

Learning from Others

Many jurisdictions throughout the nation have decided to embark upon creating regulations that support the development and continuation of affordable housing in their respective communities. Specific examples include:

Madison, WI: www.cityofmadison.com/cdbg/iz/general/iz_ordinance.pdf

Sacramento, CA: www.lsn.net/housing/Sac_city_ordinance.pdf

Barnstable County, MA: www.capecodcommission.org/bylaws/affordhous.html

Burlington, VT: www.ci.burlington.vt.us/planning/zoning/znordinance/article14.html

Boulder, CO: www.bouldercolorado.gov/files/PDS/New%20LUC/Training%20Copies/9_13_tra.pdf

In the State of Michigan, the City of Ann Arbor has also identified affordable housing an important issue for the community. As such, the Ann Arbor City Council has adopted ordinances and policies that address the issue of affordable housing and home ownership.

According to the Regulatory Barriers Clearinghouse (2007), “Ann Arbor’s City ordinances contain a number of sections that have an impact on affordable housing. The city exempts certain housing from property taxation in Section 1:651 and provides for the financing of infrastructure in Section 1:27. In addition the Code addresses residential occupancy in Section 5:7, accessory housing and home occupations in Section 5:10, non-conforming uses in Section 5:86 and housing discrimination in Section 9.150.

In Section 1:651 Ann Arbor exempts certain housing from property taxation. Specifically, housing for the elderly is exempt if the owner pays a service charge of four percent of the contract rents of the previous year, and housing for low- and moderate-income households is exempt if the owner pays a service charge of ten percent of the annual shelter rents. These exemptions are in effect for a period not to exceed 50 years. In order to defray the cost of providing public infrastructure, the city provides two alternatives to property taxation. According to 1:272, the City will finance local public improvements using special assessments. The Council requires the City Administrator to

determine the cost of the proposed improvements, which can include storm sewers, sanitary sewers, street grading, graveling and paving, curbs, gutters and sidewalks.

The code also describes how costs are to be distributed to property owners. The city provides for an improvement charge to be levied against property owners of newly annexed property (Section 1:278) in order to pay for or reimburse the city for improvements that benefit the property. The City's occupancy code, found in Section 5:7 regulates the number of persons who can live in a residential dwelling unit. The city contends that this provides density control; preserves and enhances residential neighborhoods as stable, quiet places for citizens to live and raise children; protects safety and welfare; and maintains property values and ensures that adequate public and private facilities are available.

The City's zoning ordinance also allows certain uses in single family neighborhoods that could impact housing affordability. The city allows accessory apartments in single family dwelling districts under certain conditions. (Section 5:10) The owner must live on the premises. The apartment cannot increase the original square footage of the house by more than ten percent and cannot exceed 25 percent of the entire structure. In addition, the unit can only be occupied by those related to the owner and no rent can be charged.

Ann Arbor also allows some home occupations in these same single family zones. The conditions placed on these uses include that the exterior appearance of the unit cannot show evidence of the home occupation, business vehicle trips cannot exceed a certain level, and parking must be provided on site. The code also lists a number of permitted and non-permitted home occupations.

Ann Arbor's Code allows non-conforming uses to be continued which could impact low- and moderate-income housing in non-residential areas. The ordinance allows the continuance of non-conforming uses for an indefinite period unless damaged or destroyed. For residential uses in residential and non-residential areas the level of destruction must exceed 70 percent before the use must be brought into compliance with the code. (Section 5:86)

The Ann Arbor City Council provides in Section 9:150 that no person shall be discriminated against because of actual or perceived race, color, religion, national origin,

sex, age, height, weight, condition of pregnancy, marital status, physical or mental limitation, source of income, family responsibilities, educational association, sexual orientation, gender identity or HIV status. The ordinance describes a number of prohibited activities including discrimination in leasing or selling of real estate, maintenance of housing, or lending.”

Concluding Remarks

This report is not meant to be a solution, but rather a step towards better understanding what some of the potential regulatory barriers to affordable housing are in the region.

However, as demonstrated in the previous section, there exists an abundance of well-recognized strategies that can be implemented on a local and regional level to address the issue of minimizing regulatory barriers to affordable housing. According to the American Planning Association (2003), some of the generally accepted strategies for local jurisdictions to provide affordable housing opportunities include:

- Requirements to include a housing element in all master plans;
- Authorization to establish development incentives, such as density bonuses;
- Authorization to waive permit fees for affordable housing projects;
- Authorization for the creation of accessory dwelling units;
- Authorization to establish local or regional housing trust funds;
- Ongoing technical assistance for the development and analysis of affordable housing programs.

There is not a “one size fits all” approach to solving the issue of affordable housing and homeownership in the Traverse City urbanized area. Each of the strategies stated above would require greater analysis and consideration of the methodology to achieve the highest possible acceptance and impact. We hope that this report will act as a catalyst for local jurisdictions, employers, developers, nonprofits, and the general public to engage in strategies to provide more affordable housing choices in the region.