come to Rochester Hills because of the parks, schools and neighborhoods and not because he thinks he can buy a house for \$90,000.

Ms. Neubauer stated that having employees for Rochester Hills businesses be able to afford housing is important; however, she feels that it is outside of the scope of the Master Plan.

Mr. Hetrick suggested that the ordinance could designate areas for this type of redevelopment.

Ms. Roediger suggested that the R-5 is a paper district now; but rezonings could be initiated by the City to designate some land for smaller lots and allow for duplexes and up to four units connected.

Ms. Neubauer asked if there is a way to identify remaining areas within Rochester Hills that a tech developer would be interested in, and the possible rezoning of an area around it.

Ms. Roediger suggested that it could be areas that would be within walking distance to downtown Rochester and immediately bordering Rochester, or in the Brooklands as there are already 60 foot lots there.

Ms. Bahm commented that the whole idea of the different scenarios is that there is a recognition that there are pros and cons to everything. She stated that the goal of the scenarios is to focus on what they are trying to achieve and the reasons why they want to do it, and then recognize and deal with the challenges.

Several areas were mentioned, including an empty property near Lifetime or along Childress.

Ms. Bahm directed the conversation to the last scenario to be discussed, with a

more intense urban style and a diverse and inclusive community, with strategic redevelopment of aging commercial areas with a mix of uses and an intention to reduce car dependence. She noted the pros, mentioning the reduction in car dependence, diverse housing options, financial resources for infrastructure sustainability and green spaces. She mentioned maintaining and uplifting transportation options, civic engagement, and economic opportunity, and noted that there would be potential resistance from single family neighborhoods, displacement concerns, infrastructure overload, public transit expansion costs, loss of familiar suburban identity and a need to manage diverse interests. She suggested not allowing it everywhere but instead in strategic locations.

Ms. Roediger stated that in the last Master Plan, they talked briefly about accessory dwelling units (ADUs) and decided at that time that it was not something desired and was recommended to revisit the topic in the future. She pointed out that many subdivisions have their own HOAs and probably would not be appropriate for ADUs; however, she noted there are homes not in HOAs on acreage. She questioned whether an ADU would be appropriate in that instance.

Ms. Neubauer questioned who would own the ADU, and if the homeowner would be able to rent it out. She suggested that there would have to be a minimum acreage required for an ADU and the size would have to be limited.

Ms. Roediger commented that over 80 percent of the city would not fall into that category; however, perhaps 10 percent would.

Ms. Neubauer responded that this may be one of those ideas where locations would have to be specified and then conditions listed where they might be appropriate, along with minimum acreage and maximum size.

Ms. Bahm noted that they have heard from a lot of communities in the last five years that are wanting more information on ADUs and are more open to it.

As the meeting was winding down for the break before the regular meeting would begin, Ms. Roediger reiterated that the small group discussions were coming up and the HOA meeting would be held tomorrow evening. She added that there was a quick survey that would be released and start being promoted hopefully by tomorrow encompassing 10 questions which will determine what scenario someone would end up with. She noted that this will be promoted at the HOA meetings and with the small groups, and will be highlighted on social media for the general public's thoughts. She stated that the survey link would be sent out directly to the Commissioners.