

DISCUSSION

2024-0474 Master Plan 2024

(Giffels Webster Memo dated 10-9-24, PC Worksession Draft Minutes of 9-17-24, and Worksession Minutes of 7-16-24, 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 and Ian Hogg.

Ms. Bahm stated that this evening they would provide a review of the findings of the public engagement results, share what they heard as a result of the small group meetings held back in September, and prepare for the Joint Meeting with Council set for November 18. She noted that there were seven individual meetings and a meeting with the Youth Council held. She noted that the packet included all of the different discussions which walked through the three different scenarios and then opened the discussion up for comment from the attendees.

She noted that the initial reaction was for scenario number one; however each attendee talked about their particular perspective. She stated that the business owners talked about what it was like to do business in the city and how much they enjoyed it, but noted the challenges they faced. The LDFA talked about economic development in a different context. One pastor participated, at first stating that everything should remain the same; but then he noted that housing should be addressed as he wanted his parishioners to be able to live nearby. Ms. Bahm added that there were similar results from Council members as well. She commented that attendance for the meetings varied, with six or seven business members, three LDFA members, one pastor, 11 staff members, 10 from nonprofits, two residents, five members from different City commissions, and 14 Youth Council.

Mr. Hogg noted that the Youth Council members generally preferred scenario two. He explained that they love where they live, but also recognize that the city has to move forward a bit. He noted that they were asked where they saw themselves in five or 10 years, and many said they would move away for college but would love to come back and raise a family here. He added that they talked a lot about connectivity.

Ms. Bahm explained that they did a quick survey of six questions, with questions including which neighborhood the attendees were in, and then more questions about gauging values and then tying the value to what the scenario encapsulated. She commented that they were surprised about the results, which moved more toward scenario two or three. She noted the following regarding the discussions:

- People are concerned about the members of the community that are aging and want to make sure there is sufficient housing and can stay in the community.

- A significant number (70 percent) said that the City should prioritize to protect resources and improve natural features.
- The discussion included how that translated to the three scenarios. The thought was that it takes money to do these things and the third scenario, with its potential ability to increase the tax base, would allow for more money available.
- It was noted that the R-5 District is on paper now, and it needs to move forward with a plan. Most people would not want the density of duplexes or triplexes in the middle of their existing neighborhood.
- Pathway gaps should be a priority before moving forward to other measures for further connectivity.
- The number one answer was to ensure that housing for seniors is adaptable and affordable while providing transportation options that keep seniors independent.

Resident Scot Beaton mentioned that the Fire Department burden is greater and the senior buildings do not pay back into the City as a tax base.

Ms. Bahm noted that the things that are wanted and are valued need to be supported with resources and that property taxes will either fall on the residents or it can fall on the new development. The question becomes how to balance that development within areas of the city where it is deemed appropriate as it is not really appropriate everywhere. She reviewed the online neighborhood maps, and stated that the discussion next month with Council will focus on what scenarios they need to address in each neighborhood. She commented that it may be more of a focus on natural features or it might be a focus on completing the sidewalk network so residents can be connected.

Ms. Roediger noted that she lives in the Adams neighborhood and pointed out that if someone wanted to downsize and stay in the same area, the only options for downsizing are Kings Cove, and a couple of apartments on Walton that are within the Adams High School area. She commented that there are no other options for those that cannot afford a single family home, and asked if there were any other properties that might make sense either at the Village or by Oakland University if something along Walton opened up. She suggested that they need to start thinking about the neighborhood-specific areas and prioritize what they want to see in each of those neighborhoods.

Ms. Bahm stated that continuing to look back at values and things that everyone has said they wanted, everything cannot stay exactly the way it is.

Ms. Brnabic stated that in her opinion, the first issue that should be considered is filling in the pathway gaps. Ms. Roediger previously mentioned that most of the funds were used for maintenance, not many gaps were completed each year.

Also, R-5 is a district still on paper. She questioned what areas might be suitable in moving that forward, considering the lack of affordability in the community. In regard to the possibility of considering duplexes, no neighborhood will want duplexes built in the middle of their subdivision.

Ms. Roediger stated that for the joint meeting on November 18 they would divide Planning Commission and Council into neighborhoods, trying to keep people near where they live. They would be asked to think about what some of the recommendations might be based on scenario planning in looking at the neighborhoods with a keen eye in terms of the pathway gaps and what vacant lots would potentially make sense for an R-5 zoning district.

She mentioned the vacant property north of Ferber on Rochester Road which is zoned Office, and commented that staff receives many inquiries for that property. She asked what the Commission realistically would like to see on that property, and asked if it would be a good transitional property for some attached duplexes or something of that nature to transition from the Ferber industrial to the single family neighborhood. She noted that there is property on Adams south of Meijer that is vacant right now and is zoned office, but was a part of the Consent Judgment and they have had a number of requests for multiple family there. She pointed out that it is across the street from Auburn Hills in a location that has all multiple family on that side of the road. She commented that it would be really interesting to do that deeper dive like the Commission did for the Flex Business district, where they went around the city with an eye on what the future scenario might be. She noted that this would be a hands-on work session with Planning Commission and Council. She explained that after the recommendations, the next step is presenting a draft version of the plan for the public to respond to; and the data gathering done to date leads to this moment.

Ms. Roediger noted that the last session included a good discussion speaking from different perspectives and noted the following topics:

- Ways to incentivize affordable housing and what the City's role would be.*
- Accessory dwelling units were discussed and how in the past it was decided that it was not for the city; however, in looking through the different neighborhoods the question is whether there might be some areas where it might make sense. About 90 percent of the neighborhoods are subdivisions that will have very strict regulations about what they can do; however, would it make sense to allow an ADU on the occasional lot that is five acres.*
- Where would senior living make sense if the City hired more firefighters. The answer is not in the Avondale neighborhood as there is already a lot there; it will need to be more in the north.*
- Bike lanes are a touchy topic right now. The City did revert turning lanes back on Barclay and is receiving a lot of questions on what the point is because the lanes do not go anywhere. Ms. Roediger would argue that the one-mile block is meant to be somewhat all-containing where someone who lives there should be able to go to school, to a park, to the movies, or go to work via biking. She commented that the next phase is extending the road improvements along Hampton Circle, so that if you live in those apartments or houses you could safely get to Barclay Circle, and then to the pathway along Rochester or Auburn Roads.*

Mr. Struzik stated that he has used the bike lanes quite a bit since they were introduced and they are working well. He mentioned that when he gets to the end of the road, he gets into a lane and makes his left turn, but instead of going under Rochester Road, he will go onto the sidewalk and then head to where he is going. He commented that restoring the turn lane has not had that much of an

impact on him as a bike user, but it has been wonderful for cars. He stressed that completing those pathways are important, and mentioned that he borrowed an electric bike to get a sense of what it is like to use an E-bike in the city. He stated that it really helps extend the range of where he can go without a car. He commented that he should not have to cross over Rochester Road, but has to do it twice because of pathway gaps, putting him in a lot more danger.

Ms. Roediger asked if the gaps were at Eddington, noting that both of those gaps are getting fixed.

Mr. Struzik commented that that will be nice, and stated that there are still pathway gaps on John R, and getting over the freeway entrance ramps on Rochester Road is problematic.

Ms. Roediger agreed that there are issues on all of the bridges other than Crooks.

Mr. Struzik stated that with the price of E-bikes coming down and battery technology is getting cheaper, there will be a lot more bike users and the city needs to do things to help keep them safe. He noted that taking his bike to the library is one less car on the road.

Ms. Roediger added that in her neighborhood she sees kids zipping around on electric scooters, extending their range.

Mr. Gallina stated that as E-bikes are becoming more affordable they must be kept in mind.

Mr. Hooper noted that affordability is a key issue in considering the R-5. He pointed out that the project that the Commission will be considering tonight noted that the one bedroom row homes are in the range of \$200,000 to \$400,000, and stated that those should be the least expensive.

Ms. Roediger commented that at the Walton Oaks groundbreaking it was indicated that the neurotypical houses may be a tad more expensive than normal, as there is a trade-off as they have to somewhat subsidize the cost of building the IDD homes up front.

Mr. Hooper asked where in the city it could be affordable, as with the cost of real estate in Rochester Hills he does not know if it is even feasible.

Mr. McLeod noted that affordability is a relative statement, as it is easier to get into a \$250,000 townhouse than it is to get into an \$800,000 to \$1 million house. He stated that he likes to use the term more attainable as it is a little bit more realistic for an average person or someone entering the market or going from a rental house or smaller house to something more significant. He commented that the term "affordable housing" has a bad stigma attached to it and that is not really what could be accomplished.

Ms. Roediger noted that this has not been presented yet and housing will be specifically discussed at the next meeting, most likely the joint meeting. She

mentioned that they talked about having a couple of developers come in and give their perspective on what it costs and their experience; however, the information has been updated on house sales in the past 12 months in Rochester Hills. She explained that broken down by the five neighborhoods, for the cheapest neighborhood the average sale price is \$500,000. She added that this would be a house on the smaller side that probably needs work.

Mr. Beaton contributed that there is a lot of strip mall development and asked if there had been a consideration to put residential on top of strip malls to infill and take care of underperforming asphalt. He suggested the mall by Target could be infilled. He suggested that the Village could have a second floor, and a second or third floor be incorporated by the Walmart development as it overlooks a beautiful wetland. He suggested that this is a way to bring more attainable housing to Rochester Hills and not place it in the middle of someone's neighborhood.

Chairperson Brnabic stated that many people intermingle or confuse the difference between affordable housing and low income housing.

Ms. Bahm explained that attainable is generally defined as housing that is affordable to people earning between 80 and 120 percent of the area median income, and that would include teachers and public safety officers.

Ms. Roediger stated that for the next meeting it would be good to know what 80 percent of the area median income is and commented that this would be a good number to reference.

Ms. Denstaedt asked if there is a breakdown of who is moving to Rochester Hills, whether first time or second time home buyers and if there are any numbers to correlate to dollar values.

Ms. Bahm responded that they do not know if they could tie that information to sales price; however, they have census data. Mr. McLeod noted that the census data available shows median household income is \$116,000.

Ms. Roediger stated that Jim Polyzois is one developer that they have talked to about wanting more attached ranch-type units. She noted that he has built many in the city and they have to charge \$800,000 for them. She suggested that he could explain why that is and what would have to happen from a density or size standpoint if they want \$500,000 units instead of \$800,000 units. She added that obviously land values cannot be controlled, nor construction costs. She mentioned that the demographic of the neighborhoods are shown on the maps and noted that the groups were broken down by data psychographics, such as a "Savvy Suburbanite", and what they preferred to see.

Ms. Denstaedt stated that when she was a first-time home buyer, \$500,000 was not an option.

Ms. Bahm cautioned that census data is always a lagging indicator and falls behind what actual prices are.

Chairperson Brnabic recalled that long ago staff was concerned about the density in the city, and noted that she could see the Fire Department saying that high density presents a safety issue. She asked what staff members were in the employee focus group.

Ms. Bahm noted that her sense from the employee group was that they are very confident about the way the City is being run, they feel good about the work that they do, and they don't feel like a lot needs to change.

Ms. Roediger noted that these conversations occur on many levels, and not just Fire. She mentioned conversations with Parks and Engineering for every park that is developed about how much maintenance costs and where the extra staff person will come to maintain it. She noted that every pathway gap and fill is part of the maintenance schedule. She commented that staff's comment is that open spaces have to be managed for invasive species, and that the City gets more and more but does not have more staff to maintain it.

Ms. Bahm stated that in speaking about that scenario, there are resources that will be needed to support it.

Mr. Gallina mentioned the human resources would be needed and asked whether the city had the physical resources to handle more employees such as a larger City Hall or new Fire Stations. He noted that growing staff will need places to put them.

Ms. Roediger noted that there has been a discussion about City Hall, as it has been 20 years since it was remodeled and has quite a bit of underutilized space because of operations going more digital. She pointed out that there are areas where cubicles were doubled in size, so there could definitely be space improvements.

Mr. McLeod mentioned a good example is the Building Department where no one drops plans off for plan review or applies for permits, as that is now all handled digitally. He stated that trips into the building are being reduced. He noted that he came here from Sterling Heights and there was very high traffic there even though they were very digital; however it is much more quiet here.

Ms. Bahm asked if there were any other questions about the groups that met.

Mr. Struzik mentioned comments about the existing neighborhoods. He noted that the character needs to be preserved and duplexes cannot be put into an existing neighborhood. He stated that he likes the idea of being able to accommodate more than just middle and upper-middle class families that are in their good income earning years. He stated that he wants the city to be a place where people can graduate high school and get their first house there and have some kind of living option instead of being pushed to somewhere else with the hope of maybe someday returning to Rochester Hills.

Ms. Roediger stated that people have sticker shock when going out east and to other areas such as California, and stated that it is relative. She commented that from that viewpoint, Rochester Hills is affordable.

Ms. Denstaedt asked about the conversation with business owners, and asked if they were concerned about their employees and housing costs.

Ms. Bahm responded that it was more small business oriented, and discussions were how to drum up more business.

Ms. Roediger noted that the owner of Nothing Bundt Cakes was saying how he wants to open another location in the Rochester-Auburn area, and he commented that he wants a location with more front yard parking and he would not go in the Brooklands because he wants to see parking in front. He had added that he would never locate next to a Starbucks because it backs up too much. She commented that it is part of the evolution of businesses, and is indicative of the things that business owners think about in terms of their deal breakers.

Mr. McLeod mentioned the Culvers/Clean Express car wash developments and noted that Culvers was still insisting on getting one additional parking spot in front of their store because they feel they need it. Both the local and corporate Culver's are stressing they need this parking in front of the door because people do not want to be inconvenienced.

Ms. Roediger mentioned that she frequents Breadless and they have terrible parking in front, with parking reserved for Panera and for the bank, but she still goes there.

Ms. Bahm commented that this is a part of supporting walkability in the community, and this is a part of educating the community as to what that means. She stated that it means that one doesn't put a drive-through in an area that is intended to be walkable, or parking in front of a business when instead they want a sidewalk to connect to the sidewalk out front.

Ms. Roediger asked what people were thinking about the Trio project, and noted that it is a retail center that feels accessible by walking or biking. She noted that to get there, they needed to have smaller setbacks.

Ms. Denstaedt responded that she thinks it looks amazing, but it is a tight congested corner. She asked what the rent pricing would be for the apartments there. She added that the gym has opened there and other things are opening.

Ms. Roediger responded that hopefully the people who live there will go to that gym and to that pharmacy, and will walk to the IAGD across Auburn.

Mr. Struzik suggested that perhaps people will take a walk or bike ride to Trio and it would result in a trip reduction. He commented that he thinks it looks good.

Mr. McLeod responded that Trio ranges from \$1,570 for a 620 square foot apartment to \$3,145 for a 1,400 square foot unit, and that represents about \$200 to \$225 a square foot.

Mr. Hooper stated that Legacy is a positive improvement, with high end apartments probably from \$2,000 to \$5,000 a month.

Ms. Roediger stated that it is a good problem that people want to be here.

Chairperson Brnabic stated that she doesn't know the answer to comments about developments that are given a projected price and when they go in due to different factors, the price has gone up. She asked if there was any way to hold an developer accountable to a projected cost.

Ms. Roediger responded that the only way to do it is to have the City be involved in subsidizing the costs.

Mr. Bahm added that for a developer who is willing to do it, it could be a part of a development agreement, perhaps not specific dollars, but maybe tied to between 80 and 120 percent of the AMI. She mentioned that they are talking with a community up north where a community land trust owns a 10-acre parcel and they want to do an attainable housing project there. She added that this will be a different kind of developer focused on providing that kind of housing. She mentioned that there are other strategies some communities use specific to affordability of housing, such as payment in lieu of taxes normally assessed on the property. She explained that there is an ordinance that goes along with that and two of the senior facilities in the community have been allowed to do that for a long time.

Ms. Roediger stated that there are MSHDA grant programs where they will pay for "X" amount of costs but then a certain percentage of the units must be kept at a certain range. She noted that the Gerald developers are looking into the Michigan Strategic Fund. She commented that historically all of the City's incentives offered have been for big non-residential developments, noting that abatements are for large investments and job creation. She added that the City could do incentives for residential if that is something that it wanted to do. She stated that this is something that could be looked at as one of the plan recommendations.

Mr. Beaton contributed that many apartment buildings in mid-town Detroit have tax abatements, and that area is exploding by Wayne State University. He commented that they are stunning and walkable. He added that Detroit has great incentives for start-up companies as well.

Mr. McLeod stated that typically when funding comes into play there is a cap on a certain number or percentage of units that is automatically locked in; and if that cap is broken, the incentive goes away and has to be repaid. He pointed out that Sterling Heights has a big apartment building going in on Van Dyke just south of Hall Road being constructed as a part of the Chaldean Community Foundation. He noted that Detroit can play by different rules because of size. He mentioned Danish Village has a payment limit for taxes, and questioned how to do this with a developer. He stated that the other alternative is to incentivize it with density.

Mr. Struzik mentioned Frankfort in northern Michigan, which has a seasonal

population and had trouble getting employees to work in their businesses; and he noted that they used a community land trust as a way to keep housing affordable.

Ms. Roediger noted that a lot of these things go back to subsidizing, and commented that there has to be some type of agency that oversees it, such as a housing authority or land trust that helps with the cost.

Ms. Bahm noted that the other tool is using tax increment financing to offset housing costs. He stated that this was recently enabled through State legislation, like a Brownfield or DDA type of TIF program.

Mr. Struzik stated that he likes the idea similar to what is at the Gerald, with retail on the first floor and housing above it. He mentioned that the Bordines site, if it were ever to turn over, is a hot corner that he is sure a developer would love to maximize with some multi-story buildings with retail on the first floor and housing on the second and third floors.

Mr. Beaton contributed that people like destinations, and mentioned that when he lived close to downtown Rochester, he would walk and spend the whole afternoon there. He added that they spend an afternoon at Partridge Creek. He stated that he would love to see the people who own the Target area ask why they cannot have a Partridge Creek there, or build more residential along Barclay Circle.

Ms. Roediger stated that City Walk is a great example.

Mr. Struzik stated that the Hampton Shopping Center is the exact opposite of that vision, because if someone is going to two stores on opposite ends of the center, most people drive.

Ms. Roediger responded that Brixmor, who owns that shopping center, has outlot plans, but she does not know if Rochester Hills will be the place to break through to that market. She commented that this was kind of what the Flex Business district was born out of in finding those nodes.

Mr. Struzik pointed out that the Hampton Shopping Center buildings have an age and will eventually be rebuilt. He mentioned Oakland and Lakeside Malls.

Ms. Roediger stated that the joint meeting will take a deep dive exercise into each Commissioner's neighborhood, or one close to them.